

2014 Dwelling Property Multistate Forms Revision

About This Filing

This filing is being made in order to revise various forms in the Dwelling Property Policy Program. These revisions include coverage modifications to many of the forms, as well as restatements of existing coverages.

This filing consists of a Table of Contents and the following two parts:

- ◆ Part I includes the individual changes with a description of the changes and the forms affected by it. Please refer to the Table of Contents for the page number of each change.
- ◆ Part II contains the revised Dwelling Property Policy forms and the related multistate endorsements.

Editorial Revisions

We have also made formatting and editorial changes to the policy forms and some endorsements. Examples of these changes include adding and deleting commas and revising text for purposes of readability scoring.

Related Filing(s)

The following companion filings will be implemented concurrently with this filing:

- ◆ **DP-2013-RRU13**, 2014 Dwelling Property Multistate Rules Revision
- ◆ **DP-2013-RLC13**, 2014 Dwelling Property Multistate Miscellaneous Loss Costs Revision

Attachments

This filing displays all forms with a standard format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the previous editions. The implementation of the **07 14** editions will supersede the prior editions.

In addition, wherever policy language is shown in the explanatory material, the revisions are displayed with a standard format of ~~striking through~~ deletions and underlining additions.

For the purposes of this filing, the appearance of asterisks (* * * *) indicates undisplayed text that remains unchanged with this filing.

Caution

Some endorsements included in this filing may not be applicable in a particular state. The state supplements will contain revised state amendatory endorsements, which conform the policy to applicable state laws, and will also specifically list those multistate forms that do not apply in a particular state. Thus, any reference to such inapplicable multistate endorsements should be disregarded for that state.

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Part I – Policy Changes

We are revising the Dwelling Property Policy Program to include various revisions developed since the last multistate revision. In this part, all policy language changes displayed are to the **DP 00 03** policy form, unless otherwise specified. Comparable changes to the other policy forms and endorsements will be made as appropriate and are displayed in Part II of this filing.

Form Number	New/Revised/ Withdrawn Form	Title of Form
DP 00 01 07 14	Revised	Dwelling Property 1 – Basic Form
DP 00 02 07 14	Revised	Dwelling Property 2 – Broad Form
DP 00 03 07 14	Revised	Dwelling Property 3 – Special Form
DP 00 21 07 14	New	Transition Endorsement For DP 00 01, Dwelling Property 1 – Basic Form
DP 00 22 07 14	New	Transition Endorsement For DP 00 02, Dwelling Property 2 – Broad Form
DP 00 23 07 14	New	Transition Endorsement For DP 00 03, Dwelling Property 3 – Special Form
DP 03 12 07 14	Revised	Windstorm Or Hail Percentage Deductible
DP 03 61 07 14	Revised	Hurricane Deductible *
DP 04 14 07 14	Revised	Additional Living Expense
DP 04 22 07 14	Revised	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage *
DP 04 30 07 14	Revised	Premium Sharing Two Or More Policies
DP 04 59 07 14	Revised	Assisted Living Care Coverage
DP 04 63 07 14	Revised	Loss Assessment Property Coverage
DP 04 65 07 14	Revised	Special Coverage
DP 04 68 07 14	Revised	Loss Assessment Coverage For Earthquake
DP 04 69 07 14	Revised	Earthquake
DP 04 72 07 14	Revised	Broad Theft Coverage *
DP 04 73 07 14	Revised	Limited Theft Coverage *

DP 04 95 07 14	Revised	Limited Water Back-Up And Sump Discharge Or Overflow Coverage
DP 04 99 07 14	Revised	Sinkhole Collapse
DP 05 28 07 14	Revised	Owned Motorized Golf Cart Physical Loss Coverage*
DP 05 30 07 14	Revised	Functional Replacement Cost Loss Settlement *
DP 05 31 07 14	Revised	Modified Functional Replacement Cost Loss Settlement *
DP 12 10 12 02	Withdrawn	Change Endorsement
DP 12 76 12 02	Withdrawn	Dwelling Rating Information
DP 16 09 01 09	Withdrawn	Water Exclusion Endorsement *
DP 16 10 01 09	Withdrawn	Water Exclusion Endorsement *
DP 16 13 07 14	New	Earthquake And Volcanic Eruption *
DP 17 66 07 14	Revised	Unit-Owners Coverage
DP 17 71 12 02	Withdrawn	Unit-Owners Coverage – Modified Other Insurance And Service Agreement Condition
DP D 12 02	Withdrawn	Earthquake And Volcanic Eruption *

*Not Applicable in North Carolina

Change No. 1 – Deductible Provision

Introduction

We are revising the Deductible provision to:

- ◆ More explicitly express that the deductible applies on a per loss basis; and
- ◆ State that when two or more deductibles apply to the loss, only the highest deductible applies.

Additionally, we are relocating the Deductible provision to the Conditions section.

Background

With the introduction of the DP 2002 Dwelling Program, a Deductible provision was introduced in the policy forms and the "sample" Declarations page was revised to remove words concerning the application of the deductible.

Several participating insurers have reported that it is common, when multiple deductibles apply to the same loss, for only the higher deductible amount to apply to a loss.

Explanation of Changes

We are now revising the Deductible provision to:

- ◆ More explicitly express that the deductible applies on a per loss basis; and
- ◆ Introduce a sentence to the Deductible provision to state that when multiple deductibles apply to the loss, only the higher deductible will apply.

The revised provision reads as follows:

CONDITIONS

B. DEDUCTIBLE-Deductible

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

With respect to any one loss:

1. Subject to the ~~policy limits that apply~~ 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.

We are also:

- ◆ Relocating the Deductible provision, which is now located after the Definitions section, to follow the Insurable Interest And Limit Of Liability provision currently located under the Conditions section. In view of the Insurable Interest And Limit Of Liability provision, which reflects the insurer's overall limitation of liability under the policy, we have also revised the reference to the "policy limits that apply" to state "applicable limit of liability";
- ◆ Relocating and redesignating the Policy Period provision to the end of the Conditions Section.
- ◆ Based on input from several participating insurers, removing the reference to "after application of any deductible" in the Loss Settlement condition to be consistent with respect to the provisions in the related condition;
- ◆ Revising and/or relocating the deductible provisions in several endorsements in order to maintain consistency with the revised policy language addressing the deductible provision in the base policy;
- ◆ Revising the deductible provisions in several endorsements to reflect that, in certain cases, the minimum deductible will not be less than \$500;
- ◆ Deleting redundant deductible provisions in several endorsements where the deductible provision in the base policy applies;
- ◆ Revising endorsement **DP 05 28**, Owned Motorized Golf Cart Physical Loss Coverage, to remove the field in the schedule allowing for different deductible amounts to apply to the individually listed golf carts; and
- ◆ Revising endorsement **DP 04 59**, Assisted Living Care Coverage, to remove reference to application of the policy deductible to the coverage provided by the endorsement in a single loss event.

Impact

The change which specifies that when two or more deductibles apply to the loss, only the highest deductible applies, represents a broadening of coverage with respect to those situations where another lower deductible may also have been applied to the loss under the policy.

In addition, the following endorsements have individual impact when attached to the base policy:

DP 04 63, **DP 04 68** and **DP 04 69** will result in a reduction of coverage as a result of an increase in the minimum deductible from \$250 to \$500.

DP 04 59 will result in a broadening of coverage as a result of the removal of the application of the policy deductible to the coverage provided by the endorsement in a single loss event.

DP 04 95 may result in a broadening or reduction of coverage as a result of the policy deductible applying to the coverage provided by the endorsement.

DP 05 28 may result in a reduction of coverage as a result of the elimination of the deductible applying separately to each golf cart.

Revised Forms

- ◆ **DP 00 01**, Dwelling Property 1 – Basic Form
- ◆ **DP 00 02**, Dwelling Property 2 – Broad Form
- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 03 12**, Windstorm Or Hail Percentage Deductible
- ◆ **DP 03 61**, Hurricane Deductible
- ◆ **DP 04 59**, Assisted Living Care Coverage
- ◆ **DP 04 63**, Loss Assessment Property Coverage
- ◆ **DP 04 68**, Loss Assessment Coverage For Earthquake
- ◆ **DP 04 69**, Earthquake
- ◆ **DP 04 72**, Broad Theft Coverage
- ◆ **DP 04 73**, Limited Theft Coverage
- ◆ **DP 04 95**, Limited Water Back-Up And Sump Discharge Or Overflow Coverage
- ◆ **DP 05 28**, Owned Motorized Golf Cart Physical Loss Coverage
- ◆ **DP 05 30**, Functional Replacement Cost Loss Settlement
- ◆ **DP 05 31**, Modified Functional Replacement Cost Loss Settlement

Change No. 2 – Motor Vehicle Provision

Introduction

We are revising the motor vehicle provision under Coverage C – Personal Property – Property Not Covered to more explicitly express the coverage applicable for motor vehicles used to service a residence.

In addition, we are revising Coverage C – Personal Property, 2. Property Not Covered, to restate the preclusion of coverage for electronic equipment contained in a motor vehicle.

Background

The Dwelling 2002 multistate program revised, in part, policy language in the motor vehicle provision under Coverage C – Personal Property, 2. Property Not Covered, to introduce the term "solely".

Coverage C – Personal Property, 2. Property Not Covered paragraph e.2. states, in part, that there is coverage for motor vehicles "not required to be registered for use on public roads...which are used solely to service the Described Location".

Some insurance agents have expressed concern that the phrase "used solely to service the Described Location" may prevent recovery of an otherwise covered motor vehicle-related claim for a vehicle used to service an insured's Described Location (e.g. a riding lawn mower), because the involved vehicle was used at one time in the past to service a neighbor's premises or another location that was not the Described Location.

Similar concerns were raised regarding an insured renting or borrowing a riding lawn mower from a neighbor to cut his or her own grass.

The Dwelling Property Policy generally provides coverage with respect to electronic apparatus and accessories located either on the Described Location or anywhere in the world subject to certain conditions and exceptions. Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by the power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories, while in or upon a motor vehicle or other motorized land conveyance are presently listed under Property Not Covered.

Explanation of Changes

To address these concerns we are revising Coverage C – Personal Property, 2. Property Not Covered paragraph e., the motor vehicle preclusion, to:

- ◆ Replace references to device or instrument with references to electronic equipment; and
- ◆ To replace reference to Described Location with reference to residence.

The new provision will read as follows:

e. Motor vehicles or all other motorized land conveyances.

~~(1) This includes:~~

~~(a) Their accessories, equipment and parts while such property is in or upon the vehicle or conveyance; or~~

~~(b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.~~

~~The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.~~

~~However, this Paragraph 2.e. 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 the electrical system of motor vehicles and all other motorized land conveyances.~~

~~(2) We do cover mMotor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:~~

~~(a) Used solely to service the Described Locationa residence; or~~

~~(b) Designed to assist the handicapped;~~

Impact

The change to paragraph e.(1) is a restatement of coverage.

The change to paragraph e.(2) is a broadening of coverage.

Revised Forms

- ◆ DP 00 01, Dwelling Property 1 – Basic Form
- ◆ DP 00 02, Dwelling Property 2 – Broad Form

- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 04 72**, Broad Theft Coverage
- ◆ **DP 04 73**, Limited Theft Coverage

Change No. 3 – DP 00 01 – Fair Rental Value and Additional Living Expense

Introduction

We are revising Other Coverages **5. Rental Value** in Form **DP 00 01** to delete reference to the monthly limitation of coverage, and revising and relocating the language to Coverage **D – Fair Rental Value (FRV)**.

In addition, we have revised endorsement **DP 04 14, Additional Living Expense (ALE)**, to provide that the ALE coverage is subject to a monthly limitation.

Background

Currently **DP 00 01**, under Other Coverages **5. Rental Value**, provides up to 20% of the Coverage **A** limit of liability for fair rental value, with a limitation of 1/12 of this 20% for each month the rented part of the Described Location is unfit for its normal use.

Coverage **D - Fair Rental Value** does not reference a monthly limitation.

In addition, while ALE coverage is not offered in the Basic Form **DP 00 01**, it can be added via endorsement **DP 04 14, Additional Living Expense**. A limitation of up to 25% per month of the policy's limit of liability for ALE coverage has previously been designated on the Dwelling Property Declarations and in Rule **502. Coverage D – Fair Rental Value and Coverage E – Additional Living Expense**.

Explanation of Changes

Because the 1/12 monthly limitation does not address the possibility of a property rented for less than 12 months out of the year, we are revising Other Coverages **5. Rental Value** by deleting the reference to the 1/12 monthly limitation, and revising and relocating the language to Coverage **D - Fair Rental Value**. The monthly limitation will apply to the basic coverage under Other Coverage **5.** since the other coverage provides loss of fair rental value as *described* in Coverage **D**.

5. Rental Value

You may use up to 20% of the Coverage **A** limit of liability for loss of fair rental value as described in Coverage **D**. ~~We will pay only 1/12 of this 20% for each month the rented part of the Described Location is unfit for its normal use.~~

Payment under this coverage reduces the Coverage **A** limit of liability by the amount paid for the same loss.

Under Coverage **D**– Fair Rental Value, we are revising and relocating the language to state that the amount payable each month for FRV will be a proportionate share of the total rental value amount insured under the policy. For example, if the property is rented 8 months out of the year, the proportionate share will be calculated by multiplying the FRV by 1/8.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental. We will pay only the proportionate share of the total value of the rental amount for each month the rented part of the Described Location is unfit for its normal use. The proportional share corresponds to the number of months the Described Location is rented or held for rental.

In addition, with respect to Additional Living Expense, we have eliminated reference to "up to 25%" in the Declarations and incorporated the language into **DP 04 14**, Additional Living Expense, to provide that the ALE coverage is subject to a limitation of no more than 25% per month.

Impact

The change to Coverage **D** – Fair Rental Value in **DP 00 01** is a broadening of coverage.

The change to **DP 04 14**, Additional Living Expense, is a restatement of coverage.

Revised Forms

- ◆ **DP 00 01**, Basic Form
- ◆ **DP 04 14**, Additional Living Expense

Change No. 4 – Collapse Coverage

Introduction

We are revising the Other Coverages and Perils Insured Against sections to more explicitly express the scope of coverage with respect to collapse.

Background

Currently, the Perils Insured Against section in **DP 00 03** provides that loss involving collapse is not a Peril Insured Against under Coverages **A** and **B**.

The Other Coverage Collapse provides, in general, that the coverage applies only with respect to the abrupt falling down or caving in of a building or any part of a building and not to a building or any part of a building in danger of falling down or caving in.

In the case of 401 Fourth Street, Inc. v. Investors Insurance Group, 583 Pa. 445, 879 A.2d 166 (2005), the Pennsylvania Supreme Court stated, in part, that with respect to additional coverage for collapse under the policy addressed by the court:

We conclude that the policy language [risks of direct physical loss involving collapse of a building or any part of a building] provides coverage that extends beyond the situation in which an insured's building falls to the ground, even in light of the traditional interpretation of the term "collapse." It covers not only loss for a collapse, but also the *risk* of loss *involving* a collapse. To interpret this broad policy language to be limited to only the falling down of the building, even under existing case law, would be to give too narrow an interpretation to the broad language drafted by the insurer.

Explanation of Changes

In response to various issues raised in recent case law, we are revising the Perils Insured Against section in **DP 00 03** and Other Coverages – Collapse in various forms as follows:

PERILS INSURED AGAINST

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

1. We insure against ~~risk of~~ direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
 - a. Excluded under General Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

**except as provided in Other Coverage 10.
Collapse; or**

F. Other Coverages

10. Collapse

- a. ~~With respect to this Other Coverage: The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.~~
- b. For the purpose of this Other 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 Other Coverage – Collapse does not apply to:
 - ~~(1) 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 current intended purpose.~~
 - (21) A building or any part of a building that is in danger of falling down or caving in; ~~is not considered to be in a state of collapse.~~
 - (32) A part of a building that is standing ~~is not considered to be in a state of collapse,~~ even if it has separated from another part of the building; ~~;~~
 - (43) A building or any part of a building that is standing ~~is not considered to be in a state of collapse,~~ even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

In addition, to reinforce the application of the hidden decay peril as decay of the covered property itself, we are adding the words "of a building or any part of a building" to the hidden decay peril. We are making a corresponding change to hidden insect and vermin damage peril. The revisions to Paragraph **10.d.** of the Other Coverage Collapse are as follows:

F. Other Coverages

10. Collapse

10.d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if ~~the-such~~ collapse was caused by one or more of the following:

- (1) The Perils Insured Against named under Coverage **C**;
- (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to you prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

(The remainder of this provision is re-designated accordingly.)

Impact

There is no change in coverage.

Revised Forms

- ◆ **DP 00 02**, Dwelling Property 2 – Broad Form
- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 04 65**, Special Coverage

Change No. 5 – Perils Insured Against

Introduction

We are revising several Dwelling Property forms and endorsements to delete the words "risk of" from perils insured against provisions.

Background

Currently, the Perils Insured Against section of the Dwelling Property 3 – Special Form, as well as additional endorsement provisions, refers to “risk of” direct physical loss.

For example, **DP 00 03**, Dwelling Property 3 – Special Form reads, in part:

PERILS INSURED AGAINST

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

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

In the 1988 multistate revision to the Dwelling Policy Program, the lead-in language stated "[W]e insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property;" The related wording from the 1988 edition was revised in the 2002 edition of the Dwelling Policy Program to read "We insure against risk of direct physical loss to property described in Coverages A and B."

In 401 Fourth Street, Inc. v. Investors Insurance Group, 583 Pa. 445, 879 A.2d 166 (2005), the Pennsylvania Supreme Court stated, in part, that with respect to additional coverage for collapse under the policy addressed by the court:

We conclude that the policy language [risks of direct physical loss involving collapse of a building or any part of a building] provides coverage that extends beyond the situation in which an insured's building falls to the ground, even in light of the traditional interpretation of the term "collapse." It covers not only loss for a collapse, but also the *risk* of loss *involving* a collapse. To interpret this broad policy language to be limited to only the falling down of the building, even under existing case law, would be to give too narrow an interpretation to the broad language drafted by the insurer.

While the exact policy language addressed by the court in the case does not appear in the Perils Insured Against sections of ISO's current **DP 00 03** policy, we decided to reinforce analogous policy language contained in the ISO Dwelling Policy Program.

Explanation of Changes

The term "risk of" is being deleted from the provisions related to perils insured against in various ISO Dwelling Property policy forms and optional endorsements where applicable.

For example, the following revision is being implemented in **DP 00 03**, Dwelling Property 3 – Special Form:

PERILS INSURED AGAINST

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

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

Impact

There is no change in coverage.

Revised Forms

- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 04 65**, Special Coverage
- ◆ **DP 05 28**, Owned Motorized Golf Cart Physical Loss Coverage

Change No. 6 – Vermin Preclusion

Introduction

We are revising the Perils Insured Against preclusions to delete the word "vermin" and to expressly add: "nesting or infestation, or discharge or release of waste products or secretions, by any animals."

Background

Currently, the Perils Insured Against exclude in part, coverage for loss caused by birds, vermin, rodents, insects, and domestic animals. Several participating insurers and several insurance agents suggested that the term "vermin" be removed from the current provision and those participating insurers also suggested that the section be revised to include express reference to infestation, or discharge or release of waste products or secretions by any animal, referring to language in ISO commercial property forms.

Explanation of Changes

We are revising the preclusion under the Perils Insured Against to:

- ◆ Remove reference to "vermin", and;
- ◆ Expressly exclude coverage for loss caused by nesting or infestation, or discharge or release of waste products or secretions, by any animal.

The revised provision reads as follows:

PERILS INSURED AGAINST

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

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

c. Caused by:

(8) Any of the following:

(g) Birds, ~~vermin,~~ rodents, insects or domestic animals; or

(h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals.

Impact

The deletion of the word "vermin" is a broadening of coverage, but the addition of the provision related to "nesting or infestation, or discharge or release of waste products or secretion" which expressly extends to "any animals" is a reduction of coverage.

Revised Forms

- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 04 65**, Special Coverage
- ◆ **DP 05 28**, Owned Motorized Golf Cart Physical Loss Coverage

Change No. 7 – Windstorm Or Hail Peril

Introduction

We are revising the Windstorm Or Hail peril under Coverage C – Personal Property in form **DP 00 03**, Dwelling Property 3 – Special Form, to preclude coverage for rowboats and canoes that are located outside of the building.

Background

Currently in form **DP 00 03**, under Coverage C – Personal Property, the Perils Insured Against section provides that the peril of Windstorm Or Hail does not include loss to canoes and rowboats or trees, shrubs or plants. However, in forms **DP 00 01**, Dwelling Property 1 – Basic Form and under Coverage C – Personal Property in **DP 00 02**, Dwelling Property 2 – Broad Form, the Perils Insured Against section provides that the peril of Windstorm Or Hail does not include loss to canoes and rowboats when outside of the building. In addition, the Peril of Windstorm Or Hail in **DP 00 02** does not include loss to trees, shrubs, plants or lawns when outside of the building.

An insurer has expressed concern about Special Form **DP 00 03** providing less coverage for canoes and rowboats and trees, shrubs, plants or lawns than Basic Form **DP 00 01** and Broad Form **DP 00 02**.

Explanation of Changes

In response to this concern and to maintain consistency with forms **DP 00 01** and **DP 00 02**, we are revising the Windstorm Or Hail peril under Coverage C – Personal Property in form **DP 00 03** as follows:

PERILS INSURED AGAINST

B. Coverage C – Personal Property

2. Windstorm Or Hail

This peril does not include loss to:

- a. 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;

- b. The following property when outside of the building:

(1) Canoes and rowboats; or

~~e-(2)~~ Trees, shrubs, ~~or~~ plants or lawns.

Impact

This is a broadening of coverage.

Revised Form

DP 00 03, Dwelling Property 3 – Special Form

Change No. 8 – Water Exclusion

Introduction

We are incorporating the language contained in the Water Exclusion Endorsements into the base Dwelling Property policies.

Background

In a 2008 forms filing, we introduced endorsements **DP 16 09** and **DP 16 10**, Water Exclusion Endorsement, which replaced the Water Damage Exclusion found in the base Dwelling Property policies, after considering the issues raised in Hurricane Katrina-related litigation surrounding the water damage exclusion and to reinforce the scope of the provision.

Additionally, we advised that these revisions would be incorporated into the base policy forms with the next general revision to the Dwelling Policy Program.

Explanation of Changes

We are now:

- ◆ Incorporating the language contained in the Water Exclusion Endorsements into the base Dwelling Property policies;
- ◆ Revising several endorsements to reflect the revisions to the Water Damage Exclusion;
- ◆ Withdrawing **DP 16 09** and **DP 16 10**, Water Exclusion Endorsement.

Impact

- ◆ There is no change in coverage.

Revised Forms

- ◆ **DP 00 01**, Dwelling Property 1 – Basic Form
- ◆ **DP 00 02**, Dwelling Property 2 – Broad Form
- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 04 65**, Special Coverage
- ◆ **DP 04 68**, Loss Assessment Coverage For Earthquake
- ◆ **DP 04 69**, Earthquake
- ◆ **DP 04 95**, Limited Water Back-Up And Sump Discharge Or Overflow Coverage

Withdrawn Forms

- ◆ **DP 16 09**, Water Exclusion Endorsement
- ◆ **DP 16 10**, Water Exclusion Endorsement

Change No. 9 – Earth Movement Exclusion

Introduction

We are revising the Earth Movement Exclusion for consistency with the revised Water Exclusion.

Background

In 2008, we introduced endorsements to replace the Water Damage Exclusion in the base Dwelling Property policies after considering the issues raised in Hurricane Katrina-related litigation surrounding the Water Damage Exclusion, and to reinforce the scope of the exclusion.

Change No. 8 of this filing incorporates this revised language into the base Dwelling Property policies.

Explanation of Changes

For consistency with the Water Exclusion, we are revising the Earth Movement Exclusion found in Dwelling Property policies. This revision introduces language reinforcing the scope of the Earth Movement exclusion to provide that the exclusion applies regardless of whether the earth movement damage is caused by an act of nature or otherwise caused.

The revised provision reads as follows:

GENERAL EXCLUSIONS

2. Earth Movement

Earth Movement means:

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

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

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

~~caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.~~

Impact

There is no change in coverage.

Revised Forms

- ◆ DP 00 01, Dwelling Property 1 – Basic Form
- ◆ DP 00 02, Dwelling Property 2 – Broad Form
- ◆ DP 00 03, Dwelling Property 3 – Special Form

Change No. 10 – Broad Theft Coverage – Definition Of Insured

Introduction

We are revising the definition of "insured" in **DP 04 72**, Broad Theft Coverage, in response to case law.

Background

Recent case law examined the definition of "insured" under a Homeowners policy with specific reference to the term "any person named above".

One court determined that the phrase "any person named above" in the definition of "insured" in the homeowners policy before the court could reasonably be interpreted two different ways and did not reference unnamed resident relatives and only referenced the named insureds because they are the only persons *named* in the policy.

Explanation of Changes

We are revising the definition of "insured" in **DP 04 72** as follows:

2. "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 ~~any person named above a resident of your household who is your relative;~~
or
 - 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.~~person described in 2.a.~~

Impact

There is no change in coverage.

Revised Form

DP 04 72, Broad Theft Coverage

Change No. 11 – Unit-owners Modified Other Insurance And Service Agreement Condition

Introduction

We are withdrawing optional endorsement **DP 17 71**, Unit-Owners Coverage – Modified Other Insurance And Service Agreement Condition and revising the Other Insurance And Service Agreement provision of **DP 17 66**.

Background

Currently, the Other Insurance And Service Agreement condition of **DP 17 66**, Unit-owners Coverage states that "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 policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement." In addressing this condition, our Dwelling 2002 multistate filing stated that the "unit-owner is only covered for the amount of loss that exceeds the amount *recovered* by the association under its policy. If the association doesn't recover because of a high deductible or other reasons, the unit-owner does not recover."

Optional endorsement **DP 17 71** was introduced at the request of several producers and insurers as part of the Dwelling 2002 multistate filing and uses a different Other Insurance And Service Agreement condition than **DP 17 66**. The condition in **DP 17 71** states that "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 policy, we will pay only for the amount of the loss in excess of the amount due from that other insurance or service agreement, whether they can collect on it or not."

We have received various inquiries regarding the above referenced provisions, both as found in **DP 17 66** and as found in **DP 17 71**, with respect to the amount of a loss to property covered both by the Unit-owners Coverage endorsement and an other insurance or a service agreement that falls under the other insurance or service agreement's deductible.

Explanation of Changes

In response to various inquiries, we are withdrawing **DP 17 71** and modifying the Other Insurance And Service Agreement condition in **DP 17 66** to expressly address the deductible of an other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by the unit-owners policy. This revision, in addition to incorporating the

language of the Other Insurance And Service Agreement Condition **H**. (Condition **I** in **DP 00 01**) in the base policy forms, provides in general that with respect to any amount of a loss covered by this policy and *not due under the other insurance or service agreement in the name of a corporation or association of property owners because of the application of a deductible*, this policy is primary.

The revised provision reads as follows:

1. Other Insurance And Service Agreement

a. If property covered by this Policy is also covered by:

(1) Other **fire** insurance, we will pay only the proportion of a loss caused by any peril insured against under this Policy that the limit of liability applying under this Policy bears to the total amount of fire insurance covering the property; or

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

b. Subject to Paragraph 1.a., 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 Policy, this insurance is:

(1) Excess over the amount due under such other insurance or service agreement, whether the corporation or association of property owners has collected that amount or not; and

(2) Primary with respect to any amount of the loss covered by this Policy and not due under such other insurance or service agreement because of the application of a deductible. ~~will be excess over the amount recoverable under such other insurance or service agreement.~~

c. As used in this Paragraph 1., a service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement even if it is characterized as insurance.

Impact

This will represent a broadening of coverage, except with respect to specific claim situations or procedures, if any, in which an individual company may have treated the unit-owners policy as primary with respect to any amount of a loss covered by the unit-owners policy and not due under other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by the unit-owners policy because of the application of a deductible.

Revised Form

- ◆ **DP 17 66**, Unit-owners Coverage

Withdrawn Form

DP 17 71, Unit-owners Coverage – Modified Other Insurance And Service Agreement Condition

Change No. 12 – Loss Assessment Coverage Endorsement

Introduction

We are revising endorsement **DP 04 63**, Loss Assessment Property Coverage, to delete the special limit applicable to assessments that result from a deductible in the policy of insurance purchased by a corporation or association of property owners.

Background

Currently, **DP 04 63**, Loss Assessment Property Coverage, provides loss assessment coverage, but contains a "special limit" of \$1,000 when the assessment results from a deductible in a policy of insurance purchased by a corporation or association of property owners.

Several insurers have indicated that deductibles higher than \$1,000 are common on policies of insurance purchased by a corporation or association of property owners. As a result, some individual unit owners may have related exposure(s) greater than the \$1,000 amount addressed in the special limit provision contained in **DP 04 63**.

Explanation of Changes

We are eliminating the current \$1,000 special limit applicable to assessments that result from a deductible in the policy of insurance purchased by a corporation or association of property owners.

Impact

This is a broadening of coverage.

Revised Form

DP 04 63, Loss Assessment Property Coverage

Change No. 13 – Limited Water Back-Up And Sump Discharge Or Overflow Endorsement

Introduction

We are revising **DP 04 95**, Water Back-Up And Sump Discharge Or Overflow, to reinforce that the water back-up coverage provided by the endorsement is limited to water or waterborne material originating from within the Described Location and which backs up through sewers or drains or overflows or is discharged from a sump, sump pump or related equipment.

Background

The Water Back-Up And Sump Discharge Or Overflow endorsement has been available in most states since 1993. In general, the endorsement was originally designed to provide a limited amount of coverage for damage caused by water that flows from within the dwelling via its sewer or drain lines but backs up because, for example, the line is clogged or broken, or municipal sewer lines or storm drains off the residence premises are broken or at capacity.

The coverage provided by the endorsement was later enhanced to include coverage with respect to the overflow of water from a sump, sump pump or related equipment.

Agents have expressed concern that the endorsement does not expressly address that the water or waterborne material originates from within the dwelling.

Additionally, **DP 04 95**, Limited Water Back-up And Sump Discharge Or Overflow Coverage endorsement, did not explicitly address the Power Failure Exclusion contained in the base policy forms.

Explanation of Changes

In response to the agents' concerns and to reinforce the related aspects of the endorsement, we are:

- ◆ Revising the title of the endorsement to "Limited Water Back-Up And Sump Discharge Or Overflow Coverage";
- ◆ Revising the endorsement to state, in part, that coverage applies to covered property caused by water or waterborne material which originates from within the Described Location;
- ◆ Deleting reference to the Special Deductible. Under the revised endorsement, coverage is expressly added as an Other Coverage, and therefore, the applicable policy deductible also applies with respect to the

Limited Water Back-Up And Sump Discharge Or Overflow Coverage endorsement;

- ◆ Removing the stated limit of liability of \$5,000, and introducing a Schedule to provide increased flexibility with respect to the related limit of insurance (The companion ISO rules filing identifies a basic limit of \$5,000 with increased limits of liability of \$10,000, \$15,000, \$20,000 or \$25,000 related to the endorsement.); and
- ◆ Revising the endorsement to address water back-up which results from a failure of a sump pump resulting from power failure in order to provide that the Power Failure Exclusion does not apply to the coverage provided under the endorsement.

Impact

- ◆ If increased limits of liability are provided, this is a broadening in coverage.
- ◆ The introduction of an exception to the Power Failure Exclusion is a broadening in coverage.
- ◆ With respect to the other revisions, this is a restatement of coverage.

Revised Form

DP 04 95, Limited Water Back-Up And Sump Discharge Or Overflow Coverage

Change No. 14 – Transition Endorsements

Introduction

We are introducing transition endorsements for ISO policy forms which contain the revisions made to the base Dwelling Property policies with this multistate revision. The endorsements provide companies with an additional option for updating their policy forms.

Explanation of Changes

The transition endorsements include the revisions that were developed for the policy forms with this multistate revision. Companies can attach the appropriate transition endorsement to the 12 02 edition of the corresponding policy form.

Impact

Attaching the appropriate transition endorsement to the 12 02 edition of the corresponding policy form implements the revisions to that policy form, including any related broadenings and reductions, in this filing.

New Forms

- ◆ **DP 00 21**, Transition Endorsement For **DP 00 01**, Dwelling Property 1 – Basic Form
- ◆ **DP 00 22**, Transition Endorsement For **DP 00 02**, Dwelling Property 2 – Broad Form
- ◆ **DP 00 23**, Transition Endorsement For **DP 00 03**, Dwelling Property 3 – Special Form

Change No. 15 – Other Revisions

Introduction

We are amending several forms and endorsements to make several miscellaneous revisions. In addition, we are withdrawing miscellaneous endorsements from the ISO Dwelling Property Program.

Background

Currently, the Loss Settlement condition in policies providing replacement cost coverage on buildings allows the insured to disregard the replacement cost loss settlement provisions and make claim under the policy for loss to buildings on an actual cash value basis. The insured may then make claim for additional liability according to the provisions of the Loss Settlement condition, provided the insured notifies the insurer of their intent to do so (“your intent to do so”) within 180 days after the date of loss.

We have received comments and questions from some regulators with respect to the phrase “your intent to do so” in the related provision.

Also, some insurers have reported that **DP 12 10**, Change Endorsement, and **DP 12 76**, Dwelling Rating Information, are no longer frequently used and could be withdrawn from the ISO Dwelling Property Program.

In addition, we have included other revisions to several forms and endorsements to address the governmental action exclusion, endorsement subtitles referring to other specific forms, and other changes.

Explanation of Changes

Loss Settlement Condition

In response to related regulatory comments and questions, we are revising the Loss Settlement condition as follows:

- 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 **E**. Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building, ~~so within 180 days after the date of loss.~~

Endorsement Subtitles Referring To Other Specific Forms

We are revising several endorsements to delete subtitles that specify which forms the endorsements may be used with. This information is contained in the corresponding rules.

References to the Declarations in the Schedule

We are revising several endorsements that include a Schedule, to provide that information required to complete the Schedule, if not shown in the Schedule, will be shown in the Declarations.

Endorsements DP 12 10 and DP 12 76

We are withdrawing **DP 12 10**, Change Endorsement, and **DP 12 76**, Dwelling Rating Information, from the ISO Dwelling Property Program.

Endorsement DP D 12 02

We are withdrawing **DP D 12 02**, Earthquake And Volcanic Eruption, and renumbering it to **DP 16 13**, Earthquake And Volcanic Eruption, as well as updating the format of the endorsement for production purposes.

Other Changes

Although they are not impacted by other modules of this filing, we are revising endorsements **DP 04 22**, **DP 04 30** and **DP 04 99** in order to make minor editorial revisions.

Impact

There is no change in coverage.

New Form

DP 16 13, Earthquake And Volcanic Eruption

Revised Forms

- ◆ **DP 00 02**, Dwelling Property 2 – Broad Form
- ◆ **DP 00 03**, Dwelling Property 3 – Special Form
- ◆ **DP 03 12**, Windstorm Or Hail Percentage Deductible
- ◆ **DP 04 22**, Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- ◆ **DP 04 30**, Premium Sharing Two Or More Policies
- ◆ **DP 04 59**, Assisted Living Care Coverage
- ◆ **DP 04 63**, Loss Assessment Property Coverage
- ◆ **DP 04 68**, Loss Assessment Coverage For Earthquake

- ◆ **DP 04 69**, Earthquake
- ◆ **DP 04 72**, Broad Theft Coverage
- ◆ **DP 04 73**, Limited Theft Coverage
- ◆ **DP 04 99**, Sinkhole Collapse
- ◆ **DP 05 28**, Owned Motorized Golf Cart Physical Loss Coverage
- ◆ **DP 05 30**, Functional Replacement Cost Loss Settlement
- ◆ **DP 05 31**, Modified Functional Replacement Cost Loss Settlement

Withdrawn Forms

- ◆ **DP 12 10**, Change Endorsement
- ◆ **DP 12 76**, Dwelling Rating Information
- ◆ **DP D**, Earthquake And Volcanic Eruption

Part II – Attachment Of Forms And Endorsements

This section contains a complete copy of all new, revised and withdrawn forms and endorsements as listed below. All revised forms and endorsements contain a standard format of ~~striking through~~ deletions and underlining new material.

We are introducing Dwelling Policy Declarations **DP DS 01 07 14** and **DP DS 02 07 14**, which have a simplified format and provide more space and flexibility to input information. We will be printing and distributing them as part of the ISO Sample Forms Portfolio.

We are also introducing three new Quick Reference policywriting support forms that correspond with the three Dwelling policy forms. **Note:** Although they do not currently display page numbers to correspond with the listed provisions, the final versions of the policywriting support forms will contain these page numbers upon distribution.

The Declarations and policywriting support forms listed in the table below and accompanied by an asterisk (*):

- ◆ Are being submitted for information only;
- ◆ Are not state specific; and
- ◆ May be rearranged and reformatted by companies to be compatible with their machine processing requirements.

Each form is attached as follows. The previous editions of all *revised* forms are indicated below or otherwise labeled as *new* or *withdrawn*.

Number	Previous Edition	Title
DP 00 01 07 14	12 02	Dwelling Property 1 – Basic Form
DP 00 02 07 14	12 02	Dwelling Property 2 – Broad Form
DP 00 03 07 14	12 02	Dwelling Property 3 – Special Form
DP 00 21 07 14	New	Transition Endorsement For DP 00 01, Dwelling Property 1 – Basic Form
DP 00 22 07 14	New	Transition Endorsement For DP 00 02, Dwelling Property 2 – Broad Form
DP 00 23 07 14	New	Transition Endorsement For DP 00 03, Dwelling Property 3 – Special Form
DP 03 12 07 14	12 02	Windstorm Or Hail Percentage Deductible

Number	Previous Edition	Title
DP 03 61 07 14	10 12	Hurricane Deductible
DP 04 14 07 14	12 02	Additional Living Expense
DP 04 22 07 14	12 02	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
DP 04 30 07 14	12 02	Premium Sharing Two Or More Policies
DP 04 59 07 14	12 02	Assisted Living Care Coverage
DP 04 63 07 14	12 02	Loss Assessment Property Coverage
DP 04 65 07 14	12 02	Special Coverage
DP 04 68 07 14	12 02	Loss Assessment Coverage For Earthquake
DP 04 69 07 14	12 02	Earthquake
DP 04 72 07 14	12 02	Broad Theft Coverage
DP 04 73 07 14	12 02	Limited Theft Coverage
DP 04 95 07 14	01 09	Limited Water Back-Up And Sump Discharge Or Overflow Coverage
DP 04 99 07 14	12 02	Sinkhole Collapse
DP 05 28 07 14	12 02	Owned Motorized Golf Cart Physical Loss Coverage
DP 05 30 07 14	12 02	Functional Replacement Cost Loss Settlement
DP 05 31 07 14	12 02	Modified Functional Replacement Cost Loss Settlement
DP 12 10 12 02	Withdrawn	Change Endorsement
DP 12 76 12 02	Withdrawn	Dwelling Rating Information
DP 16 09 01 09	Withdrawn	Water Exclusion Endorsement
DP 16 10 01 09	Withdrawn	Water Exclusion Endorsement
DP 16 13 07 14	New	Earthquake And Volcanic Eruption
DP 17 66 07 14	12 02	Unit-owners Coverage
DP 17 71 12 02	Withdrawn	Unit-owners Coverage – Modified Other Insurance And Service Agreement
DP D 12 02	Withdrawn	Earthquake And Volcanic Eruption
DP DS 01 07 14	New	Dwelling Property Policy Declarations*
DP DS 02 07 14	New	Additional Dwelling Property Policy Declarations*

DP R 001 07 14	New	Your Dwelling Property 1 – Basic Form Quick Reference*
DP R 002 07 14	New	Your Dwelling Property 2 – Broad Form Quick Reference*
DP R 003 07 14	New	Your Dwelling Property 3 – Special Form Quick Reference*

* Submitted for information only.

DWELLING PROPERTY 1 – BASIC FORM

AGREEMENT

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

DEFINITIONS

In this ~~p~~Policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the ~~C~~company providing this insurance.

DEDUCTIBLE

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

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a ~~L~~imit of ~~L~~iability is shown and Perils Insured Against for which a ~~P~~remium is stated.

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this ~~p~~Policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

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 Described Location, 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 used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. 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;

- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

~~(1)~~ This includes:

- ~~(a)~~ Their accessories, equipment and parts while such property is in or upon the vehicle or conveyance; or

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~~(b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.~~

~~The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.~~

~~However, this Paragraph 2.e. 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 the electrical system of motor vehicles and all other motorized land conveyances.~~

~~(2) We do cover mMotor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:~~

~~(a) Used solely to service the Described Locationa residence; or~~

~~(b) Designed to assist the handicapped;~~

~~f. Watercraft of all types, other than rowboats and canoes;~~

~~g. Data, including 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;~~

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

~~i. Water or steam; or~~

~~j. Gravemarkers, including mausoleums.~~

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this pPolicy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this pPolicy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this pPolicy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental. We will pay only the proportionate share of the total value of the rental amount for each month the rented part of the Described Location is unfit for its normal use. The proportionate share corresponds to the number of months the Described Location is rented or held for rental.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this pPolicy, we cover the Fair Rental Value loss for no more than two weeks.

3. The periods of time referenced above are not limited by the expiration of this pPolicy.

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

E. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

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2. Debris Removal

We will pay your reasonable expense for the removal of:

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

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

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

4. World-Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

5. Rental Value

You may use up to 20% of the Coverage A limit of liability for loss of fair rental value as described in Coverage D. ~~We will pay only 1/12 of this 20% for each month the rented part of the Described Location is unfit for its normal use.~~

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (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, as set forth in Condition D.2.

7. 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 five days while removed.

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

8. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

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

PERILS INSURED AGAINST

We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

1A. Fire Or Lightning

1B. Internal Explosion

- a. Internal Explosion means explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.
- b. Explosion does not mean:
 - (1) Electric arcing;
 - (2) Breakage of water pipes; or
 - (3) Breakage or operation of pressure relief devices.

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This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

When a Premium for Extended Coverage is shown in the Declarations, Perils 2. through 8. are made part of Perils Insured Against.

2. Windstorm Or Hail

This peril does not include loss:

- a. 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; or
- b. To the following property when outside of the building:
 - (1) Awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or
 - (2) Canoes and rowboats.

3. Explosion

This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean:

- a. Electric arcing;
- b. Breakage of water pipes; or
- c. Breakage or operation of pressure relief devices.

This peril replaces Peril **1B**.

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss caused by:

- a. A vehicle owned or operated by you or a resident of the Described Location; or
- b. Any vehicle to fences, driveways and walks.

7. Smoke

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

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

8. Volcanic Eruption

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

When a Premium for Vandalism Or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.

9. Vandalism Or Malicious Mischief

This peril does not include loss:

- a. To glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. By pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or
- bc.** To property on the Described Location, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

GENERAL 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;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you 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.

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2. Earth Movement

Earth Movement means:

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

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

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

~~caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.~~

3. Water Damage

~~Water Damage~~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 ~~or water borne material~~ which:
 - (1) Backs up through sewers or drains; or
 - (2) which overflows or is otherwise discharged from a sump, sump pump or related equipment;~~or~~
- c. Water ~~or water borne material~~ below the surface of the ground, including water which exerts pressure on, or seeps, ~~or~~ leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in A.3.a. through A.3.c. of this exclusion.

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

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

~~caused by or resulting from human or animal forces or any act of nature.~~

However, Direct loss by fire or explosion resulting from any of the above, in A.3.a. through A.3.d., ~~water damage~~ is covered.

4. Power Failure

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

5. Neglect

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

6. War

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

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion 7. pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

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

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

- B. We do not cover loss to lawns, plants, shrubs or trees outside of buildings.

CONDITIONS

A. Policy Period

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

BA. 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. For an amount greater than the interest of a person insured under this pPolicy 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. Concealment Or Fraud

We provide coverage to no persons insured under this pPolicy if, whether before or after a loss, one or more persons insured under this pPolicy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

D. Duties After Loss

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

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 named 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. Your interest and that of 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 Paragraph D.34.; and
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. 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 the damaged property.

F. 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.

G. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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H. 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 Described Location 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.

I. Other Insurance And Service Agreement

If property covered by this ~~p~~Policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this ~~p~~Policy that the limit of liability applying under this ~~p~~Policy bears to the total amount of fire insurance covering the property; 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.

J. Subrogation

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

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

K. Suit Against Us

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

L. 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.

M. 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. 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.

N. Abandonment Of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

1. If a mortgagee is named in this ~~p~~Policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this ~~p~~Policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to: ~~Paragraphs G.~~

~~_____ (1) Appraisal;~~

~~_____ (2) ~~J.~~ Suit Against Us; and~~

~~_____ (3) ~~L.~~ Loss Payment;~~

also apply to the mortgagee.

3. If we decide to cancel or not to renew this ~~p~~Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

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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.

P. 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**.

Q. 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 policy; 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.

R. 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.

S. Liberalization Clause

If we make a change which broadens coverage under this edition of our **pPolicy** 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.

T. 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.

U. Assignment

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

V. Death

If you die, we insure:

- 1. Your legal representatives but only with respect to the property of the deceased covered under the **pPolicy** at the time of death;
- 2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

W. Nuclear Hazard Clause

1. "Nuclear **Hazard**" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

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

X. Recovered Property

If you or we recover any property for which we have made payment under this Policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

Y. Volcanic Eruption Period

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

Z. Loss Payable Clause

If the Declarations show s a loss payee for certain listed insured personal property, that person is considered an insured in this Policy with respect to that property.

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

AA. Policy Period

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

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DWELLING PROPERTY 2 – BROAD FORM

AGREEMENT

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

DEFINITIONS

In this ~~p~~P~~o~~l~~i~~c~~y~~, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the ~~C~~C~~o~~m~~p~~a~~n~~y providing this insurance.

DEDUCTIBLE

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

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a ~~L~~L~~i~~m~~i~~t of ~~L~~L~~i~~a~~b~~i~~l~~i~~t~~y is shown and Perils Insured Against for which a ~~P~~P~~r~~e~~m~~ium is stated.

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this ~~p~~P~~o~~l~~i~~c~~y~~, building equipment and outdoor equipment used for the service of and located on the Described Location.

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 Described Location, 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 used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. 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;

- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

~~(1) This includes:~~

~~(a) Their accessories, equipment and parts while such property is in or upon the vehicle or conveyance; or~~

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~~(b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.~~

~~The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.~~

~~However, this Paragraph 2.e. 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 the electrical system of motor vehicles and all other motorized land conveyances.~~

~~(2) We do cover mMotor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:~~

~~(a) Used solely to service the Described Locationa residence; or~~

~~(b) Designed to assist the handicapped;~~

~~f. Watercraft of all types, other than rowboats and canoes;~~

~~g. Data, including 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;~~

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

~~i. Water or steam; or~~

~~j. Gravemarkers, including mausoleums.~~

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this pPolicy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this pPolicy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this pPolicy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this pPolicy, we cover the Fair Rental Value loss for no more than two weeks.

3. The periods of time referenced above are not limited by the expiration of this pPolicy.

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

E. Coverage E – Additional Living Expense

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this pPolicy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

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2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

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

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

This coverage is additional insurance.

4. World-Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C, except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (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, as set forth in Condition D.2.

7. 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.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

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9. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

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

10. Collapse

~~a. With respect to this Other Coverage: The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.~~

~~b. For the purpose of this Other 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 Other Coverage – Collapse does not apply to:~~

~~(1) 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 current intended purpose.~~

~~(21) A building or any part of a building that is in danger of falling down or caving in; is not considered to be in a state of collapse.~~

~~(32) A part of a building that is standing is not considered to be in a state of collapse, even if it has separated from another part of the building.~~

~~(43) A building or any part of a building that is standing is not considered to be in a state of collapse, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.~~

~~bd.~~ We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if ~~the~~ such collapse was caused by one or more of the following:

(1) The Perils Insured Against in this pPolicy;

(2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to you prior to collapse;

(3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to you prior to collapse;

(4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

~~ce.~~ Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under ~~bd.~~(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

11. Glass Or Safety Glazing Material

a. We cover:

(1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

(2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

(1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or

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(2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

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

12. Ordinance Or Law

a. The Ordinance Or Law limit of liability determined in b. or c. below will apply with respect to 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. If you are an owner of a Described Location, and that location:

(1) Is insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage A or Unit-Owners Building Items at each Described Location; or

(2) Is not insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage B at each Described Location.

c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage 12. Ordinance Or Law, refer to property at such a Described Location covered under Other Coverage 3. Improvements, Alterations And Additions.

d. 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.

e. 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 you 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.

PERILS INSURED AGAINST

We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss:

a. 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; or

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b. To the following property when outside of the building:

- (1) Awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers;
- (2) Canoes and rowboats; or
- (3) Trees, shrubs, plants or lawns.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss to a fence, driveway, or walk caused by a vehicle owned or operated by you or a resident of the Described Location.

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

This peril does not include loss:

- a. By pilferage, theft, burglary or larceny; or
- b. To property on the Described Location, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. Damage By Burglars

This peril means damage to covered property caused by burglars.

This peril does not include:

- a. Theft of property; or
- b. Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

This peril does not include loss:

- a. To the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object.
- b. To outdoor radio and television antennas and aerials including their lead-in wiring, masts and towers, outdoor equipment, awnings and fences.

Damage to the falling object itself is not covered.

11. Weight Of Ice, Snow Or Sleet

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

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.
- b. This peril does not include loss:
 - (1) To a building caused by constant or repeated seepage or leakage over a period of weeks, months or years;
 - (2) On the Described Location, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
 - (3) To the system or appliance from which the water or steam escaped;
 - (4) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing below; or

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(5) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

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

d. General Exclusion 3. Water—~~Damage~~, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

This peril does not include loss caused by or resulting from freezing except as provided in Perils Insured Against 14. Freezing below.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

GENERAL 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 under Other Coverage 12. Ordinance Or Law;

b. The requirements of which result in a loss in value to property; or

c. Requiring you 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.

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

~~caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.~~

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3. Water Damage

~~Water Damage~~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 ~~or water-borne material~~ which:
 - (1) ~~b~~Backs up through sewers or drains; or
 - (2) ~~which~~ ~~o~~verflows or is otherwise discharged from a sump, sump pump or related equipment; ~~or~~
- c. Water ~~or water-borne material~~ below the surface of the ground, including water which exerts pressure on or seeps ~~or,~~ leaks or flows 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 3.a. through 3.c. of this exclusion.

~~caused by or resulting from human or animal forces or any act of nature.~~

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

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

However, ~~D~~irect loss by fire or explosion resulting from any of the above, in 3.a. through 3.d., water damage is covered.

4. Power Failure

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

5. Neglect

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

6. War

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

- a. Undeclared war, civil war, insurrection, rebellion or revolution;

- b. Warlike act by a military force or military personnel;

- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion 7. pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

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

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

CONDITIONS

A. Policy Period

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

BA. 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. For an amount greater than the interest of a person insured under this pPolicy 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.

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2. If two or more deductibles under this Policy apply to the loss, only the highest deductible amount will apply.

C. Concealment Or Fraud

We provide coverage to no persons insured under this pPolicy if, whether before or after a loss, one or more persons insured under this pPolicy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

D. Duties After Loss

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

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 named 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. Your interest and that of 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 **D.34.**; and
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.**, 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 Other Coverages **F.12.** Ordinance Or Law. 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** 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.

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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, ~~after application of deductible and~~ without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

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 in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

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

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

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

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

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

F. 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.

G. 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 Described Location 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.

H. Other Insurance And Service Agreement

If property covered by this ~~p~~Policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this ~~p~~Policy that the limit of liability applying under this ~~p~~Policy bears to the total amount of fire insurance covering the property; 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.

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I. Subrogation

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

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

J. Suit Against Us

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

K. 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.

L. 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.

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. 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. Policy conditions relating to: ~~Paragraphs G.~~

~~(1) Appraisal;~~

~~(2) J. Suit Against Us; and~~

~~(3) L. Loss Payment;~~

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.

O. 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.

P. 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.

Q. 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.

R. Liberalization Clause

If we make a change which broadens coverage under this edition of our **pPolicy** 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. Assignment

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

U. Death

If you die, we insure:

1. Your legal representatives but only with respect to the property of the deceased covered under the **pPolicy** at the time of death;
2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

V. Nuclear Hazard Clause

1. "Nuclear **Hazard**" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This **pPolicy** does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

W. 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.

X. Volcanic Eruption Period

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

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Y. Loss Payable Clause

If the Declarations show s a loss payee for certain listed insured personal property, that person is considered an insured in this pPolicy with respect to that property.

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

Z. Policy Period

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

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DWELLING PROPERTY 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

In this ~~p~~P~~o~~l~~i~~c~~y~~, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the ~~C~~C~~o~~m~~p~~a~~n~~y providing this insurance.

DEDUCTIBLE

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

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a ~~L~~L~~i~~m~~i~~t of ~~L~~L~~i~~a~~b~~i~~l~~i~~t~~y is shown and Perils Insured Against for which a ~~P~~P~~r~~e~~m~~ium is stated.

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this ~~p~~P~~o~~l~~i~~c~~y~~, building equipment and outdoor equipment used for the service of and located on the Described Location.

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 Described Location, 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 used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. 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;

- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

~~(1) This includes:~~

~~(a) Their accessories, equipment and parts while such property is in or upon the vehicle or conveyance; or~~

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~~(b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.~~

~~The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.~~

~~However, this Paragraph 2.e. 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 the electrical system of motor vehicles and all other motorized land conveyances.~~

~~(2) We do cover mMotor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:~~

~~(a) Used solely to service the Described Locationa residence; or~~

~~(b) Designed to assist the handicapped;~~

~~f. Watercraft of all types, other than rowboats and canoes;~~

~~g. Data, including 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;~~

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

~~i. Water or steam; or~~

~~j. Gravemarkers, including mausoleums.~~

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this pPolicy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this pPolicy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this pPolicy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this pPolicy, we cover the Fair Rental Value loss for no more than two weeks.

3. The periods of time referenced above are not limited by the expiration of this pPolicy.

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

E. Coverage E – Additional Living Expense

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this pPolicy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

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2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

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

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

This coverage is additional insurance.

4. World-Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C, except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (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, as set forth in Condition D.2.

7. 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.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

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9. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

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

10. Collapse

~~a. With respect to~~ The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.:-

~~b. For the purpose of this Other 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 Other Coverage – Collapse does not apply to:~~

~~(1) 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 current intended purpose.~~

~~(21) A building or any part of a building that is in danger of falling down or caving in; is not considered to be in a state of collapse.~~

~~(32) A part of a building that is standing is not considered to be in a state of collapse, even if it has separated from another part of the building; or~~

~~(43) A building or any part of a building that is standing is not considered to be in a state of collapse, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.~~

~~bd.~~ We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if the such collapse was caused by one or more of the following:

(1) The Perils Insured Against named under Coverage C;

(2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to you prior to collapse;

(3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to you prior to collapse;

(4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

~~ee.~~ Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under ~~bd.~~ (2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

11. Glass Or Safety Glazing Material

a. We cover:

(1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

(2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

(1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or

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(2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

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

12. Ordinance Or Law

a. The Ordinance Or Law limit of liability determined in b. or c. below will apply with respect to 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. If you are an owner of a Described Location, and that location:

(1) Is insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage A or Unit-Owners Building Items at each Described Location; or

(2) Is not insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage B at each Described Location.

c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage 12. Ordinance Or Law, refer to property at such a Described Location covered under Other Coverage 3. Improvements, Alterations And Additions.

d. 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.

e. 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 you 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.

PERILS INSURED AGAINST

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

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

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

a. Excluded under General Exclusions;

b. Involving collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

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(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in Other Coverage 10. Collapse; or

c. Caused by:

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

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

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

(2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (a) Fence, pavement, patio or swimming pool;
- (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building or other structure;
- (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (d) Pier, wharf or dock;

(3) Theft of property not part of a covered building or structure;

(4) Theft in or to a dwelling or structure under construction;

(5) Wind, hail, ice, snow or sleet to:

- (a) Outdoor radio and television antennas and aerials, including their lead-in wiring, masts or towers; or
- (b) Trees, shrubs, plants or lawns;

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

(7) Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

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

(8) Any of the following:

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

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

(f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or

(g) Birds, ~~vermin~~, rodents, insects or domestic animals; or

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(h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals.

Exception To c.(8)

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

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

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

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

General Exclusion **A.3. Water—Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c.(8)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not excluded or excepted in this ~~p~~Policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage **C** caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss to:

- a. 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;
- b. The following property when outside of the building:

(1) Canoes and rowboats; or

~~e.~~(2) Trees, shrubs, or plants or lawns.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

This peril does not include loss by pilferage, theft, burglary or larceny.

9. Damage By Burglars

a. This peril means damage to covered property caused by burglars.

b. This peril does not include:

(1) Theft of property; or

(2) Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

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

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11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or

(3) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

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

d. General Exclusion A.3. Water—~~Damage~~, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

We do not cover loss caused by or resulting from freezing except as provided in the peril of freezing below.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

GENERAL 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 under Other Coverage 12. Ordinance Or Law;

b. The requirements of which result in a loss in value to property; or

c. Requiring you 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.

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2. Earth Movement

Earth Movement means:

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

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

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

~~caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.~~

3. Water Damage

~~Water Damage~~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 or water borne material~~ which:
 - (1) Backs up through sewers or drains; or
 - (2) which overflows or is otherwise discharged from a sump, sump pump or related equipment; ~~or~~
- c. ~~Water or water borne material~~ below the surface of the ground, including water which exerts pressure on, or seeps, ~~or~~ leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or

~~caused by or resulting from human or animal forces or any act of nature.~~

- d. Waterborne material carried or otherwise moved by any of the water referred to in A.3.a. through A.3.c. of this exclusion.

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

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

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

4. Power Failure

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

5. Neglect

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

6. War

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

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

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

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

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 **p**Policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A**. above to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;of part or all of any property whether on or off the Described Location.

CONDITIONS

~~A. Policy Period~~

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

~~BA. 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. For an amount greater than the interest of a person insured under this **p**Policy 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. Concealment Or Fraud

We provide coverage to no persons insured under this **p**Policy if, whether before or after a loss, one or more persons insured under this **p**Policy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

D. Duties After Loss

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

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 named 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. Your interest and that of 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 **p**Policy;

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- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **D.34.**; and
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.**, 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 Other Coverages **F.12.** Ordinance Or Law. 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** 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 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 in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (3) Underground flues, pipes, wiring and drains.
- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

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

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

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

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

F. 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.

G. 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 Described Location 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.

H. Other Insurance And Service Agreement

If property covered by this ~~p~~Policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this ~~p~~Policy that the limit of liability applying under this ~~p~~Policy bears to the total amount of fire insurance covering the property; 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.

I. Subrogation

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

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

J. Suit Against Us

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

K. 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.

L. 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. 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.

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. Mortgage Clause

1. If a mortgagee is named in this ~~p~~Policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this ~~p~~Policy 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. Policy conditions relating to: ~~Paragraphs G.~~

~~(1) Appraisal;~~

~~(2) Suit Against Us;~~ and

~~(3) Loss Payment;~~

also apply to the mortgagee.

- 3. If we decide to cancel or not to renew this ~~p~~Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
- 4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
- 5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

O. 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 ~~p~~Policy.

P. Cancellation

- 1. You may cancel this ~~p~~Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this ~~p~~Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this ~~p~~Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

- c. When this ~~p~~Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the ~~p~~Policy; or

(2) If the risk has changed substantially since the ~~p~~Policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- d. When this ~~p~~Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this ~~p~~Policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this ~~p~~Policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Q. Nonrenewal

We may elect not to renew this ~~p~~Policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this ~~p~~Policy. Proof of mailing will be sufficient proof of notice.

R. Liberalization Clause

If we make a change which broadens coverage under this edition of our ~~p~~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 ~~p~~Policy; or
- 2. An amendatory endorsement.

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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. Assignment

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

U. Death

If you die, we insure:

- 1. Your legal representatives but only with respect to the property of the deceased covered under the pPolicy at the time of death;
- 2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

V. Nuclear Hazard Clause

- 1. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- 2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- 3. This pPolicy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

W. 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.

X. Volcanic Eruption Period

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

Y. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this pPolicy with respect to that property.

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

Z. Policy Period

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSITION ENDORSEMENT FOR DP 00 01, DWELLING PROPERTY 1 – BASIC FORM

This endorsement:

- A.** Implements a general program revision;
- B.** Changes the current edition of your policy to a **07 14** edition; and
- C.** Does not reflect any state-specific requirements. Refer to your policy for any state-specific requirements.

AGREEMENT

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

DEFINITIONS

In this Policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

DEDUCTIBLE

The section containing the **Deductible** provision is deleted.

COVERAGES

This insurance applies to the Described Location, Coverages for which a limit of liability is shown and Perils Insured Against for which a premium is stated.

A. Coverage A – Dwelling

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

- 1.** We cover:
 - c.** If not otherwise covered in this Policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

B. Coverage B – Other Structures

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

- 2.** We do not cover:
 - c.** Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

C. Coverage C – Personal Property

Paragraphs **2.c.**, **2.e.** and **2.g.** are replaced by the following:

2. Property Not Covered

- c.** 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.** Motor vehicles or all other motorized land conveyances. This includes their equipment and parts while such property is in or upon the vehicle or conveyance.

However, this Paragraph **2.e.** 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 the electrical system of motor vehicles and all other motorized land conveyances.
- (2)** Motor vehicles or other motorized land conveyances 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;
- g.** Data, including data stored in:
 - (1)** Books of account, drawings or other paper records; or
 - (2)** Computers and related equipment.

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We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;

Paragraph **3. Property Removed To A Newly Acquired Principal Residence** is replaced by the following:

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage **C** limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this Policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this Policy.

D. Coverage D – Fair Rental Value

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

1. If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental. We will pay only the proportionate share of the total value of the rental amount for each month the rented part of the Described Location is unfit for its normal use. The proportionate share corresponds to the number of months the Described Location is rented or held for rental.
2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.

E. Other Coverages

Paragraph **4. World-wide Coverage** is replaced by the following:

4. World-wide Coverage

You may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to property covered under Coverage **C** while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage **C** limit of liability by the amount paid for the same loss.

Paragraph **5. Rental Value** is replaced by the following:

5. Rental Value

You may use up to 20% of the Coverage **A** limit of liability for loss of fair rental value as described in Coverage **D**.

Payment under this coverage reduces the Coverage **A** limit of liability by the amount paid for the same loss.

Paragraph **6.b.** is replaced by the following:

6. Reasonable Repairs

b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (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, as set forth in Condition **D.2**.

Paragraph **7. Property Removed** is replaced by the following:

7. 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 five days while removed.

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

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PERILS INSURED AGAINST

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

1B. Internal Explosion

- a. Internal explosion means explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.

Paragraph **9. Vandalism Or Malicious Mischief** is replaced by the following:

9. Vandalism Or Malicious Mischief

This peril does not include loss:

- a. To glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. By pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or
- c. To property on the Described Location, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

GENERAL EXCLUSIONS

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

1. Ordinance Or Law

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;

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

2. Earth Movement

Earth Movement means:

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

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

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

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

3. Water

This means:

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

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

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

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

Paragraph **9. Governmental Action** is replaced by the following:

9. Governmental Action

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

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

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CONDITIONS

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

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. For an amount greater than the interest of a person insured under this Policy at the time of loss; or
2. For more than the applicable limit of liability.

Paragraph **B. Insurable Interest And Limit Of Liability** is replaced by the following:

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.

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

C. Concealment Or Fraud

We provide coverage to no persons insured under this Policy if, whether before or after a loss, one or more persons insured under this Policy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements;
relating to insurance.

The lead-in to Paragraph **D. Duties After Loss** and Paragraphs **6.d.** and **6.f.** are replaced by the following:

D. 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 or your representative:

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:
 - d. Changes in title or occupancy of the property during the term of the Policy;

- f. The inventory of damaged personal property described in Paragraph **D.4.**; and

Paragraph **F. Loss To A Pair Or Set** is replaced by the following:

F. 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.

Paragraph **I. Other Insurance And Service Agreement** is replaced by the following:

I. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this Policy that the limit of liability applying under this Policy bears to the total amount of fire insurance covering the property; 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.

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

K. Suit Against Us

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

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

M. Loss Payment

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

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

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O. Mortgage Clause

Paragraphs 1., 2. and 3. are replaced by the following:

1. If a mortgagee is named in this Policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to:
 - (1) Appraisal;
 - (2) Suit Against Us; and
 - (3) Loss Payment;also apply to the mortgagee.
3. If we decide to cancel or not to renew this Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

Paragraph **P. No Benefit To Bailee** is replaced by the following:

P. No Benefit To Bailee

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

Paragraph **Q. Cancellation** is replaced by the following:

Q. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- b. When this Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the Policy; or
 - (2) If the risk has changed substantially since the Policy was issued.This can be done by letting you know at least 30 days before the date cancellation takes effect.
- d. When this Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this Policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Paragraph **R. Nonrenewal** is replaced by the following:

R. Nonrenewal

We may elect not to renew this Policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

Paragraph **S. Liberalization Clause** is replaced by the following:

S. 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.

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

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

Paragraph **T. Waiver Or Change Of Policy Provisions** is replaced by the following:

T. Waiver Or Change Of Policy Provisions

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

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

U. Assignment

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

V. Death

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

- 1. Your legal representatives but only with respect to the property of the deceased covered under the Policy at the time of death;

W. Nuclear Hazard Clause

Paragraphs **1.** and **3.** are replaced by the following:

- 1. "Nuclear hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

- 3. This Policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

Paragraph **X. Recovered Property** is replaced by the following:

X. Recovered Property

If you or we recover any property for which we have made payment under this Policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

Paragraph **Z. Loss Payable Clause** is replaced by the following:

Z. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, that person is considered an insured in this Policy with respect to that property.

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

The following paragraph is added:

AA. Policy Period

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSITION ENDORSEMENT FOR DP 00 02, DWELLING PROPERTY 2 – BROAD FORM

This endorsement:

- A.** Implements a general program revision;
- B.** Changes the current edition of your policy to a **07 14** edition; and
- C.** Does not reflect any state-specific requirements. Refer to your policy for any state-specific requirements.

AGREEMENT

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

DEFINITIONS

In this Policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

DEDUCTIBLE

The section containing the **Deductible** provision is deleted.

COVERAGES

This insurance applies to the Described Location, Coverages for which a limit of liability is shown and Perils Insured Against for which a premium is stated.

A. Coverage A – Dwelling

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

- 1.** We cover:
 - c.** If not otherwise covered in this Policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

B. Coverage B – Other Structures

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

- 2.** We do not cover:
 - c.** Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

C. Coverage C – Personal Property

Paragraphs **2.c.**, **2.e.** and **2.g.** are replaced by the following:

2. Property Not Covered

- c.** Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.
- e.** Motor vehicles or all other motorized land conveyances. This includes their equipment and parts while such property is in or upon the vehicle or conveyance.

However, this Paragraph **2.e.** 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 the electrical system of motor vehicles and all other motorized land conveyances.
- (2)** Motor vehicles or other motorized land conveyances 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;
- g.** Data, including 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;

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Paragraph **3. Property Removed To A Newly Acquired Principal Residence** is replaced by the following:

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage **C** limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this Policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this Policy.

D. Coverage D – Fair Rental Value

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

1. If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.

E. Coverage E – Additional Living Expense

Paragraphs **1.**, **2.** and **3.** are replaced by the following

1. If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.

F. Other Coverages

Paragraph **4. World-wide Coverage** is replaced by the following:

4. World-wide Coverage

You may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to property covered under Coverage **C**, except rowboats and canoes, while anywhere in the world.

Payment under this coverage reduces the Coverage **C** limit of liability by the amount paid for the same loss.

Paragraph **8. Trees, Shrubs And Other Plants** is replaced by the following:

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire Or Lightning;
- b. Explosion;
- c. Riot Or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism Or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage **A** limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

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Paragraph **10. Collapse** is replaced by the following:

10. Collapse

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

- e. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

12. Ordinance Or Law

Paragraphs **b.** and **c.** are replaced by the following:

- b. If you are an owner of a Described Location and that location:
 - (1) Is insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-owners Building Items at each Described Location; or
 - (2) Is not insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage **B** at each Described Location.
- c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage **12. Ordinance Or Law** refer to property at such a Described Location covered under Other Coverage **3. Improvements, Alterations And Additions.**

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PERILS INSURED AGAINST

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

2. Windstorm Or Hail

This peril does not include loss:

- a. 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; or

Paragraph **6. Vehicles** is replaced by the following:

6. Vehicles

This peril does not include loss to a fence, driveway or walk caused by a vehicle owned or operated by you or a resident of the Described Location.

Paragraph **12.d.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

d. General Exclusion **3.** Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

Paragraph **14.a.** is replaced by the following:

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

Paragraph **15. Sudden And Accidental Damage From Artificially Generated Electrical Current** is replaced by the following:

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

GENERAL EXCLUSIONS

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

2. Earth Movement

Earth Movement means:

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

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

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

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

3. Water

This means:

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

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

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

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

Paragraph **9. Governmental Action** is replaced by the following:

9. Governmental Action

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

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

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CONDITIONS

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

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. For an amount greater than the interest of a person insured under this Policy at the time of loss; or
- 2. For more than the applicable limit of liability.

Paragraph **B. Insurable Interest And Limit Of Liability** is replaced by the following:

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.

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

C. Concealment Or Fraud

We provide coverage to no persons insured under this Policy if, whether before or after a loss, one or more persons insured under this Policy have:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
- 2. Engaged in fraudulent conduct; or
- 3. Made false statements;

relating to this insurance.

The lead-in to Paragraph **D. Duties After Loss** and Paragraphs **6.d.** and **6.f.** are replaced by the following:

D. 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 or your representative:

- 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:
 - d. Changes in title or occupancy of the property during the term of the Policy;

- f. The inventory of damaged personal property described in **D.4.**; and

The lead-in to Paragraph **E. Loss Settlement** and Paragraphs **2.a.**, **2.b.**, **2.d.** and **2.e.** are replaced by the following:

E. Loss Settlement

In this Condition **E.**, 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 Other Coverages **F.12. Ordinance Or Law**. Covered property losses are settled as follows:

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

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

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

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

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

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

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

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

- (1) Less than 5% of the amount of insurance in this Policy on the building; and

- (2) Less than \$2,500;

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

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

H. Other Insurance And Service Agreement

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

If property covered by this Policy is also covered by:

- 1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this Policy that the limit of liability applying under this Policy bears to the total amount of fire insurance covering the property; or

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

J. Suit Against Us

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

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

L. Loss Payment

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

- 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.

N. Mortgage Clause

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

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

- 2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

- b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and

- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to:

- (1) Appraisal;

- (2) Suit Against Us; and

- (3) Loss Payment;

also apply to the mortgagee.

- 3. If we decide to cancel or not to renew this Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

Paragraph **O. No Benefit To Bailee** is replaced by the following:

O. No Benefit To Bailee

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

Paragraph **P. Cancellation** is replaced by the following:

P. Cancellation

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

- 2. We may cancel this Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

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- a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the Policy; or
 - (2) If the risk has changed substantially since the Policy was issued.
This can be done by letting you know at least 30 days before the date cancellation takes effect.
 - d. When this Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this Policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 4. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Paragraph **Q. Nonrenewal** is replaced by the following:

Q. Nonrenewal

We may elect not to renew this Policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

Paragraph **R. Liberalization Clause** is replaced by the following:

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 Policy; or
2. An amendatory endorsement.

Paragraph **S. Waiver Or Change Of Policy Provisions** is replaced by the following:

S. Waiver Or Change Of Policy Provisions

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

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

T. Assignment

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

U. Death

Paragraph 1. is replaced by the following:

1. Your legal representatives but only with respect to the property of the deceased covered under the Policy at the time of death;

Paragraph **V. Nuclear Hazard Clause** is replaced by the following:

V. Nuclear Hazard Clause

1. "Nuclear hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This Policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

Paragraph **W. Recovered Property** is replaced by the following:

W. Recovered Property

If you or we recover any property for which we have made payment under this Policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

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Paragraph **Y. Loss Payable Clause** is replaced by the following:

Y. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, that person is considered an insured in this Policy with respect to that property.

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

The following paragraph is added:

Z. Policy Period

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSITION ENDORSEMENT FOR DP 00 03, DWELLING PROPERTY 3 – SPECIAL FORM

This endorsement:

- A.** Implements a general program revision;
- B.** Changes the current edition of your policy to a **07 14** edition; and
- C.** Does not reflect any state-specific requirements. Refer to your policy for any state-specific requirements.

AGREEMENT

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

DEFINITIONS

In this Policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

DEDUCTIBLE

The section containing the **Deductible** provision is deleted.

COVERAGES

This insurance applies to the Described Location, Coverages for which a limit of liability is shown and Perils Insured Against for which a premium is stated.

A. Coverage A – Dwelling

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

- 1.** We cover:
 - c.** If not otherwise covered in this Policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

B. Coverage B – Other Structures

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

- 2.** We do not cover:
 - c.** Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

C. Coverage C – Personal Property

Paragraphs **2.c.**, **2.e.** and **2.g.** are replaced by the following:

2. Property Not Covered

- c.** Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.
- e.** Motor vehicles or all other motorized land conveyances. This includes their equipment and parts while such property is in or upon the vehicle or conveyance.

However, this Paragraph **2.e.** 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 the electrical system of motor vehicles and all other motorized land conveyances.
- (2)** Motor vehicles or other motorized land conveyances 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;
- g.** Data, including 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;

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Paragraph **3. Property Removed To A Newly Acquired Principal Residence** is replaced by the following:

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage **C** limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this Policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this Policy.

D. Coverage D – Fair Rental Value

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

- 1.** If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

- 2.** If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Fair Rental Value loss for no more than two weeks.
- 3.** The periods of time referenced above are not limited by the expiration of this Policy.

E. Coverage E – Additional Living Expense

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

- 1.** If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this Policy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

- 2.** If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Additional Living Expense loss for no more than two weeks.
- 3.** The periods of time referenced above are not limited by the expiration of this Policy.

F. Other Coverages

Paragraph **4. World-wide Coverage** is replaced by the following:

4. World-wide Coverage

You may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to property covered under Coverage **C**, except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage **C** limit of liability for the same loss.

6. Reasonable Repairs

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

- b.** If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

- (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, as set forth in Condition **D.2.**

Paragraph **8. Trees, Shrubs And Other Plants** is replaced by the following:

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns on the Described Location for loss caused by the following Perils Insured Against:

- a.** Fire Or Lightning;
- b.** Explosion;
- c.** Riot Or Civil Commotion;
- d.** Aircraft;
- e.** Vehicles not owned or operated by you or a resident of the Described Location; or
- f.** Vandalism Or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property.

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The limit of liability for this coverage will not be more than 5% of the Coverage **A** limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

Paragraph **10. Collapse** is replaced by the following:

10. Collapse

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

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- e. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **d.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

12. Ordinance Or Law

Paragraphs **b.** and **c.** are replaced by the following:

- b. If you are an owner of a Described Location and that location:
 - (1) Is insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-owners Building Items at each Described Location; or
 - (2) Is not insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage **B** at each Described Location.
- c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage **12. Ordinance Or Law** refer to property at such a Described Location covered under Other Coverage **3. Improvements, Alterations And Additions**.

PERILS INSURED AGAINST

Paragraph **A. Coverage A – Dwelling And Coverage B – Other Structures** is replaced by the following:

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

- 1. We insure against direct physical loss to property described in Coverages **A** and **B**.
- 2. We do not insure, however, for loss:
 - a. Excluded under General Exclusions;

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b. Involving collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in Other Coverage 10. Collapse; or

c. Caused by:

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

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

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

(2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (a) Fence, pavement, patio or swimming pool;
- (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
- (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

(d) Pier, wharf or dock;

(3) Theft of property not part of a covered building or structure;

(4) Theft in or to a dwelling or structure under construction;

(5) Wind, hail, ice, snow or sleet to:

(a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or

(b) Trees, shrubs, plants or lawns;

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

(7) Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

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

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

(b) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

(c) Smog, rust or other corrosion, mold, wet or dry rot;

(d) Smoke from agricultural smudging or industrial operations;

(e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

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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;

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

Exception To c.(8)

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

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

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

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

General Exclusion **A.3**. Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c.(8)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not excluded or excepted in this Policy is covered.

B. Coverage C – Personal Property

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

2. Windstorm Or Hail

This peril does not include loss to:

- a. 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;
- b. The following property when outside of the building:
 - (1) Canoes and rowboats; or
 - (2) Trees, shrubs, plants or lawns.

Paragraph **12.d.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

- d. General Exclusion **3**. Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

Paragraph **14.a.** is replaced by the following:

14. Freezing

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

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

Paragraph **15. Sudden And Accidental Damage From Artificially Generated Electrical Current** is replaced by the following:

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

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GENERAL EXCLUSIONS

Paragraphs **A.2.**, **A.3.** and **A.9.** are replaced by the following:

- 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.

2. Earth Movement

Earth Movement means:

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

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

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

3. Water

This means:

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

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

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

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

9. Governmental Action

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

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

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

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

- 1.** Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** above to produce the loss.
- 2.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- 3.** Faulty, inadequate or defective:
 - a.** Planning, zoning, development, surveying, siting;
 - b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c.** Materials used in repair, construction, renovation or remodeling; or
 - d.** Maintenance;
of part or all of any property whether on or off the Described Location.

CONDITIONS

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

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.** For an amount greater than the interest of a person insured under this Policy at the time of loss; or

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2. For more than the applicable limit of liability.

Paragraph **B. Insurable Interest And Limit Of Liability** is replaced by the following:

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.

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

C. Concealment Or Fraud

We provide coverage to no persons insured under this Policy if, whether before or after a loss, one or more persons insured under this Policy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

The lead-in to Paragraph **D. Duties After Loss** and Paragraphs **6.d.** and **6.f.** are replaced by the following:

D. Duties After Loss

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:
 - d. Changes in title or occupancy of the property during the term of the Policy;
 - f. The inventory of damaged personal property described in **D.4.**;

The lead-in to Paragraph **E. Loss Settlement** and Paragraphs **2.a.**, **2.b.**, **2.d.** and **2.e.** are replaced by the following:

E. Loss Settlement

In this Condition **E.**, 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 Other Coverages **F.12. Ordinance Or Law**. Covered property losses are settled as follows:

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

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

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

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

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

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

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(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.

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

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

(1) Less than 5% of the amount of insurance in this Policy on the building; and

(2) Less than \$2,500;

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

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

Paragraph **F. Loss To A Pair Or Set** is replaced by the following:

F. 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.

H. Other Insurance And Service Agreement

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

If property covered by this Policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this Policy that the limit of liability applying under this Policy bears to the total amount of fire insurance covering the property; or

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

J. Suit Against Us

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

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

L. Loss Payment

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

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.

N. Mortgage Clause

Paragraphs **1.**, **2.** and **3.** are replaced by the following:

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

2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to:

(1) Appraisal;

(2) Suit Against Us; and

(3) Loss Payment;

also apply to the mortgagee.

3. If we decide to cancel or not to renew this Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

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Paragraph **O. No Benefit To Bailee** is replaced by the following:

O. No Benefit To Bailee

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

Paragraph **P. Cancellation** is replaced by the following:

P. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the Policy; or
 - (2) If the risk has changed substantially since the Policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.
 - d. When this Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this Policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Paragraph **Q. Nonrenewal** is replaced by the following:

Q. Nonrenewal

We may elect not to renew this Policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

Paragraph **R. Liberalization Clause** is replaced by the following:

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 Policy; or
2. An amendatory endorsement.

Paragraph **S. Waiver Or Change Of Policy Provisions** is replaced by the following:

S. Waiver Or Change Of Policy Provisions

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

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

T. Assignment

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

U. Death

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

1. Your legal representatives but only with respect to the property of the deceased covered under the Policy at the time of death;

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Paragraph **V. Nuclear Hazard Clause** is replaced by the following:

V. Nuclear Hazard Clause

1. "Nuclear hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This Policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

Paragraph **W. Recovered Property** is replaced by the following:

W. Recovered Property

If you or we recover any property for which we have made payment under this Policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

Paragraph **Y. Loss Payable Clause** is replaced by the following:

Y. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, that person is considered an insured in this Policy with respect to that property.

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

The following paragraph is added:

Z. Policy Period

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

SCHEDULE*

Described Location	Windstorm o Or Hail Deductible Percentage Amount
	%
*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.	

CONDITIONS

B. DEDUCTIBLEDeductible

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

With respect to the peril of Windstorm Or Hail, for any one loss, we will pay only that part of the total of all loss payable that exceeds the ~~w~~Windstorm or ~~h~~Hail ~~p~~Percentage ~~D~~eductible.

The dollar amount of the ~~w~~Windstorm or ~~h~~Hail ~~d~~Deductible, ~~corresponding to~~for each Described Location stated in the Schedule above, is determined by multiplying the:

- 1. Coverages ~~A~~;
- 2. Coverage ~~B~~;

- 3. Coverage ~~D~~; or
- 4. Coverage ~~E~~;

Limit Of Liability shown in the Declarations, which—ever is greatest, by the ~~d~~eductible percentage ~~amount~~—shown in the Schedule above.

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL LIVING EXPENSE

FORM DP 00-01 ONLY

1. We cover, for the limit of liability shown in this pPolicy for this coverage, the necessary increase in living expense incurred by you so that your household can maintain its normal standard of living when a loss to property described in:

a. Coverages **A₁**;

b. Coverage **B₁**; or

c. Coverage **C₁**;

by a Peril Insured Against in this pPolicy makes the Described Location unfit for its normal use.

2. Payment will be:

a. For the shortest time required to repair or replace the Described Location; or

b. If you permanently relocate, for the shortest time required for your household to settle elsewhere.

Payment under this coverage will be limited to no more than 25% per month of the limit of liability shown in this Policy for this coverage.

23. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this pPolicy, we cover the Additional Living Expense loss for a period not exceeding two weeks during which use is prohibited.

34. The periods of time referenced above are not limited by the expiration of this pPolicy.

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

All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM SHARING TWO OR MORE POLICIES

SCHEDULE*

The total of the limits of liability you agreed to carry for all insurance including this p Policy is:	
Described Location(s)	Total Limit Of Liability
	\$
	\$
	\$
	\$
<i>*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.</i>	

You agree to maintain the limit specified in the Schedule ~~above~~ for each Described Location in this ~~p~~Policy. We will pay only the proportion of a loss caused by a Peril Insured Against under this ~~p~~Policy that the limit that applies to the Described Location under this ~~p~~Policy bears to the total limit that you agreed to carry for the Described Location. This is not to exceed the limits shown in the Declarations.

Under Condition **H. Other Insurance And Service Agreement** (Condition I. in DP 00 01), Paragraph 1. does not apply to the Described Location referred to in this endorsement.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSISTED LIVING CARE COVERAGE

SCHEDULE*

Name Of Relative(s)	Residency		Limit Of Liability Coverage C
	Name	Location	
			\$
			\$
			\$

*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.

AGREEMENT

We will insure the person named in the Schedule above for the coverages provided under the Coverages below, subject to the Limits of Liability shown in the Schedule.

It is agreed that such person is related to you by blood, marriage or adoption, is not a member of your household and regularly resides in the living care facility (facility) named in the Schedule. It is also agreed that such facility provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities.

It is further agreed that you will represent the person named in the Schedule, and will act in all matters pertaining to the provisions of this endorsement.

This insurance is excess over any other applicable insurance covering the same loss.

COVERAGES

1. Coverage C – Personal Property

a. Covered Property

We cover personal property owned and used by a person named in the Schedule for loss by a Peril Insured Against covered under Coverage C in the Policy.

b. Limit Of Liability

The Limit Of Liability shown in the Schedule is the most we will pay for any one loss regardless of the number of relatives residing in the same living unit in the facility named in the Schedule.

c. Special Limits Of Liability

The following special limits of liability apply to property described in a. above. They do not increase the Coverage C Limit Of Liability shown in the Schedule. The special limit shown for each numbered category is the total limit for each loss for the property in that category.

- (1) \$250 for each hearing aid or other similar audio enhancement device.
- (2) \$100 for each pair of eyeglasses.
- (3) \$100 for all contact lenses.
- (4) \$500 for all false teeth or dentures.
- (5) \$500 for each medi-alert device.
- (6) \$250 for all walking aids and devices such as walkers or canes.
- (7) \$500 for each wheelchair.

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d. Property Not Covered

- (1) Property regularly located away from the facility;
- (2) Property you own; and
- (3) Property owned by the facility but rented to or used by the person named in the Schedule.

2. Additional Living Expense

- a. If a loss covered under this endorsement makes that part of the facility not fit to live in or results in suspension of facility operations, we will cover the necessary increase in living expenses the person named in the Schedule incurs to maintain their normal standard of living. The amount we will pay for each loss will not exceed a maximum of \$500 per month for no more than 12 consecutive months. This amount is the most that we will pay for any one loss, regardless of the number of relatives residing in the same living unit in the facility named in the Schedule.
- b. If a civil authority prohibits the use of the facility as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the necessary increase in living expense incurred by the relative for no more than two weeks, up to \$50 per day.

This coverage is additional insurance. The deductible applies to this coverage. We do not cover loss or expense due to cancellation of a lease or agreement.

~~3. Deductible~~

~~The deductible that applies to the policy to which this endorsement is attached will apply to loss covered under this endorsement.~~

~~However, if a single loss event results in damage to personal property covered by this endorsement and to personal property covered under the policy to which this endorsement is attached, we will subtract from the total of all loss from that same loss event the deductible amount shown in the declarations.~~

GENERAL CONDITIONS

All additional coverages, exclusions and conditions of this ~~p~~Policy that apply to you also apply to the person named in the Schedule.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ASSESSMENT PROPERTY COVERAGE

SCHEDULE*

Location Of Unit And Limit Of Liability	Limit Of Liability
	\$
*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.	

COVERAGE

We will pay ~~for~~ your share of loss assessment charged during the policy period against you by a corporation or association of property owners up to the ~~Limit of~~ ~~Liability~~ shown in the Schedule above. The assessment must be made as a result of direct loss to the 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 listed in the ~~Policy~~, other than:

- a. Earthquake; or
- b. Land shock waves or tremors, which occur before, during or after a volcanic eruption.

SPECIAL LIMIT

~~We will not pay more than \$1,000 of your assessment per unit that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.~~

CONDITIONS

~~With respect to the coverage provided by this endorsement, Paragraph B. Deductible is replaced by the following:~~

~~B. Deductible~~ DEDUCTIBLE

We will pay only that part of your assessment per unit that exceeds \$~~250~~500. No other deductible applies to this coverage.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL COVERAGE

The Perils Insured Against listed below apply to either of the following coverages, if provided in this Policy:

1. Improvements, Alterations and Additions; or
2. Unit-Owners Building Items.

PERILS INSURED AGAINST

1. We insure against ~~risks of~~ direct physical loss to the property described above.
2. We do not insure, however, for loss:
 - a. Excluded under General Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition related to (1) or (2) above;

except as provided in Other Coverage 10. Collapse; or

c. Caused by:

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

(a) Maintain heat in the building; or

(b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

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

(a) sSump, sump pump or related equipment; or ~~a~~

(b) rRoof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

(a) Fence, pavement, patio or swimming pool;

(b) Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building or other structure;

(c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

(d) Pier, wharf or dock;

- (3) Theft of any property which is not actually part of any building or structure covered;

- (4) Theft in or to a dwelling or structure under construction;

- (5) Wind, hail, ice, snow or sleet to:

(a) Outdoor radio and television antennas and aerials, including their lead-in wiring, masts or towers; or

(b) Trees, shrubs, plants or lawns;

- (6) The following:

(a) Vandalism and malicious mischief, theft or attempted theft; and

(b) aAny ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft;

if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

- (7) Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

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

~~(a) s~~Sump, sump pump or related equipment; ~~or a~~

~~(b) r~~Roof drain, gutter, downspout or similar fixtures or equipment;

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

(b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

(c) Smog, rust or other corrosion; mold, wet or dry rot;

(d) Smoke from:

~~(i) a~~Agricultural smudging; or

~~(ii) i~~Industrial operations;

(e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this pPolicy.

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

(f) Settling, shrinking, bulging or expansion, including resultant cracking, of:

~~(i) p~~Pavements, or patios;

~~(ii) f~~Footings, or foundations;

~~(iii) w~~Walls, or floors;

~~(iv) r~~Roofs or ceilings; or

~~(v) B~~ulkheads;

(g) Birds, ~~vermin,~~ rodents, insects or domestic animals; ~~or~~

~~(h) Nesting or infestation, or discharge or release of waste products or secretions by any animals.~~

Exception To c.(8)

Unless the loss is otherwise excluded, we cover loss to property described as Improvements, Alterations and Additions or Unit-Owners Building Items resulting from an accidental discharge or overflow of water or steam from within a:

(i) Storm drain, or water or sewer pipe, off the Described Location; or

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

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

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

~~(a) s~~Sump, sump pump or related equipment; or

~~(b) r~~Roof drain, gutter, downspout or similar fixtures or equipment.

General Exclusion 3. Water-Damage, Paragraphs a. and c. that apply to surface water and water below the surface of ground do not apply to loss by water covered under Paragraphs c.(8) above.

Under Paragraphs 2.b. and 2.c. above, any ensuing loss not excluded or excepted in this pPolicy is covered.

The following exclusions are added to the General Exclusions:

We do not insure for loss to property described as Improvements, Alterations and Additions or Unit-Owners Building Items caused by any of the following. However, any ensuing loss not precluded by any other provision in this pPolicy is covered.

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1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in the General Exclusions, other than Exclusions 2. and 3. below, to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any:
 - a. ~~Person, or group, or~~
 - b. ~~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 Described Location.
- All other provisions of this ~~P~~Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ASSESSMENT COVERAGE FOR EARTHQUAKE

SCHEDULE

A. Location Of The Unit	Limit Of Liability
	\$
B. Earthquake Loss Assessment Deductible Percentage Amount:	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverages

The following coverage is added:

Loss Assessment Coverage

We will pay your share of any loss assessment charged during the policy period against you by a corporation or association of property owners, up to the Limit Of Liability shown in **A.** in the Schedule above for each unit. 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:

1. Earthquake; or
2. Land shock waves or tremors before, during or after a volcanic eruption.

One or more earthquake shocks that occur within a 72-hour period constitute a single earthquake.

B. General Exclusions

1. The following exclusions are added:

- a. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- b. We do not cover any assessment made as a result of loss resulting directly or indirectly from flood of any nature or waves, including tidal wave and tsunami, whether:
 - (1) Caused by;
 - (2) Resulting from;
 - (3) Contributed to by; or
 - (4) Aggravated by; earthquake.

2. Exception To The Earth Movement Exclusion

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

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C. Conditions

B. Deductible

The following replaces any other deductible provision in this Policy with respect to any one loss covered under this endorsement.

The following deductible applies to your share of each assessment made for each loss caused by earthquake:

For each unit covered, we will pay only that part of your assessment which is more than the earthquake loss assessment deductible. The dollar amount of the earthquake loss assessment deductible is determined by multiplying the Limit Of Liability for each unit shown in **A.** in the Schedule by the deductible percentage amount shown in **B.** in the Schedule.

However, this deductible amount will not be less than \$500 in any one assessment. We will apply only one deductible, per unit, to the total amount of any one loss to the property described in this endorsement, regardless of the number of assessments.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

SCHEDULE*

Earthquake Deductible Percentage Amount:
Exterior Masonry Veneer Exclusion 1.

Check here only if this exclusion does not 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.~~

A. ~~Coverage~~Coverages

~~The following is added:~~

1. We insure for direct physical loss to property covered under Coverages ~~A, B or C~~ caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

One or more earthquake shocks that occur within a ~~seventy-two~~ 72-hour period constitute a single earthquake.

2. This coverage does not increase the limits of liability stated in this ~~p~~Policy.

B. ~~Special Deductible~~

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

~~We will pay only that part of the total of all loss payable under Coverages, except:~~

- ~~1. Coverage D — Fair Rental Value;~~
- ~~2. Coverage E — Additional Living Expenses; and~~
- ~~3. The Other Coverages;~~

~~that exceeds the earthquake deductible.~~

~~The dollar amount of the earthquake deductible is determined by multiplying either the:~~

- ~~Coverage A;~~
- ~~Coverage B; or~~
- ~~Coverage C;~~

~~limit of liability shown in the Declarations, whichever is greater, by the deductible percentage amount shown in the Schedule above.~~

~~The total deductible amount will not be less than \$250.~~

~~CB.~~ ~~Special Exclusions~~General Exclusions

~~The following exclusions are added:~~

1. Exterior Masonry Veneer

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

2. Flood

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

- a. Caused by;
- b. Resulting from;
- c. Contributed to by; or
- d. Aggravated by; earthquake.

3. Filling Land

This coverage does not include the cost of filling land.

~~**D. Exception To The Earth Movement Exclusion**~~

The Earth Movement Exclusion in this ~~p~~Policy does not apply to loss caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

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C. Conditions

B. Deductible

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

1. We will pay only that part of the total of all loss payable under Coverages, except:

- a. Coverage D – Fair Rental Value;
- b. Coverage E – Additional Living Expenses; and
- c. The Other Coverages;

that exceeds the earthquake deductible described in Paragraph B.2.

2. The dollar amount of the earthquake deductible is determined by multiplying either the:

- a. Coverage A;
- b. Coverage B; or
- c. Coverage C;

Limit Of Liability shown in the Declarations, whichever is greatest, by the deductible percentage amount shown in the Schedule above.

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

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE

SCHEDULE

<u>Limited Water Back-up And Sump Discharge Or Overflow Coverage Limit Of Liability</u>	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverages

F. Other Coverages

(This is Paragraph E. in DP 00 01.)

The following coverage is added:

Limited Water Back-up And Sump Discharge Or Overflow Coverage

We will pay up to the Limit Of Liability shown in the Schedule insure, up to \$5,000, for direct physical loss, not caused by your negligence, or that of any person insured under this Policy, to covered property caused by water, or waterborne material, which:

1. Originates from within the dwelling on the Described Location and Backs up through sewers or drains; or
2. Overflows or is discharged from a:
 - a. Sump, sump pump; or
 - b. Related equipment;

even if such overflow or discharge results from mechanical breakdown or power failure. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown or power failure.

This coverage does not increase the limits of liability for Coverages ~~A, B, C, D~~ or, if covered, Coverage E stated in the Declarations.

B. Perils Insured Against

With respect to the coverage provided under this endorsement described in A. above, Paragraphs:

- A.2.c.(8)(b) in Form DP 00 03; and
- 2.c.(8)(b) in Endorsement DP 04 65;

are replaced by the following:

Latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

C. ~~Special Deductible~~

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

~~We will pay only that part of the total of all loss payable that exceeds \$250. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage D — Fair Rental Value and, if covered, Coverage E — Additional Living Expense.~~

DC. General Exclusions

~~The Water Damage Exclusion is replaced by the following:~~

~~With respect to the coverage provided under this endorsement:~~

1. The Water Exclusion is replaced by the following:

Water

This means water which backs up through sewers or drains, or overflows or is discharged from a sump, sump pump or related equipment, as direct or indirect result of:

- 1a. 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;
2. Water which:
 - a. ~~Backs up through sewers or drains; or~~
 - b. ~~Overflows or is otherwise discharged from a sump, sump pump or related equipment;~~

as a direct or indirect result of flood;

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3b. 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

4c. Waterborne material carried or otherwise moved by any of the water referred to in **DC.1.a.** through **DC.1.b3.** of this **E**exclusion.

This **E**exclusion applies regardless of whether any of the above, in **DC.1.a.** through **D.4.C.1.c.**, is caused by an act of nature or is otherwise caused.

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

However, direct loss by fire or explosion resulting from any of the above, in **DC.1.a.** through **D.4.C.1.c.**, is covered.

2. The Power Failure Exclusion does not apply.

All other provisions of this **p**Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SINKHOLE COLLAPSE

A. Coverage

We insure for direct physical loss to covered property ~~covered~~ caused by sinkhole collapse.

Sinkhole collapse means actual physical damage:

1. Arising out of; or
2. Caused by;

sudden settlement or collapse of the earth supporting such property. The settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations.

B. Exception To The Earth Movement Exclusion

The Earth Movement Exclusion does not apply to sinkhole collapse.

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

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POLICY NUMBER:

**DWELLING
DP 12 10 12 02**

CHANGE ENDORSEMENT

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW:						
EFFECTIVE DATE		COMPANY			POLICY NUMBER	
TERM YRS.	FROM	TO	ENDORSEMENT NUMBERS AND EDITION DATES			
INSURED'S NAME AND MAILING ADDRESS			AGENCY'S NAME AND MAILING ADDRESS			
			AGENTS SIGNATURE			
PROPERTY COVERED						
CONSTRUCTION AND HEIGHT, ROOF, IF REQUIRED			OCCUPANCY (NO. OF FAMILIES, IF DWELLING)			
POLICY CHANGES						
LIMIT OF LIABILITY CHANGES						
	A. Dwelling	B. Other Structures	C. Personal Property	D. Fair Rental Value	E. Add'l Living Expense	
NEW LIMIT	\$	\$	\$	\$	\$	
OLD LIMIT	\$	\$	\$	\$	\$	
PREMIUM ADJUSTMENT						
Due at Endorsement Effective Date:						
Fire	\$	Additional Premium	\$	Return Premium		
E.C.						
REVISED INSTALLMENT PAYMENTS						
Dates Due	Original Installment	Increase	Decrease	Revised Installments		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
Total Premium To Policy Expiration		\$	\$			

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DWELLING POLICY RATING INFORMATION							
FORM: Code							
<input type="checkbox"/> DP 00 01	(1)	NUMBER OF FAMILIES	Code	1	2	3-4	5 or more
<input type="checkbox"/> DP 00 02	(2)			<input type="checkbox"/> (1)	<input type="checkbox"/> (3)	<input type="checkbox"/> (6)	<input type="checkbox"/> (8)
<input type="checkbox"/> DP 00 03	(3)			YEAR OF CONSTRUCTION		Code ()	
<input type="checkbox"/> DP 00 01/ DP 00 08	(8)	_____					
OCCUPANCY							
<input type="checkbox"/> Owner Occupied		<input type="checkbox"/> Non-Owner Occupied		Status Code ()			
<input type="checkbox"/> Non-Seasonal		<input type="checkbox"/> Seasonal		Surcharge _____			
<input type="checkbox"/> Permitted Occupancy/Merc. Cov.		<input type="checkbox"/> Condition Charges					
CONSTRUCTION							
<input type="checkbox"/> Frame (1)		<input type="checkbox"/> Superior Or Fire Resistive (4)		<input type="checkbox"/> Mobile Home (6)			
<input type="checkbox"/> Brick, Stone Or Masonry Veneer (2)		<input type="checkbox"/> Frame With Aluminum Or Plastic Siding (5)					
<input type="checkbox"/> Brick, Stone Or Masonry (3)		<input type="checkbox"/> Specially Rated – Non Fire Resistive (8)		<input type="checkbox"/> All Other (1)			
TERRITORY NO. Code ()		PROTECTION CLASS: Code ()					
Not more than _____ feet from fire hydrant,		_____ miles from Fire Department					
FIRE DISTRICT OR TOWN:		Code ()		PREM. GP. NO.			
DEDUCTIBLE \$							
Size Code ()							
COMPLETE WHEN LOCATION IS CHANGED – NEW RATING INFORMATION							
FORM: Code							
<input type="checkbox"/> DP 00 01	(1)	NUMBER OF FAMILIES	Code	1	2	3-4	5 or more
<input type="checkbox"/> DP 00 02	(2)			<input type="checkbox"/> (1)	<input type="checkbox"/> (3)	<input type="checkbox"/> (6)	<input type="checkbox"/> (8)
<input type="checkbox"/> DP 00 03	(3)			YEAR OF CONSTRUCTION		Code ()	
<input type="checkbox"/> DP 00 01/ DP 00 08	(8)	_____					
OCCUPANCY							
<input type="checkbox"/> Owner Occupied		<input type="checkbox"/> Non-Owner Occupied		Status Code ()			
<input type="checkbox"/> Non-Seasonal		<input type="checkbox"/> Seasonal		Surcharge _____			
<input type="checkbox"/> Permitted Occupancy/Merc. Cov.		<input type="checkbox"/> Condition Charges					
CONSTRUCTION							
<input type="checkbox"/> Frame (1)		<input type="checkbox"/> Superior or Fire Resistive (4)		<input type="checkbox"/> Mobile Home (6)			
<input type="checkbox"/> Brick, Stone Or Masonry Veneer (2)		<input type="checkbox"/> Frame With Aluminum Or Plastic Siding (5)					
<input type="checkbox"/> Brick, Stone Or Masonry (3)		<input type="checkbox"/> Specially Rated – Non Fire Resistive (8)		<input type="checkbox"/> All Other (1)			
TERRITORY NO. Code ()		PROTECTION CLASS: Code ()					
Not more than _____ feet from fire hydrant,		_____ miles from Fire Department					
FIRE DISTRICT OR TOWN:		Code ()		PREM. GP. NO.			
DEDUCTIBLE \$							
Size Code ()							

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DWELLING RATING INFORMATION

FORM:	Code						
<input type="checkbox"/> DP 00 01	(1)	NUMBER OF FAMILIES	Code	1	2	3-4	5 or more
<input type="checkbox"/> DP 00 02	(2)		<input type="checkbox"/> (1)	<input type="checkbox"/> (3)	<input type="checkbox"/> (6)	<input type="checkbox"/> (8)	
<input type="checkbox"/> DP 00 03	(3)	YEAR OF CONSTRUCTION	_____	Code ()			
<input type="checkbox"/> DP 00 01/ DP 00 08	(8)						
OCCUPANCY:		<input type="checkbox"/> Owner Occupied	<input type="checkbox"/> Non-Owner Occupied	Status Code ()			
		<input type="checkbox"/> Non-Seasonal	<input type="checkbox"/> Seasonal				
		<input type="checkbox"/> Permitted Occupancy/Merc. Cov.	<input type="checkbox"/> Condition Charges	_____			Surcharge
CONSTRUCTION:		<input type="checkbox"/> Frame (1)	<input type="checkbox"/> Superior Or Fire Resistive (4)	<input type="checkbox"/> Mobile Home (6)			
		<input type="checkbox"/> Brick, Stone Or Masonry Veneer (2)	<input type="checkbox"/> Brick, Stone Or Masonry (3)	<input type="checkbox"/> Frame With Aluminum Or Plastic Siding (5)			
				<input type="checkbox"/> Specially Rated – Non Fire Resistive (8)			<input type="checkbox"/> All Other (1)
TERRITORY NO.	Code ()	PROTECTION CLASS:		Code ()			
Not more than _____	feet from fire hydrant,	_____		miles from Fire Department			
FIRE DISTRICT OR TOWN:		Code ()		PREM. GP. NO.			
DEDUCTIBLE \$							
Size Code ()							
PREMIUM BREAKDOWN	FIRE	E.C.	V. &M.M.	BROAD	SPECIAL	_____	
Premium Group No.			---				
Coverage A	\$	\$	\$	\$	\$	\$	
Coverage B	\$	\$	\$	\$	\$	\$	
Coverage C	\$	\$	\$	\$	\$	\$	
Coverage D	\$	\$	\$	\$	\$	\$	
Coverage E	\$	\$	\$	\$	\$	\$	
(Totals)	\$	\$	\$	\$	\$	\$	

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE

SCHEDULE*

Unit-Owners Building Items Limit Of Liability:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following coverage is added for the Limit Of Liability shown in the Schedule above:

Unit-Owners Building Items

1. We cover for direct physical loss caused by the Perils Insured Against:

- 1a.** The alterations, appliances, fixtures and improvements which are part of the building contained within your unit;
- 2b.** Items of real property which pertain exclusively to your unit;
- 3c.** Property which is your insurance responsibility under a corporation or association of property owners agreement; or
- 4d.** Structures owned solely by you, other than the Described Location, on the premises of the Described Location.

2. However, we do not cover:

- a.** Land, including land on which the:
 - (1)** Described Location;
 - (2)** Real property; or
 - (3)** Structures; are located;
- b.** Structures rented or held for rental to any person not a tenant of the Described Location, unless used solely as a private garage;
- c.** Structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such 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; or

d. Grave markers, including mausoleums.

B. The following conditions apply only to the coverage provided by this endorsement:

1. Other Insurance And Service Agreement

a. If property covered by this Policy is also covered by:

- (1)** Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this Policy that the limit of liability applying under this Policy bears to the total amount of fire insurance covering the property; or
- (2)** A service agreement, this insurance is excess over any amounts payable under such agreement.

b. Subject to Paragraph 1.a., 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 Policy, this insurance is:

- (1)** Excess over the amount due under such other insurance or service agreement, whether the corporation or association of property owners has collected that amount or not; and
- (2)** Primary with respect to any amount of the loss covered by this Policy and not due under such other insurance or service agreement because of the application of a deductible.

~~will be excess over the amount recoverable under such other insurance or service agreement.~~

c. As used in this Paragraph 1., a service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement even if it is characterized as insurance.

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2. Loss Settlement

Unit-Owners Building Items losses are settled as follows:

- 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 exceeding 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 ~~Paragraph E~~ Other Coverage F.12. Ordinance Or Law.

3. Fair Rental Value

The following sentence is added to the Fair Rental Value Coverage in all policies covering Fair Rental Value:

We also cover the fair rental value if a loss to the building containing the property described in this pPolicy by a Peril Insured Against under this pPolicy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use.

4. Additional Living Expense

The following sentence is added to the Additional Living Expense Coverage in all policies covering Additional Living Expense:

We also cover the necessary increase in living expense incurred by you so that your household can maintain its normal standard of living if a loss to the building containing the property described in this pPolicy by a Peril Insured Against under this pPolicy makes the Described Location unfit for its normal use.

All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE – MODIFIED OTHER INSURANCE AND SERVICE AGREEMENT CONDITION

SCHEDULE*

Unit-Owners Building Items Limit Of Liability:
*Entries may be left blank if shown elsewhere in this policy for this coverage.

A. The following coverage is added for the limit of liability shown in the Schedule above.

Unit-Owners Building Items

We cover for direct physical loss caused by the Perils Insured Against:

1. The alterations, appliances, fixtures and improvements which are part of the building contained within your unit;
2. Items of real property which pertain exclusively to your unit;
3. Property which is your insurance responsibility under a corporation or association of property owners agreement; or
4. Structures owned solely by you, other than the Described Location, on the premises of the Described Location. However, we do not cover:
 - a. Land, including land on which the Described Location, real property or structures are located;
 - b. Structures rented or held for rental to any person not a tenant of the Described Location, unless used solely as a private garage.
 - c. Structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such 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; or
 - d. Gravemarkers, including mausoleums.

B. The following conditions apply only to the coverage provided by this endorsement:

1. Other Insurance And Service Agreement

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 policy, we will pay only for the amount of the loss in excess of the amount due from that other insurance or service agreement, whether they can collect on it or not.

2. Loss Settlement

Unit-Owners Building Items losses are settled as follows:

- 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 exceeding 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 **E.12. Ordinance Or Law.**

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3. Fair Rental Value

The following sentence is added to the Fair Rental Value Coverage in all policies covering Fair Rental Value:

We also cover the fair rental value if a loss to the building containing the property described in this policy by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use.

4. Additional Living Expense

The following sentence is added to the Additional Living Expense Coverage in all policies covering Additional Living Expense:

We also cover the necessary increase in living expense incurred by you so that your household can maintain its normal standard of living if a loss to the building containing the property described in this policy by a Peril Insured Against under this policy makes the Described Location unfit for its normal use.

All other provisions of this policy apply.

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DWELLING PROPERTY POLICY DECLARATIONS

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Company Name:	
Producer Name:	
Named Insured:	
Mailing Address:	
The Described Location Is Located At The Above Address Unless Otherwise Stated:	
Policy Period Year(s)	
Number Of Year(s):	
From:	12:01 AM standard time at the Described Location
To:	12:01 AM standard time at the Described Location

We will provide the insurance described in this Policy in return for the premium and compliance with all applicable policy provisions.	
This insurance applies to the Described Location, Coverage for which a limit of liability is shown and Perils Insured Against for which a premium is stated.	
Coverages	Limit Of Liability
A. Dwelling	\$
B. Other Structures	\$
C. Personal Property	\$
D. Fair Rental Value	\$
E. Additional Living Expense	\$
Perils Insured Against	Premium
Fire	\$
Extended Coverage	\$
Vandalism Or Malicious Mischief	\$
Broad Form	\$
Special Form	\$
Other	\$

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	Premium
Additional Premium Charges Or Credits Related To Other Coverages Or Endorsements:	
	\$
	\$
	\$
Total Premium	\$

Forms And Endorsements Made Part Of This Policy (Number(s) And Edition Date(s))

Deductible: \$	Other: \$
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Mortgagee(s)/Lienholder(s)		
Name	Address	Loan Number

Loss Payee(s) – Personal Property (Name And Address Of Loss Payee And Personal Property Involved)		
Name	Address	Personal Property

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:

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ADDITIONAL DWELLING PROPERTY POLICY DECLARATIONS

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Company Name:	
Producer Name:	
Named Insured:	
Item	Described Location (Complete if at other than mailing address):
Coverages	Limit Of Liability
A. Dwelling	\$
B. Other Structures	\$
C. Personal Property	\$
D. Fair Rental Value	\$
E. Additional Living Expense	\$
Perils Insured Against	Premium
Extended Coverage	\$
Fire	\$
Vandalism Or Malicious Mischief	\$
Broad Form	\$
Special Form	\$
Other	\$
Total Premium	\$
Item	Described Location (Complete if at other than mailing address):
Coverages	Limit Of Liability
A. Dwelling	\$
B. Other Structures	\$
C. Personal Property	\$
D. Fair Rental Value	\$
E. Additional Living Expense	\$

Perils Insured Against	Premium
Fire	\$
Extended Coverage	\$
Vandalism Or Malicious Mischief	\$
Broad Form	\$
Special Form	\$
Other	\$
Total Premium	\$

The policy deductible shall apply separately to the amount of loss to each Described Location including personal property contained therein.

Perils Insured Against	Items				Total
	1	2	3	4	
Fire					
Extended Coverage					
Vandalism Or Malicious Mischief					
Broad Form					
Special Form					
Total Premium			\$		

POLICY NUMBER:

DWELLING PROPERTY
DP R 001 07 14

YOUR DWELLING PROPERTY 1 – BASIC FORM QUICK REFERENCE

DECLARATIONS
YOUR NAME AND ADDRESS
DESCRIBED LOCATION
POLICY PERIOD
COVERAGES, LIMIT OF LIABILITY AND PREMIUM
AMOUNT OF DEDUCTIBLE

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MAJOR POLICY PROVISIONS	PAGE NUMBER
Agreement	1
Coverages Dwelling Other Structures Personal Property Fair Rental Value Other Coverages	1
Perils Insured Against	
General Exclusions	
Conditions Insurable Interest And Limit Of Liability Deductible Duties After Loss Loss Settlement Mortgage Clause Cancellation Nonrenewal Policy Period	

YOUR DWELLING PROPERTY 2 – BROAD FORM QUICK REFERENCE

DECLARATIONS
YOUR NAME AND ADDRESS
DESCRIBED LOCATION
POLICY PERIOD
COVERAGES, LIMIT OF LIABILITY AND PREMIUM
AMOUNT OF DEDUCTIBLE

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MAJOR POLICY PROVISIONS	PAGE NUMBER
Agreement	1
Coverages Dwelling Other Structures Personal Property Fair Rental Value Additional Living Expense Other Coverages	1
Perils Insured Against	
General Exclusions	
Conditions Insurable Interest And Limit Of Liability Deductible Duties After Loss Loss Settlement Mortgage Clause Cancellation Nonrenewal Policy Period	

POLICY NUMBER:

DWELLING PROPERTY
DP R 003 07 14

YOUR DWELLING PROPERTY 3 – SPECIAL FORM QUICK REFERENCE

DECLARATIONS
YOUR NAME AND ADDRESS
DESCRIBED LOCATION
POLICY PERIOD
COVERAGES, LIMIT OF LIABILITY AND PREMIUM
AMOUNT OF DEDUCTIBLE

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MAJOR POLICY PROVISIONS	PAGE NUMBER
Agreement	1
Coverages Dwelling Other Structures Personal Property Fair Rental Value Additional Living Expense Other Coverages	1
Perils Insured Against	
General Exclusions	
Conditions Insurable Interest And Limit Of Liability Deductible Duties After Loss Loss Settlement Mortgage Clause Cancellation Nonrenewal Policy Period	

North Carolina Forms Supplement

About This Filing

This supplement to the multistate revision to the Dwelling Policy Program is being submitted in order to apply the applicable multistate revisions contained in filing DP-2013-OFR13 to the North Carolina-specific endorsements.

New Form

We are introducing **DP 04 95 07 14**, Limited Water Back-Up And Sump Discharge Or Overflow Coverage

Revised Forms

We are revising the following forms:

- ◆ **DP 32 18 01 16**, Named Storm Deductible – North Carolina
- ◆ **DP 32 32 04 18**, Special Provisions – North Carolina
- ◆ **DP 32 62 09 07**, Replacement Cost – North Carolina
- ◆ **DP 32 63 09 07**, Functional Replacement Cost Loss Settlement – North Carolina
- ◆ **DP 32 80 09 07**, Primary Insurance For Coverage A – North Carolina
- ◆ **DP 32 81 09 07**, Primary Insurance For Coverage B – North Carolina
- ◆ **DP 32 82 09 07**, Primary Insurance For Coverage C – North Carolina
- ◆ **DP 32 83 09 07**, Primary Insurance For Coverage A – North Carolina
- ◆ **DP 32 84 09 07**, Primary Insurance For Coverage B – North Carolina
- ◆ **DP 32 85 09 07**, Primary Insurance For Coverage C. – North Carolina

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 06 18 editions. Concurrent with implementation, the 06 18 editions will supersede the prior editions.

Multistate Applicability

The following multistate forms being revised as part of this filing will not apply in North Carolina:

- ◆ **DP 03 61 07 14**, Hurricane Deductible

- ◆ **DP 04 22 07 14**, Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- ◆ **DP 04 72 07 14**, Broad Theft Coverage
- ◆ **DP 04 73 07 14**, Limited Theft Coverage
- ◆ **DP 05 28 07 14**, Owned Motorized Golf Cart Physical Loss Coverage
- ◆ **DP 05 30 07 14**, Functional Replacement Cost Loss Settlement
- ◆ **DP 05 31 07 14**, Modified Functional Replacement Cost Loss Settlement
- ◆ **DP 16 13 07 14**, Earthquake And Volcanic Eruption

The following multistate forms being withdrawn as part of this filing do not apply in North Carolina:

- ◆ **DP 16 09 01 09**, Water Exclusion Endorsement
- ◆ **DP 16 10 01 09**, Water Exclusion Endorsement
- ◆ **DP D 12 02**, Earthquake And Volcanic Eruption

Background

In multistate filing DP-2013-OFR13, we revised various forms in the Dwelling Policy Program.

We are now applying any applicable multistate revisions contained in filing DP-2013-OFR13 to the North Carolina-specific endorsements listed below. We have retained any current state-specific coverage exceptions contained in the individual state endorsement unless otherwise explained in this supplement.

Explanation of Changes

Change No. 13 in multistate filing DP-2013-OFR13 explains revisions to Endorsement DP 04 95. This endorsement is being newly introduced for use in North Carolina to provide an option for water back-up and sump discharge or overflow coverage in the Dwelling Program.

In order to uniformly reflect the revisions made in the multistate portion of the filing, we are revising the following existing endorsements to include the appropriate multistate revisions.

DP 32 18 01 16, Named Storm Deductible – North Carolina

- ◆ Change No. 1 - Deductible Provision.
- ◆ Change No. 15 - Other Revisions.

We have also made minor editorial revisions to this endorsement.

DP 32 32 04 18, Special Provisions – North Carolina

- ◆ Change No. 1 - Deductible Provision.
- ◆ Change No. 2 - Motor Vehicle Provision.
- ◆ Change No. 3 - DP 00 01 - Fair Rental Value And Additional Living Expense.
- ◆ Change No. 8 - Water Exclusion.

We have also made minor editorial revisions to this endorsement.

DP 32 62 09 07, Replacement Cost – North Carolina

- ◆ Change No. 1 - Deductible Provision.
- ◆ Change No. 15 - Other Revisions.

DP 32 63 09 07, Functional Replacement Cost Loss Settlement – North Carolina

- ◆ Change No. 1 - Deductible Provision.
- ◆ Change No. 15 - Other Revisions.

DP 32 80 09 07, Primary Insurance For Coverage A – North Carolina, DP 32 81 09 07, Primary Insurance For Coverage B – North Carolina, DP 32 82 09 07, Primary Insurance For Coverage C – North Carolina, DP 32 83 09 07, Primary Insurance For Coverage A – North Carolina, DP 32 84 09 07, Primary Insurance For Coverage B – North Carolina, and DP 32 85 09 07, Primary Insurance For Coverage C – North Carolina

- ◆ Change No. 15 - Other Revisions.

We are also taking this opportunity to make minor editorial revisions to these endorsements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED STORM DEDUCTIBLE – NORTH CAROLINA

SCHEDULE

Described Location	Named Storm Deductible
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Definitions

The following definitions are added for purposes of this endorsement only:

1. "National Weather Service" means the National Weather Service including any of its offices, centers or agencies or, if the National Weather Service ceases to exist or ceases to perform the function of issuing warnings, watches or advisories for "named storms", such other entity as may replace it or as determined by the North Carolina Rate Bureau.
2. "Named storm" means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Association or any other generally recognized scientific or meteorological association that provides formal names for public use and reference. A named storm includes hurricanes, tropical depressions and tropical storms.

B. Named Storm Deductible

The following special deductible is added to the Policy:

1. With respect to the peril of Windstorm or Hail, **for any one loss**, we will pay only that part of the total of all loss payable resulting from a "named storm" that exceeds the applicable named storm deductible described in Paragraph **B.2.** of this endorsement.
2. The applicable named storm deductible, corresponding to each Described Location stated in the Schedule above, is either:
 - a. The dollar amount shown in the Schedule as the Named Storm Deductible; or

b. If a percentage is shown in the Schedule, the dollar amount determined by multiplying the:

- (1) Coverage A;
- (2) Coverage B;
- (3) Coverage D; or
- (4) Coverage E;

Limit Of Liability shown in the Declarations, whichever is greatest, by the percentage shown as the Named Storm Deductible in the Schedule.

3. The Named Storm Deductible only applies to loss caused by the peril of Windstorm or Hail during the period:

a. Beginning at the time an advisory, watch or warning for a "named storm" is issued or declared for any part of the state of North Carolina by the "National Weather Service"; and

b. Ending 24 hours following:

- (1) The termination of the last watch or warning for a "named storm" for any part of North Carolina by the "National Weather Service"; or
- (2) The issuance of the last advisory for a "named storm" for any part of North Carolina by the "National Weather Service";

whichever is later.

4. No other deductible applies to loss caused by the peril of Windstorm or Hail and resulting from a "named storm" during the period described in Paragraph **B.3.** of this endorsement.

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5. Refer to the policy Declarations for the deductible that applies to loss caused by the peril of Windstorm or Hail and resulting from a "named storm" other than during the period described in Paragraph **B.3.** of this endorsement.
- C.** The examples below illustrate how the named storm deductible functions depending on whether a dollar amount or percentage is shown as the Named Storm Deductible.

The examples below are based on a policy in which the Coverage **A** – Dwelling Limit Of Liability shown in the Declarations is \$100,000 and is higher than the Coverages **B**, **D** and **E** limits.

1. If the dollar amount shown as the Named Storm Deductible is \$1,000 and the total of all loss payable is \$10,000, calculate as follows:
 $\$10,000 \text{ loss} - \$1,000 \text{ deductible} = \$9,000$
 The amount of loss that you would recover is \$9,000.
2. If the percentage shown as the Named Storm Deductible is 2% and the total of all loss payable is \$10,000, calculate as follows:
 Step 1: $\$100,000 \times 2\% = \text{deductible of } \$2,000$
 Step 2: $\$10,000 \text{ loss} - \$2,000 \text{ deductible} = \$8,000$
 The amount of loss that you would recover is \$8,000.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NORTH CAROLINA

DEFINITIONS

The following definition is added:

"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.

COVERAGES

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

~~(2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:~~

~~(a) Used to service the Described Location; or~~

~~(b) Designed to assist the handicapped;~~

In Basic Coverage Form **DP 00 01**, Paragraph **5. Rental Value** under **E. Other Coverages** is replaced by the following:

5. Rental Value

You may use up to 10% of the Coverage **A** limit of liability for loss of fair rental value as described in Coverage **D**. ~~We will pay only 1/12 of this 10% for each month the rented part of the Described Location is unfit for its normal use.~~

Payment under this coverage reduces the Coverage **A** limit of liability by the amount paid for the same loss.

In Broad Form **DP 00 02** and Special Form **DP 00 03**, Paragraph **5. Rental Value And Additional Living Expense** under **F. Other Coverages** is replaced by the following:

5. Rental Value And Additional Living Expense

You may use up to 10% of the Coverage **A** limit of liability for loss of both fair rental value as described in Coverage **D** and additional living expense as described in Coverage **E**.

This coverage is additional insurance.

Under **F. Other Coverages**, Paragraph **6. Reasonable Repairs** is replaced by the following:

6. Reasonable Repairs

a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against.

c. Coverage provided under a. and b. does not:

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

(2) Relieve you of your duties, in case of a loss to covered property, described in ~~Section I~~ – Conditions, **D.2. Duties After Loss**; and

is limited to the greater of:

(3) \$3,000; or

(4) 1% of your Coverage **A** limit of liability;

unless we grant you approval within 72 hours of your request to exceed the limit. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 72 hours of your request to us and the damage is caused by a Peril Insured Against, you may exceed the amount stated above only up to the cost incurred by you for the reasonable repairs necessary to protect the covered property from further damage.

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

(This is Paragraph **6.** under **E. Other Coverages** in Form **DP 00 01.**)

The following is added under Paragraph **F. Other Coverages**:

13. "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 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

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- (2) The necessary increase in costs which you incur to maintain your normal standard of living when the Described Location 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 Coverage **A** – Dwelling, Coverage **B** – Other Structures, Coverage **C** – Personal Property, and, if provided in this Policy, Coverage **D** – Fair Rental Value and Coverage **E** – Additional Living Expenses, for damage or 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 \$5,000 limit 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 or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Other 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 Other Coverage.

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

(This is Paragraph **9.** under **E.** Other Coverages in Form **DP 00 01.**)

PERILS INSURED AGAINST

Basic Coverage Form **DP 00 01** and Broad Coverage Form **DP 00 02** only.

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

- b. To the following property when outside of the building, unless specifically shown on Endorsement **DP 32 19** or the Declarations Page:
- (1) Signs or cloth awnings, including their supports;
 - (2) Radio or television antennas or aerials, including their lead-in wiring, masts or towers;
 - (3) Swimming pools;
 - (4) Screens, including their supports, around a swimming pool, patio or other areas;
 - (5) Fences, property line and similar walls, including seawalls;
 - (6) Bathhouses, cabanas, greenhouses, hothouses, pergolas, slathouses, trellises;
 - (7) Outdoor equipment used to service the Described Location;
 - (8) Structures located over water, whether or not permanently attached to the ground, including the property in or on the structure; or

Basic Coverage Form **DP 00 01** only.

Under **2. Windstorm Or Hail**, the following paragraph is added:

- c. Caused by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

Broad Coverage Form **DP 00 02** only.

Under **2. Windstorm Or Hail**, the following paragraphs are added:

- c. To lawns, plants, shrubs or trees; or
- d. Caused by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

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Special Coverage Form DP 00 03 only.

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

2. Windstorm Or Hail

This peril does not include loss:

- a. To 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;
- b. To plants, shrubs or trees; or
- c. Caused by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

In Special Coverage Form DP 00 03, under **A. Coverage A – Dwelling** and **Coverage B – Other Structures** and in Endorsement DP 04 65, under **Perils Insured Against**, Paragraph **2.c.(8)(c)** is replaced by the following:

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

GENERAL EXCLUSIONS

Basic Coverage Form DP 00 01, Broad Coverage Form DP 00 02 and Special Coverage Form DP 00 03.

~~3. Water Damage 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 or explosion resulting from any of the above, in 3.a. through 3.d., is covered.~~

~~(This is Exclusion A.3. in Forms DP 00 01 and DP 00 03.)~~

Paragraph 8. Intentional Loss is replaced by the following:

8. Intentional Loss

Intentional loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

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

(This is Paragraph A.8. in Forms DP 00 01 and DP 00 03.)

The following exclusion is added:

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

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

(This is General Exclusion A.10. in Forms DP 00 01 and DP 00 03.)

Basic Coverage Form DP 00 01 only.

Exclusion B. is replaced by the following:

- B.** We do not cover loss to lawns, plants, shrubs or trees.

Special Coverage Form DP 00 03 only.

The following exclusion is added to Paragraph A.:

11. Windstorm Or Hail To Certain Property When Outside Of The Building

This exclusion applies to the following property when outside of the building unless specifically shown on Endorsement DP 32 19 or the Declarations Page:

- a. Signs or cloth awnings, including their supports;
- b. Swimming pools;
- c. Screens, including their supports, around a swimming pool, patio or other areas;
- d. Fences, property line and similar walls, including seawalls;

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- e. Bathhouses, cabanas, greenhouses, hothouses, pergolas, slathouses, trellises;
- f. Outdoor equipment used to service the Described Location; or
- g. Structures located over water, whether or not permanently attached to the ground, including the property in or on the structure.

CONDITIONS

Under D. Duties After Loss:

Paragraph 5.c. is replaced by the following:

- c. Submit to examination under oath, while not in the presence of any other insured under the pPolicy, and sign the same;

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.

In Broad Coverage Form DP 00 02 and Special Coverage Form DP 00 03, under E. Loss Settlement, Paragraph 2.a. is replaced by the following:

- 2. Buildings 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 on the premises described in the pPolicy or some other location within the State of North Carolina.

Basic Coverage Form DP 00 01, Broad Coverage Form DP 00 02 and Special Coverage Form DP 00 03.

Paragraph G. Appraisal is replaced by the following:

G. Appraisal

If you and we fail to agree on the value or amount of any item or loss, either may demand an appraisal of such item or loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a choice be made by a judge of a court of record in the state where the dwelling on the Described Location shown in the Declarations 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 pPolicy. If there is an appraisal, we still retain the right to deny the claim.

(This is Condition H. in Form DP 00 01.)

Paragraph J. Suit Against Us is replaced by the following:

J. Suit Against Us

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

(This is Condition K. in Form DP 00 01.)

Paragraph L. Loss Payment is replaced by the following:

L. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. We will pay within 60 days after the amount is finally determined.

This amount may be determined by:

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

(This is Condition M. in Form DP 00 01.)

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

T. Assignment

- 1. Assignment of this pPolicy will not be valid unless we give our written consent.
- 2. The benefits of this pPolicy that may be available to you following a covered loss may not be assigned unless:
 - a. All duties listed in ~~Section 1~~—Conditions, **D. Duties After Loss** are performed by you, and
 - b. An inspection of the damage has been conducted by an adjuster authorized by us, or we give our written consent.

(This is Condition **U.** in Form **DP 00 01.**)

The following condition is added and applies to all risks located in Protection Class 9, 9E, 9S or 10 in the State of North Carolina:

AA.Vacancy And/Or Unoccupancy (Unprotected Dwellings)

- 1. Coverage is extended for the described dwelling while it is vacant for not more than 60 consecutive days immediately before the loss; or unoccupied for not more than 90 consecutive days immediately before the loss.
- 2. If the vacancy or unoccupancy exceeds the respective period stated above, coverage must be extended for an additional period of vacancy and/or unoccupancy by use of Endorsement **DP 32 52**, otherwise all coverage on such dwelling shall be suspended during the period of vacancy or unoccupancy.
- 3. "Unoccupied" means the dwelling is entirely furnished but with personal habitants temporarily absent, provided the dwelling is secured against intrusion during this period; except as otherwise provided in this pPolicy for certain specified perils.

- 4. A building being constructed shall not be considered vacant.

(This is Condition **ZBB.** in Form **DP 00 01-~~DP 00 02~~ and Form ~~DP 00 03.~~**)

The following condition is added to Basic Coverage Form **DP 00 01**, Broad Coverage Form **DP 00 02** and Special Coverage Form **DP 00 03**:

BB.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.

(This is Condition **AACC.** in Form **DP 00 01~~DP 00 02~~ and Form ~~DP 00 03.~~**)

SPECIAL CONDITIONS

When this pPolicy insures real property of a condominium association, the following Provisions **1.** through **3.** apply:

- 1. **Conditions, Other Insurance And Service Agreement** is replaced by the following:

~~1.~~ **Other Insurance And Service Agreement**

If, at the time of loss, there is other insurance or a service agreement, in the name of a unit-owner, covering the same property covered by this pPolicy, this pPolicy shall provide primary insurance.

- 2. **Under Conditions, Paragraph J. Subrogation,** the following sentence is added:

However, we waive any rights of recovery against a unit-owner or member of the unit-owner's household.

- 3. An act or omission by a unit-owner, unless acting within the scope of his authority on behalf of the condominium association, will **not** preclude recovery by you under this pPolicy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPLACEMENT COST – NORTH CAROLINA

FORM DP 00 01 ONLY

CONDITIONS

E. **Loss Settlement** is replaced by the following:

E. Loss Settlement

In this Condition E., 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 Other Coverage **F.12. 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; 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** at replacement cost without deduction or 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, on the premises described in the **pPolicy**, or some other location within the State of North Carolina.

- 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 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 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.

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

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

(1) Less than 5% of the amount of insurance in this ~~p~~Policy on the building; and

(2) Less than \$2,500;

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

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNCTIONAL REPLACEMENT COST LOSS SETTLEMENT – NORTH CAROLINA

FORMS DP 00 02 AND DP 00 03 ONLY

CONDITIONS/DEFINITIONS

The following definition is added ~~when this endorsement is attached to the policy:~~

"Functional replacement cost" means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.

CONDITIONS

E. Loss Settlement

Paragraph 2. is replaced by the following:

2. Buildings covered under Coverage A or B:

a. If, at the time of loss, the amount of insurance in this pPolicy on the damaged building is 80% or more of the "functional replacement cost" of the building immediately before the loss, and you contract for repair or replacement of the damaged building for the same use, within 180 days of the damage unless we and you otherwise agree, we will pay, ~~after application of any deductible,~~ the lesser of the following amounts:

- (1) The limit of liability under this pPolicy that applies to the building; or
- (2) The necessary amount actually spent to repair or replace the damaged building on a "functional replacement cost" basis, on the premises described in the pPolicy, or some other location within the State of North Carolina.

b. If, at the time of loss, the amount of insurance in this pPolicy on the damaged building is 80% or more of the "functional replacement cost" of the building immediately before the loss, and you do not make claim under 2.a. above, we will pay, after application of any deductible, the least of the following amounts:

- (1) The limit of liability under this pPolicy that applies to the building;

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

(3) The amount which it would cost to repair or replace the damaged building on a "functional replacement cost" basis, on the premises described in the pPolicy, or some other location within the State of North Carolina.

c. If, at the time of loss, the amount of insurance in this pPolicy on the damaged building is less than 80% of the "functional replacement cost" of the building immediately before the loss, we will pay that proportion of the cost to repair or replace that part of the building damaged:

~~(1) After application of deductible; and~~

~~(2) Without deduction for depreciation;~~

which the total amount of insurance in this pPolicy on the damaged building bears to 80% of the "functional replacement cost" of the building, but not more than the limit of liability under this pPolicy that applies to the building.

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

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

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e. If the actual cash value of the damage is less than the "functional replacement cost" then:

(1) We will pay no more than the actual cash value of the damage until replacement is complete. Once replacement is complete, we will settle the loss according to the provisions of **2.a.** and **2.c.** above.

However, if the cost to functionally repair the damage is both:

(i) Less than 5% of the amount of insurance in this Policy on the building; and

(ii) Less than \$2,500;

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

(2) You may disregard the "functional 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 E. Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building ~~do so within 180 days of the date of loss.~~

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE A – NORTH CAROLINA

(FORM DP 00 01)

SCHEDULE

Coverage A – Dwelling Primary Limit Of Liability			
Location 1	Location 2	Location 3	Location 4
<p>Entries may be left blank if shown elsewhere in this policy for this coverage <u>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</u></p>			

COVERAGES

E. Other Coverages

With respect to the property covered under Coverage A – Dwelling in the policy form or described in the Schedule, the last paragraph of **8. Fire Department Service Charge** is replaced by the following:

Payment under this coverage reduces the Coverage A ~~Limit of~~ Liability shown in the Schedule above by the amount paid for the same loss.

CONDITIONS

I. Other Insurance And Service Agreement is replaced by the following:

I. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage A – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE B – NORTH CAROLINA

(FORM DP 00 01)

SCHEDULE

Coverage B – Other Structures Primary Limit Of Liability	Location Number	Description Of Structure
<p>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.</p>		

COVERAGES

E. Other Coverage

With respect to the structures covered under Coverage B – Other Structures in the policy form or described in the Schedule, the last paragraph of **8. Fire Department Service Charge** is replaced by the following:

Payment under this coverage reduces the limit of liability for Coverage B – Dwelling and any structure described above by the amount paid for the same loss.

CONDITIONS

I. Other Insurance And Service Agreement is replaced by the following:

I. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage B – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE C – NORTH CAROLINA

(FORM DP 00 01)

SCHEDULE

Coverage C – Personal Property Primary Limit Of Liability			
Location 1	Location 2	Location 3	Location 4
<p>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.</p>			

COVERAGES

E. Other Coverages

With respect to the property covered under Coverage C – Personal Property in the policy form or described in the Schedule, the last paragraph of **8. Fire Department Service Charge** is deleted and replaced by the following:

Payment under this coverage reduces the Coverage C ~~Limit of~~ Liability shown in the Schedule above by the amount paid for the same loss.

CONDITIONS

I. Other Insurance And Service Agreement is replaced by the following:

I. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage C – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE A – DWELLING NORTH CAROLINA

(FORM DP 00 02 OR DP 00 03)

SCHEDULE

Coverage A – Dwelling Primary Limit Of Liability			
Location 1	Location 2	Location 3	Location 4
<p><u>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.</u></p>			

COVERAGES

F. Other ~~Structures~~Coverages

With respect to the property covered under Coverage A – Dwelling in the policy form or described in the Schedule, the last paragraph of **5. Rental Value And Additional Living Expense, 8. Trees, Shrubs And Other Plants, 9. Fire Department Service Charge,** and **12. Ordinance Or Law** is replaced by the following:

Payment under this coverage reduces the Coverage A ~~Limit~~ ~~of~~ ~~Liability~~ shown in the Schedule above by the amount paid for the same loss.

CONDITIONS

H. **Other Insurance And Service Agreement** is replaced by the following:

H. **Other Insurance And Service Agreement**

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage A – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE B – NORTH CAROLINA

(FORM DP 00 02 OR DP 00 03)

SCHEDULE

Coverage B – Other Structures Primary Limit Of Liability	Location Number	Description Of Structure
<p>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.</p>		

COVERAGES

F. Other Coverages

With respect to the structures covered under Coverage B – Other Structures in the policy form or described in the Schedule, the last paragraph of **9. Fire Department Service Charge** and **12. Ordinance Or Law**, is replaced by the following:

Payment under this coverage reduces the limit of liability for Coverage B – Dwelling and any structure described above by the amount paid for the same loss.

CONDITIONS

H. Other Insurance And Service Agreement is replaced by the following:

H. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage B – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE FOR COVERAGE C – NORTH CAROLINA

(FORM DP 00 02 OR DP 00 03)

SCHEDULE

Coverage C – Personal Property Primary Limit Of Liability			
Location 1	Location 2	Location 3	Location 4
<p>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.</p>			

COVERAGES

F. Other Coverages

With respect to the property covered under Coverage C – Personal Property in the policy form or described in the Schedule, the last paragraph of **3. Improvements, Alterations And Additions** and **9. Fire Department Service Charge**, is replaced by the following:

Payment under this coverage reduces the Coverage C ~~Limit of~~ Liability shown in the Schedule above by the amount paid for the same loss.

CONDITIONS

H. Other Insurance And Service Agreement is replaced by the following:

H. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

1. Other fire insurance, the insurance for the property covered under Coverage C – Dwelling, shall be primary over any other valid and collectible insurance available to you.
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.

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

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