

BROAD FORM

The following Table of Contents shows how the policy is organized. It will help "you" locate particular sections of the policy.

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Additional policy conditions also apply. These are set forth in a separate endorsement.

Other endorsements and schedules may also be part of this policy. They are identified on the "declarations".

Words and phrases that have special meaning are shown in quotation marks. The special meanings for these words and phrases are set forth in Definitions.

AGREEMENT

This policy, subject to all of its "terms", provides the described insurance coverages. In return "you" must pay the required premium. Each of the Principal Coverages described in this policy applies only if a "limit" is shown on the "declarations" for that coverage.

DEFINITIONS

1. The words "you" and "your" mean any "named insured". If a "named insured" is a person, "you" and "your" include the spouse of such "named insured" if such spouse is a resident of that "named insured's" household.
2. The words "we", "us", and "our" mean the company providing this insurance.
3. "Declarations" means all pages labeled declarations, supplemental declarations, or schedule that pertain to this policy.
4. "Described location" means the location shown on the "declarations" as the Described Location.
5. "Fungi" means:
 - a. any kind or form of fungus, including but not limited to mildew and mold; and
 - b. any chemical, matter, or compound produced or released by a fungus, including but not limited to toxins, spores, fragments, scents, and metabolites.
6. "Hovercraft" means a self-propelled motorized ground effect vehicle or air cushion vehicle designed or used to travel over land or water. This includes, but is not limited to, a flarecraft.

However, "hovercraft" does not include a:

 - a. "motorized vehicle"; or
 - b. watercraft.
7. "Limit" means amount of insurance.
8. "Motorized vehicle" means a self-propelled land or amphibious vehicle, regardless of method of surface contact, other than a:
 - a. "hovercraft"; or

b. watercraft.

9. "Named insured" means any person or entity shown on the "declarations" as the Named Insured.
10. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed, or reconditioned; and
 - b. electrical, magnetic, or electromagnetic particles or fields, whether visible or invisible, and sound.
11. "Terms" means all:
 - a. provisions, limitations, exclusions, conditions, and definitions set forth in this policy; and
 - b. "declarations" that are a part of this policy.

PROPERTY COVERAGES

PRINCIPAL COVERAGES

1. Coverage A -- Dwelling

a. Covered Property

- 1) "We" cover the dwelling, used primarily for family residential purposes, on the "described location". This includes:
 - a) structures attached to such dwelling, other than structures that are connected by only a fence, utility line, or similar connection or any combination thereof;
 - b) built-in components and fixtures of such dwelling; and

- c) building materials and supplies located on or adjacent to the "described location" for use in the construction, alteration, or repair of:
 - (1) such dwelling or its attached structures, built-in components, or fixtures; or
 - (2) private structures on the "described location" that are not attached to such dwelling.
 - 2) If not otherwise covered by this policy, "we" also cover tools and equipment used to service the "described location" while such tools and equipment are on the "described location". This includes "motorized vehicles" used to service the "described location", but only if such "motorized vehicles":
 - a) are on the "described location"; and
 - b) are not required by law or governmental regulation to be registered for use on public roads or property.
 - b. **Property Not Covered** -- "We" do not cover:
 - 1) land, including the land on which covered property is located;
 - 2) underground water or surface water;
 - 3) except as provided under the incidental coverages, trees, plants, shrubs, or lawns;
 - 4) grave markers or mausoleums; or
 - 5) any structure:
 - a) rented or held for rental to any person who is not a tenant of a dwelling that is on the "described location" and covered under Coverage A, other than a structure used solely for private garage purposes;
 - b) used, in whole or in part, for the direction or operation of a commercial, manufacturing, or farming endeavor; or
 - c) used, in whole or in part, for the storage of commercial, manufacturing, or farming property.
- includes additions attached to such private structures and built-in components and fixtures of such private structures. Structures that are connected to a dwelling by only a fence, a utility line, or a similar connection are not considered attached.
- "We" also cover:
- 1) fences;
 - 2) driveways;
 - 3) sidewalks; and
 - 4) other permanently installed outdoor fixtures;
- on the "described location".
- b. **Property Not Covered** -- "We" do not cover:
- 1) land, including the land on which covered property is located;
 - 2) underground water or surface water;
 - 3) except as provided under the incidental coverages, trees, plants, shrubs, or lawns;
 - 4) grave markers or mausoleums; or
 - 5) any structure:
- a) rented or held for rental to any person who is not a tenant of a dwelling that is on the "described location" and covered under Coverage A, other than a structure used solely for private garage purposes;
 - b) used, in whole or in part, for the direction or operation of a commercial, manufacturing, or farming endeavor; or
 - c) used, in whole or in part, for the storage of commercial, manufacturing, or farming property.
- ## 2. Coverage B -- Private Structures
- a. **Covered Property** -- "We" cover private structures on the "described location" that are not attached to a dwelling. This

However, this item 2.b.5)c) does not apply to a structure used by "you", or a tenant of a dwelling that is on the "described location" and covered under Coverage A, to store commercial, manufacturing, or farming property owned solely by "you" or such tenant, but only if such property does not consist of or contain gaseous or liquid fuel, other than fuel contained in:

- (1) a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or
- (2) a portable container that is designed to hold fuel and has a capacity of no more than five U.S. gallons.

- c. The "limit" that applies to Coverage B is the most "we" pay per occurrence for all property covered under Coverage B.

3. Coverage C -- Personal Property

a. Covered Property

- 1) "We" cover personal property that is:

- a) usual to the occupancy of the dwelling on the "described location" as a place of residence; and
- b) owned or used by:

- (1) "you"; or
- (2) if "you" are a person, "your" family members who reside with "you";

while such property is on the "described location" and, as limited in 3.a.2) below, while such property is off the "described location".

At "your" request, "we" cover personal property that is owned by a guest or domestic employee while

such property is in that part of the "described location" that "you" occupy.

- 2) **Limitation On Property Off The Described Location** -- Coverage for personal property that is off the "described location" is limited to 10% of the "limit" that applies to Coverage C.

However, this item 3.a.2) does not apply to:

- a) personal property that is temporarily removed from the "described location" because the "described location" is undergoing repair due to loss caused by a peril insured against and is unfit for use as a place of residence or a place in which to store property; or
- b) personal property at "your" newly acquired principal residence for 30 days from the date that "you" first move property there.

During this 30-day period, the "limit" that applies to Coverage C will be apportioned between "your" newly acquired principal residence and the "described location" based on the proportion of the value of personal property at each location.

After 30 days from the date on which "you" first moved property from the "described location" to the newly acquired principal residence, coverage for personal property at the newly acquired principal residence is limited to 10% of the "limit" that applies to Coverage C.

The exceptions stated in 3.a.2)a) and 3.a.2)b) above do not extend coverage past the date on which this policy terminates.

b. **Property Not Covered** -- "We" do not cover:

- 1) aircraft, meaning apparatus or devices designed or used for flight. This includes parts or equipment of aircraft, whether or not attached.

However, this item 3.b.1) does not include aircraft:

- a) that are designed and used for hobby or model purposes; and
- b) that are not designed or used to carry one or more operators, any other person, or cargo;

- 2) animals, birds, fish, or insects;
- 3) data, regardless of the medium on which it exists.

However, "we" do cover the cost of:

- a) blank recording or storage media; and
- b) prepackaged computer programs that can be obtained in the retail marketplace;

- 4) electronic equipment that reproduces, receives, or transmits audio, visual, or data signals, or antennas, wires, accessories, or media designed for use with such equipment, while the equipment, antennas, wires, accessories, or media are in or on a "motorized vehicle" or watercraft;
- 5) grave markers or mausoleums;
- 6) "hovercraft". This includes parts or equipment of "hovercraft", whether or not attached.

However, this item 3.b.6) does not include "hovercraft":

- a) that are designed and used for hobby or model purposes; and

- b) that are not designed or used to carry one or more operators, any other person, or cargo;

- 7) land, including the land on which covered property is located, underground water, or surface water;
- 8) loss that results from credit cards, electronic fund transfer cards, or electronic access devices that make possible the deposit, withdrawal, or transfer of funds;
- 9) "motorized vehicles" or, while in or on a "motorized vehicle", their parts, equipment, or accessories.

However, this item 3.b.9) does not apply to a "motorized vehicle" that is not required by law or governmental regulation to be registered for use on public roads or property and:

- a) that is designed to assist the handicapped; or
- b) that is:

- (1) owned by "you" or, if "you" are a person, a member of "your" family who resides with "you"; and
- (2) used only to service a residence;

- 10) property separately described and specifically insured by this policy or any other insurance, regardless of the "limit" that applies to such property under such insurance;
- 11) trees, plants, shrubs, or lawns, except as provided under the Incidental Coverage for Debris Removal or the Incidental Coverage for Trees, Plants, Shrubs, Or Lawns;
- 12) property designed or used for commercial, manufacturing, or farming purposes;

- 13) accounts, bank notes, bills, bullion, cards or other devices on which a cash value is stored electronically, coins, deeds, evidence of debt, gold other than goldware and gold-plated ware, letters of credit, manuscripts, medals, money, notes other than bank notes, numismatic property, passports, personal records, philatelic property, platinum other than platinumware and platinum-plated ware, scrip, securities, silver other than silverware and silver-plated ware, smart cards, stamps, or tickets;
- 14) trailers or semitrailers; or
- 15) watercraft of any type, including their furnishings, equipment, engines, and motors.

However, this item 3.b.15) does not apply to canoes and rowboats that are on the "described location".

- c. Subject to the limitation described in 3.a.2) above, the "limit" that applies to Coverage C is the most "we" pay per occurrence for all property covered under Coverage C.

4. Coverage D -- Additional Living Costs And Fair Rental Value

- a. "We" pay for the necessary and reasonable increase in living costs "you" incur to maintain the normal standard of living of "your" household if that part of the "described location" occupied by "your" household is made unfit for its normal use by an insured loss.

"We" pay:

- 1) only for the period of time reasonably required to repair or replace the damage to that part of the "described location" occupied by "your" household; or
- 2) if "your" household is permanently relocated, only for the period of time reasonably required for relocation.

This period of time is not limited by the policy period.

- b. "We" pay for the fair rental value of that part of the "described location" rented or held for rental to others by "you" if it is made unfit for its normal use by an insured loss.

However, "we" will deduct from the fair rental value any charges or expenses that do not continue while the part of the "described location" rented or held for rental to others is unfit for use.

"We" pay only for the period of time reasonably required to repair or replace the damage to that part of the "described location" rented or held for rental to others. This period of time is not limited by the policy period.

- c. "We" pay for "your" additional living costs and fair rental value, as described in items 4.a. and 4.b. above, for up to two weeks if a premises neighboring the "described location" is directly damaged by a peril insured against covered by this policy and "you" may not, by order of civil authority, use the "described location". This period of time is not limited by the policy period.

- d. "We" do not pay for loss, cost, or expense due to the termination of a lease or an agreement.

- e. The "limit" that applies to Coverage D is the most "we" pay for all of the coverages described in items 4.a., 4.b., and 4.c. above.

INCIDENTAL COVERAGES

This policy provides the following incidental coverages. Except as otherwise stated, they are subject to all of the "terms" of the applicable Coverage A, Coverage B, or Coverage C. These coverages provide additional insurance unless otherwise stated.

1. Collapse

- a. "We" pay for direct physical loss to covered property involving the abrupt collapse of a building or a part of a building if such collapse is caused only by one or more of the following:
- 1) breakage of glass or safety glazing material that is part of such building;
 - 2) insect, rodent, or vermin damage to such building, or to such part of a building, that is hidden from view, unless "you":
 - a) knew of; or
 - b) should reasonably have suspected;the presence of such damage prior to the collapse;
 - 3) decay of such building, or of such part of a building, that is hidden from view, unless "you":
 - a) knew of; or
 - b) should reasonably have suspected;the presence of such decay prior to the collapse;
 - 4) weight of animals, equipment, people, or personal property;
 - 5) weight of rain that collects on a roof; or
 - 6) the use of defective materials or methods in the construction, repair, or renovation of such building or such part of a building, but only if the collapse occurs during the course of construction, repair, or renovation.

However, "we" do not pay for loss to awnings, bulkheads, cesspools, decks, docks, drains, fences, flues, foundations, patios, paved areas, piers, retaining walls, septic tanks, swimming pools, underground pipes, or wharves caused by a peril described in 1.a.1) through 1.a.6) above unless the loss is

the direct result of the collapse of a building or a part of a building. With respect to loss caused by a peril described in 1.a.1) through 1.a.6) above, awnings, bulkheads, cesspools, decks, docks, drains, fences, flues, foundations, patios, paved areas, piers, retaining walls, septic tanks, swimming pools, underground pipes, and wharves are not considered to be buildings or parts of buildings, whether or not such property is attached to or connected to one or more buildings.

- b. In this incidental coverage, abrupt collapse of a building or a part of a building means an abrupt caving in, falling in, falling down, or giving way of the building or the part of the building that prevents the building or the part of the building from being occupied for the purpose for which it was intended just before caving in, falling in, falling down, or giving way.
- c. This incidental coverage does not apply to:
- 1) a building or a part of a building that has not caved in, fallen in, fallen down, or given way even if it displays evidence of bending, bowing, bulging, cracking, expansion, inadequate load bearing capacity, leaning, sagging, settling, or shrinkage;
 - 2) a building or a part of a building in danger of caving in, falling in, falling down, or giving way; or
 - 3) a part of a building that has not caved in, fallen in, fallen down, or given way even if it has separated from another part of the building.
- d. This incidental coverage does not increase the "limits" that apply to the property covered.

2. Debris Removal

- a. "We" pay for the reasonable expense incurred by "you" to remove the debris of covered property after a loss. The loss must be:

- 1) caused by a peril insured against that applies to the damaged property; or
- 2) covered under the Incidental Coverage for Collapse.

"We" also pay for the reasonable expense incurred by "you" to remove volcanic ash, dust, or particulate matter that causes direct physical loss to a covered building or covered property contained in a building.

"We" will not pay more for direct physical loss to property and debris removal combined than the "limit" that applies to the damaged property. However, if the covered loss plus the cost of debris removal is more than the applicable "limit", "we" will pay up to an extra 5% of the applicable "limit" to cover the cost of debris removal.

This incidental coverage does not include any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of any "pollutant".

- b. Subject to the limitations set forth in 2.c. below, "we" also pay for the reasonable expense incurred by "you" to remove from the "described location":
 - 1) "your" fallen tree or trees, but only if the falling of the tree or trees is caused by:
 - a) windstorm;
 - b) hail; or
 - c) the weight of ice, snow, or sleet; or
 - 2) a neighbor's fallen tree or trees, but only if the falling of the tree or trees is caused by any of the perils insured against described under the perils insured against that apply to this policy.

Regardless of the number of fallen trees, the most "we" pay is \$500 per occurrence.

- c. The coverage described in 2.b. above applies only to a fallen tree that:

- 1) causes damage to a covered structure;
- 2) prevents a "motorized vehicle" that is registered for use on public roads or property from using a driveway on the "described location"; or
- 3) obstructs a ramp or other fixture that is designed to make the dwelling on the "described location" accessible to a handicapped person.

3. Emergency Removal

- a. "We" pay for direct physical loss to covered property that is moved from a premises to prevent a loss from a peril insured against. The property is covered for up to 30 days, however this coverage does not extend past the date on which this policy terminates.
- b. "We" pay for the reasonable towing cost incurred by "you" to move a covered mobile or manufactured home that is in danger from a peril insured against. The most "we" pay for the total cost to remove the mobile or manufactured home and to return it to the "described location" is \$500 per occurrence unless a higher "limit" for Emergency Removal Towing Cost is shown on the "declarations".
- c. This incidental coverage does not increase the "limit" that applies to the covered property.
- d. The exclusions set forth under General Exclusions, other than Illegal, Dishonest, Or Intentional Acts, do not apply to covered property while removed as described in 3.a. and 3.b. above.

4. **Fire Department Service Charge -- "We"** pay for charges assumed by "you" under a contract or an agreement when a fire department is called to save or protect covered property from a peril insured against.

However, "we" do not pay for such charges when the property is located within the limits of the city, municipality, or protection district that provides the fire department response.

The most "we" pay under this incidental coverage is \$500 per occurrence unless a higher "limit" for Fire Department Service Charge is shown on the "declarations".

5. **Glass Or Safety Glazing Material**

- a. "We" pay for:
- 1) the breakage of glass or safety glazing material that is part of a covered building, storm door, or storm window; and
 - 2) direct physical loss to covered property caused only by broken pieces of glass or safety glazing material that, before breaking, was part of a building, storm door, or storm window.
- b. The Earth Movement exclusion under General Exclusions does not apply with respect to the coverage described in 5.a. above.
- c. Under this incidental coverage, "we" do not pay for loss:
- 1) to covered property that occurs because of the breakage of glass or safety glazing material, except as provided in item 5.a.2) of this Incidental Coverage for Glass Or Safety Glazing Material; or
 - 2) on the "described location" if, immediately prior to the loss, the dwelling has been vacant for more than 60 consecutive days.

However, this item 5.c.2) does not apply to loss caused by breakage of glass or safety glazing material that is the direct result of earth movement.

A dwelling being built is not vacant.

- d. This incidental coverage does not increase the "limits" that apply to the property covered.

6. **Reasonable Emergency Measures**

- a. "We" pay for the reasonable costs incurred by "you" for necessary measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property.

In this incidental coverage, a necessary measure may include a permanent repair, but only if such repair is performed solely to:

- 1) protect covered property from further damage by a peril insured against; or
 - 2) prevent unwanted entry into a building on the "described location".
- b. If the measures described in 6.a. above involve repair to other damaged property, "we" pay only if the property that is repaired is covered by this policy and only if the damage that necessitates the repair is caused by a peril insured against.
- c. To the extent reasonably possible, damaged property must be retained and preserved for "our" inspection, testing, and analysis.
- d. This incidental coverage does not:
- 1) increase the "limit" that applies to the property covered; or

- 2) relieve "you" of the duties described under What Must Be Done In Case Of Loss.

7. Tenant's Improvements

- a. If "you" are a tenant of, and do not own, the "described location", "we" pay for direct physical loss to permanent:

- 1) improvements;
- 2) fixtures;
- 3) alterations;
- 4) decorations; or
- 5) additions;

to the "described location", made or acquired at "your" expense, if such loss is caused by a peril insured against.

- b. "We" do not cover:

- 1) land, including the land on which covered property is located;
- 2) underground water or surface water;
- 3) except as provided under the incidental coverages, trees, plants, shrubs, or lawns;
- 4) grave markers or mausoleums; or
- 5) any structure:

- a) rented or held for rental to others, but this does not include a structure used solely for private garage purposes;
- b) used, in whole or in part, for the direction or operation of a commercial, manufacturing, or farming endeavor; or
- c) used, in whole or in part, for the storage of commercial, manufacturing, or farming property.

However, this item 7.b.5)c) does not apply to a structure used by "you" to store commercial, manufacturing, or farming property owned solely by "you", but only if such property does not consist of or contain gaseous or liquid fuel, other than fuel contained in:

- (1) a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or
- (2) a portable container that is designed to hold fuel and has a capacity of no more than five U.S. gallons.

- c. The most "we" pay per occurrence under this incidental coverage is 10% of the "limit" that applies to Coverage C unless a higher "limit" for Tenant's Improvements is shown on the "declarations".

8. Trees, Plants, Shrubs, Or Lawns

- a. "We" pay for direct physical loss to trees, plants, shrubs, or lawns on the "described location" caused by:

- 1) a vehicle that is not owned or operated by "you" or an occupant of the "described location"; or
- 2) any of the following perils, each as described under Perils Insured Against:
 - a) Aircraft;
 - b) Damage By Burglars;
 - c) Explosion;
 - d) Fire Or Lightning;
 - e) Riot Or Civil Commotion; or
 - f) Vandalism Or Malicious Mischief.

However, "we" do not cover trees, plants, shrubs, or lawns grown for commercial, manufacturing, or farming purposes.

- b. If:

- 1) "you" are a tenant of, and do not own, the "described location", "you" may apply up to 10% of the "limit" that applies to Coverage C; or
- 2) "you" own the "described location", "you" may apply up to 5% of the "limit" that applies to Coverage A;

to cover trees, plants, shrubs, or lawns.

"We" do not pay more than \$500 for each tree, plant, or shrub. This includes the cost to remove the debris of the covered item.

PERILS INSURED AGAINST

"We" insure against direct physical loss to property covered under Coverage A, Coverage B, or Coverage C caused by the following perils, unless the loss is excluded under General Exclusions:

a. **Fire Or Lightning**

b. **Explosion**

c. **Windstorm Or Hail**

However, "we" do not pay for loss:

- 1) to the interior of a building, or to property inside a building, caused by:

- a) dust;
- b) rain;
- c) sand;
- d) sleet; or
- e) snow;

all whether driven by wind or not, that enters through an opening in the building not made by the direct force of wind or hail;

- 2) to any canoe or rowboat unless inside a fully enclosed building; or
- 3) to any outdoor antenna, including any lead-in wiring, masts, and towers.

d. **Riot Or Civil Commotion**

e. **Aircraft** -- This includes self-propelled missiles and spacecraft.

f. **Vehicles**

However, "we" do not pay for loss:

- 1) to any:
 - a) fence;
 - b) driveway; or

- c) walk;

caused by a vehicle owned or operated by "you" or an occupant of the "described location"; or

- 2) to a mobile or manufactured home caused by:

- a) contact with a transporting vehicle, or parts or equipment attached to a transporting vehicle, during towing by, hitching to, or unhitching from such transporting vehicle;
- b) collision with another object while the mobile or manufactured home is in transit; or
- c) the upset of the mobile or manufactured home while it is in transit.

- g. **Sudden And Accidental Damage From Smoke** -- This includes sudden and accidental damage from fumes, smoke, soot, or vapors that emit or back up from a boiler, furnace, or related equipment.

However, "we" do not pay for loss caused by smoke from agricultural smudging or industrial operations.

h. **Vandalism Or Malicious Mischief**

However, "we" do not pay for loss:

- 1) by burglary, larceny, pilferage, or theft; or
- 2) to property on the "described location":
 - a) caused by vandalism or malicious mischief; or
 - b) that ensues from a wrongful act committed intentionally in the course of vandalism or malicious mischief;

if, immediately prior to the loss, the dwelling has been vacant for more than 60 consecutive days. A dwelling being built is not vacant.

- i. **Damage By Burglars** -- This means damage to covered property caused by a burglar.

However, "we" do not pay for:

- 1) theft of property; or
- 2) loss to property on the "described location" if, immediately prior to the loss, the dwelling has been vacant for more than 60 consecutive days. A dwelling being built is not vacant.

j. Falling Objects

However, "we" do not pay for loss:

- 1) to the interior of a building, or to property inside a building, unless the falling object has first damaged an outside wall or the roof of the building by impact;
- 2) to any outdoor antenna, including any lead-in wiring, masts, and towers;
- 3) to any outdoor awning or canopy, including any supports;
- 4) to any fence or outdoor equipment; or
- 5) to the object that falls.

k. Weight Of Ice, Snow, Or Sleet that causes damage to a building or property that is inside a building.

However, "we" do not pay for loss to any:

- 1) outdoor antenna, including any lead-in wiring, masts, and towers;
- 2) outdoor awning or canopy, including any supports;
- 3) fence or outdoor equipment;
- 4) patio, paved area, or swimming pool;
- 5) bulkhead, foundation, or retaining wall; or
- 6) dock, pier, or wharf.

l. 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 a water heater.

However, "we" do not pay for loss caused by or resulting from freezing, except as provided under the peril of Freezing as described under Perils Insured Against.

m. Accidental Discharge Or Overflow Of Water Or Steam from a plumbing, heating,

air-conditioning, or automatic fire protective sprinkler system, water heater, or domestic appliance. This includes the reasonable cost of removing and replacing those parts of a building or structure on the "described location" needed to repair the system, heater, or appliance from which the water or steam accidentally discharged or overflowed.

However, "we" will pay the cost of removing and replacing part of a structure that is not a building only if the water or steam causes direct physical loss to a building on the "described location".

However, "we" do not pay for loss:

- 1) to the system, heater, or appliance from which the water or steam discharged or overflowed;
- 2) caused by or resulting from freezing, except as provided under the peril of Freezing as described under Perils Insured Against;
- 3) on the "described location" caused by accidental discharge or overflow that comes from off the "described location";
- 4) on the "described location" if, immediately prior to the loss, the dwelling has been vacant for more than 60 consecutive days. A dwelling being built is not vacant; or
- 5) caused by:
 - a) continuous or repeated discharge, seepage, or leakage of water or steam; or
 - b) the presence or condensation of humidity, moisture, or vapor;

if such discharge, seepage, or leakage of water or steam or presence or condensation of humidity, moisture, or vapor occurs over a period of 14 days or more. In the event that this item m.5) applies, it applies to all such loss, starting from the first day that the discharge, seepage, or leakage of water or steam or the presence or condensation of humidity, moisture, or vapor began.

However, this item m.5) does not apply if "you" did not know of and should not reasonably have suspected such discharge, seepage, or leakage of water or steam or presence or condensation of humidity, moisture, or vapor and such loss is otherwise covered by this policy.

In this item m., plumbing systems and domestic appliances do not include any sump, sump pump, or related equipment, any other type of system designed to remove subsurface water that is drained from the foundation area, or any roof drain, gutter, downspout, or like equipment.

- n. **Freezing** -- This means freezing of a plumbing, heating, air-conditioning, or automatic fire protective sprinkler system, water heater, or domestic appliance, subject to the requirements set forth in n.1) and n.2) below. In this peril of Freezing, plumbing systems and domestic appliances do not include any sump, sump pump, or related equipment, any other type of system designed to remove subsurface water that is drained from the foundation area, or any roof drain, gutter, downspout, or like equipment.
- 1) If the building is protected by an automatic fire protective sprinkler system, coverage for loss caused by the peril of Freezing applies only if "you" have taken reasonable care to:
 - a) maintain heat in the building; and
 - b) continue the water supply.
 - 2) If the building is not protected by an automatic fire protective sprinkler system, coverage for loss caused by the peril of Freezing applies only if "you" have taken reasonable care to:
 - a) maintain heat in the building; or
 - b) shut off the water supply and completely empty water from all systems, heaters, and appliances.
- o. **Sudden And Accidental Damage From Artificially Generated Electrical Currents**

However, "we" do not pay for loss to any tube, transistor, electronic component, or circuitry that is a part of any appliance, fixture, computer, home entertainment unit, or other type of electronic apparatus.

p. **Volcanic Eruption**

However, this does not include loss caused by earthquake, land shock waves, or tremors.

GENERAL EXCLUSIONS

"We" do not pay for loss caused directly or indirectly by, or consisting of, one or more of the following excluded causes, events, or conditions. Such loss is excluded regardless of other causes, events, or conditions that contribute in any sequence to or aggravate the loss, whether such causes, events, or conditions act to produce the loss before, at the same time as, or after the excluded causes, events, or conditions.

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause, event, or condition.

- a. **Bacteria, Fungi, Wet Rot, Or Dry Rot** -- "We" do not pay for loss, cost, or expense:

- 1) caused by;
- 2) consisting of; or
- 3) relating to the existence of or any activity of;

bacteria, "fungi", wet rot, or dry rot that is not the direct result of a peril insured against, except as provided under the Incidental Coverage for Collapse.

"We" do pay for direct loss to covered property caused by a peril insured against resulting from bacteria, "fungi", wet rot, or dry rot.

- b. **Business Interruption** -- "We" do not pay for loss caused by interruption of business, except as provided under Coverage D.

c. **By-Products Of A Growing, Processing, Or Production Operation Involving A Controlled Substance**

- 1) "We" do not pay for loss to property caused by or resulting from:

- a) smoke, vapor, gas, or any other substance discharged, dispersed, disposed of, emitted, escaped, leached, leaked, migrated, released, seeped, or spilled during; or
- b) the presence or condensation of humidity, moisture, or vapor related to;

any growing, processing, or production operation involving a controlled substance, as defined under federal law, conducted on the "described location". Controlled substances include, but are not limited to, cocaine, LSD, marijuana, methamphetamine, and all narcotic or hallucinogenic drugs.

This applies whether or not such operation is permitted by any law.

- 2) Loss caused by or resulting from:

- a) smoke, vapor, gas, or any other substance discharged, dispersed, disposed of, emitted, escaped, leached, leaked, migrated, released, seeped, or spilled during; or
- b) the presence or condensation of humidity, moisture, or vapor related to;

any operation described in c.1) above is not considered loss caused by smoke or vandalism or malicious mischief, even if this policy provides coverage for loss caused by either such peril.

- 3) This item c. does not apply to direct loss to covered property caused by fire or explosion resulting from:

- a) smoke, vapor, gas, or any other substance discharged, dispersed, disposed of, emitted, escaped,

leached, leaked, migrated, released, seeped, or spilled during; or

- b) the presence or condensation of humidity, moisture, or vapor related to;

any operation described in c.1) above.

- d. **Civil Authority** -- "We" do not pay for loss caused by the confiscation, destruction, or seizure of property covered under Coverage A, Coverage B, or Coverage C by order of civil authority.

"We" do pay for loss caused by acts ordered by a civil authority at the time of a fire to prevent its spread, but only if loss caused by the fire would be covered by this policy.

e. **Illegal, Dishonest, Or Intentional Acts**

- 1) "We" do not pay for loss that results from any illegal or dishonest act committed by or directed by:

- a) "you";
- b) another with an interest in the property;
- c) any partner, member, officer, manager, director, trustee, joint venturer, or authorized representative of "yours"; or
- d) any partner, member, officer, manager, director, trustee, joint venturer, or authorized representative of another with an interest in the property;

whether alone or in collusion with each other or with any other party.

- 2) "We" do not pay for loss that results from any act committed by or directed by:

- a) "you";
- b) another with an interest in the property;
- c) any partner, member, officer, manager, director, trustee, joint venturer, or authorized representative of "yours"; or

- d) any partner, member, officer, manager, director, trustee, joint venturer, or authorized representative of another with an interest in the property;

with the intent to cause a loss, whether alone or in collusion with each other or with any other party.

- 3) In the event of loss described in e.1) or e.2) above, "we" will not pay "you" or any other with an interest in the property, even those who were not involved in the commission or direction of the act that caused the loss.

f. Earth Movement

- 1) "We" do not pay for loss caused by earth movement whether the earth movement results from a natural cause, a man-made cause, or a combination of natural and man-made causes.

Man-made causes include, but are not limited to:

- a) construction or excavation activities;
- b) blasting;
- c) extracting gas, heat, minerals, oil, steam, water, or any other natural resource, substance, or material from below the earth's surface by any process, including but not limited to:

- (1) hydraulic fracturing;
- (2) mining;
- (3) drilling; or
- (4) geothermal energy extraction;

- d) injecting any natural resource, substance, or material, including but not limited to water and wastewater, below the earth's surface for any purpose;
- e) storing any natural resource, substance, or material, including but not limited to carbon dioxide, below the earth's surface; or
- f) any combination of f.1)a) through f.1)e) above.

- 2) In this item f., earth movement means any movement of earth, including:

- a) earthquake, earth tremor, or earth temblor, including any aftershocks, whether manifested in shaking, ground displacement, or otherwise;
- b) soil liquefaction, whether or not caused by:

- (1) earthquake;
- (2) earth tremor; or
- (3) earth temblor;

- c) land shock waves or tremors before, during, or after a volcanic eruption, explosion, or effusion;
- d) landslide, mudflow, or mudslide, including the movement of matter present in or carried or otherwise moved by:

- (1) landslide;
- (2) mudflow; or
- (3) mudslide;

- e) weakening, subsidence, settlement, or collapse of earth due to any cause, including but not limited to the presence or formation of a sinkhole; or
- f) any other earth movement, including but not limited to:

- (1) earth sinking, rising, or shifting;
- (2) movement caused by the:

- (a) expansion;
- (b) contraction;
- (c) compaction, whether improper or otherwise;
- (d) freezing;
- (e) thawing; or
- (f) shrinking;

of earth; or

- (3) movement caused by:

- (a) erosion; or
- (b) water below the earth's surface.

Earth includes, but is not limited to, ground, soil, sediments, substrates, and strata.

- 3) With respect to earth movement that results from a man-made cause or a combination of natural and man-made causes, this item f. applies:

- a) whether or not the earth movement results from an error or omission of any person, group, organization, or governmental body or authority;
- b) whether or not the cause of the earth movement originates on or under covered property; and
- c) whether or not the earth movement results from activities being performed at "your" request or for "your" benefit.

- 4) This item f. does not apply to direct loss to covered property caused by fire or explosion resulting from earth movement.

- g. **Neglect** -- "We" do not pay for loss caused by "your" neglect to use all reasonable means to save and preserve covered property at and after the time of a loss.

h. **Nuclear Hazard**

- 1) "We" do not pay for loss caused by nuclear reaction or radiation, or radioactive contamination, all:
 - a) whether controlled or uncontrolled; and
 - b) however caused;or any consequence of such reaction, radiation, or contamination.
- 2) Loss caused by nuclear reaction or radiation, or radioactive contamination, is not considered loss caused by:
 - a) fire;
 - b) explosion; or
 - c) smoke;

even if this policy provides coverage for loss caused by one or more of these perils.

- 3) Direct loss by fire resulting from nuclear reaction or radiation, or radioactive contamination, is covered.

i. **Ordinance Or Law** -- "We" do not pay for:

- 1) any loss or increased cost that results from the enforcement of a code, an ordinance, or a law that regulates or requires the construction, demolition, remodeling, renovation, or repair of property or the removal of its debris;
- 2) any loss in value of property that results from the enforcement of a code, an ordinance, or a law; or
- 3) any loss, cost, or expense that results from the enforcement of a code, an ordinance, or a law requiring that "you" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of any "pollutant".

This item i. applies whether or not there has been physical damage to covered property.

- j. **Power Failure** -- "We" do not pay for loss caused by the failure of power or other utility service, whether or not it is caused by a peril insured against, if the cause of the failure is not on the "described location".

"We" do pay for direct loss that is otherwise covered by this policy that occurs on the "described location" as a result of the failure of power or other utility service.

- k. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared or civil war;
- 2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

- 3) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the "terms" of this item k. and involves nuclear reaction or radiation, or radioactive contamination, this War And Military Action exclusion supersedes the Nuclear Hazard exclusion.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

I. Water

- 1) "We" do not pay for loss caused by:

- a) flood;
- b) surface water;
- c) waves, including but not limited to tidal wave and tsunami;
- d) tides;
- e) tidal water;
- f) overflow of any body of water; or
- g) spray from I.1)a) through I.1)f) above;

whether driven by wind or not.

This includes, but is not limited to, tidal surge, storm surge, and storm tide.

- 2) "We" do not pay for loss caused by water that:

- a) backs up through sewers or drains; or
- b) overflows or otherwise discharges from:
 - (1) a sump, sump pump, or related equipment; or
 - (2) any other type of system designed to remove subsurface water that is drained from the foundation area.

- 3) "We" do not pay for loss caused by water below the surface of the ground. This includes, but is not limited to, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, patio, foundation, swimming pool, or other structure.

- 4) "We" do not pay for loss caused by matter present in or carried or otherwise moved by water described in I.1) through I.3) above.

- 5) The exclusions set forth in I.1) through I.4) above:

- a) apply regardless of the cause of the excluded event, whether such cause is a natural cause, a man-made cause, or a combination of natural and man-made causes; and
- b) apply to, but are not limited to, water and matter present in or carried or otherwise moved by water, whether driven by wind or not, that:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

a dam, levee, dike, floodgate, or other device or feature designed or used to retain, contain, or control water.

- 6) "We" do pay for direct loss to covered property caused by fire or explosion resulting from an event excluded in I.1) through I.4) above.

- 7) In this item I., items I.1)b) and I.3) that apply to surface water and water below the surface of the ground do not include water that accidentally discharges or overflows from a:

- a) plumbing, heating, air-conditioning, or automatic fire protective sprinkler system;
- b) water heater; or
- c) domestic appliance;

on the "described location" when loss caused by such water is otherwise covered by this policy. Plumbing systems and domestic appliances do not include any sump, sump pump, or related equipment, any other type of system designed to remove subsurface water that is drained from the foundation area, or any roof drain, gutter, downspout, or like equipment.

WHAT MUST BE DONE IN CASE OF LOSS

The following duties apply when there is loss to covered property. These duties must be performed by "you" or "your" representative.

"We" are not obligated to provide the coverages described in this policy if these duties are not performed and such failure to perform is prejudicial to "us".

1. **Notice** -- Prompt notice must be given to "us" or "our" agent.

Notice must be given to the police when the loss involves a crime.

2. **Protect Property** -- All reasonable measures must be taken to protect covered property at and after a covered loss to avoid further loss.

If the property must be repaired, "you" must:

- a. make reasonable and necessary repairs to protect the property; and
- b. keep an accurate record of the costs of such repairs.

3. **Cooperation** -- "You" and any person representing "you" must cooperate with "us" in investigating and settling the claim.

4. **Inventory Of Damaged Personal Property** -- "We" must be given an inventory

of damaged or stolen personal property involved in a loss that shows, in detail, the:

- a. quantity;
- b. description;
- c. actual cash value; and
- d. amount of loss.

All bills, receipts, and related documents that confirm the figures stated in the inventory must be attached.

5. **Preserve And Show Damaged Property** -- To the degree reasonably possible, damaged property must be preserved and retained on the "described location" for "our" inspection, testing, and analysis.

As often as "we" reasonably request, "we" must be:

- a. shown the damaged property; and
- b. allowed to take samples of damaged property for inspection, testing, and analysis.

6. **Records And Documents** -- As often as "we" reasonably request, "we" must be:

- a. given requested records and documents, including but not limited to tax returns and bank records of all canceled checks that relate to the value, loss, and costs; and
- b. permitted to make copies of such records and documents.

7. **Examination Under Oath**

- a. As often as "we" reasonably request, "you" and all other insureds must:
 - 1) submit to examination under oath in matters that relate to the loss or claim and allow such examination to be recorded; and
 - 2) sign the statement made under oath.

If more than one person is examined, "we" have the right to examine and receive statements separately from each person and not in the presence of any other insured.

b. As often as "we" reasonably request, all:

- 1) representatives of "yours"; and
- 2) representatives of any other insured;

must submit to examination under oath in matters that relate to the loss or claim, allow such examination to be recorded, and sign the statement made under oath.

If more than one person is examined, "we" have the right to examine and receive statements separately from each person and not in the presence of "you", any other insured, or any other person to be examined.

All examinations under oath described in 7.a and 7.b above must take place in the county in which the "described location" is located unless "we" agree otherwise.

8. **Proof Of Loss** -- "We" must be given a signed, sworn proof of loss, within 60 days after "our" request, that, to the best of "your" knowledge and belief:

a. states:

- 1) the date, time, place, cause, and details of the loss; and
- 2) "your" interest and the interests of all others, including all mortgages and liens, in the property involved in the loss;

b. identifies:

- 1) other insurance, or any service agreement, that may cover the loss. For the purpose of this item 8.b.1), a service agreement means a home warranty, a service or maintenance plan or agreement, or any other warranty, plan, or agreement that

provides for the repair or replacement of property; and

- 2) any changes in title or use of the property since the policy was first issued; and

c. provides:

- 1) available plans and specifications of damaged buildings;
- 2) detailed estimates for repair;
- 3) the inventory of damaged personal property described in 4. above; and
- 4) receipts for additional living costs incurred and records supporting the fair rental value loss.

HOW MUCH WE PAY FOR LOSS

1. **Our Limit** -- "We" pay no more than:

- a. the "limit" that applies; or
- b. the amount determined under Loss Settlement Terms;

whichever is less, regardless of the number of persons or organizations with an interest in the property.

However, no person or organization will be paid an amount that exceeds that person's or organization's interest in the property at the time of loss.

2. **Deductible**

- a. A deductible applies to all principal coverages and all incidental coverages other than:

- 1) Fire Department Service Charge; and
- 2) the coverage for towing cost provided under the Incidental Coverage for Emergency Removal.

The deductible applies to all perils insured against unless otherwise stated.

The deductible that applies is shown on the "declarations".

- b. Subject to the "limits" that apply, "we" pay that part of the total of all loss payable that is greater than the deductible. If more than one deductible applies to a loss, only the highest deductible amount will apply.

The deductible applies:

- 1) per occurrence; and
- 2) separately at each covered location.

3. Loss To A Pair Or Set

- a. If there is a loss to a pair or set, "we" may:
 - 1) replace or repair any part of the pair or set to restore the pair or set to its value just before the loss; or
 - 2) pay the difference in the actual cash value of the pair or set just before the loss and the actual cash value just after the loss.
- b. However, with respect to loss to a mobile or manufactured home, if there is a loss to part of a pair, set, or series of pieces or panels, "we" pay only for the reasonable cost to:
 - 1) repair or replace the damaged part to match the remaining pieces or panels as nearly as possible; or
 - 2) provide a suitable cosmetic effect or function, as warranted.

These "terms" do not serve as a guarantee that replacement pieces or panels will be available.

"We" do not pay for the value, repair, or replacement of undamaged pieces or panels.

4. Loss To Parts

- a. If there is a loss to a part of an item that consists of several parts when it is

complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace it.

- b. However, with respect to loss to a mobile or manufactured home, if there is a loss to part of a pair, set, or series of pieces or panels, "we" pay only for the reasonable cost to:

- 1) repair or replace the damaged part to match the remaining pieces or panels as nearly as possible; or
- 2) provide a suitable cosmetic effect or function, as warranted.

These "terms" do not serve as a guarantee that replacement pieces or panels will be available.

"We" do not pay for the value, repair, or replacement of undamaged pieces or panels.

5. Loss Settlement Terms

- a. "We" settle losses according to the Replacement Cost Terms. If the Replacement Cost Terms do not apply, "we" settle losses according to the Actual Cash Value Terms.
- b. In the Replacement Cost Terms and the Actual Cash Value Terms, replacement cost and cost to repair or replace do not include any increased cost that results from the enforcement of a code, an ordinance, or a law.

However, if there is a covered loss to glass that is part of a building, storm door, or storm window, "we" will pay to replace the damaged glass with safety glazing material when required by a code, an ordinance, or a law.

c. Replacement Cost Terms

- 1) The Replacement Cost Terms apply only to buildings covered under Coverage A or Coverage B that have a permanent foundation and roof.

However, Replacement Cost Terms do not apply to mobile or manufactured homes, whether or not on a permanent foundation, or to:

- a) outdoor antennas;
- b) appliances;
- c) awnings and canopies;
- d) carpets;
- e) tenant's improvements; and
- f) window air-conditioners;

whether or not attached to a building.

- 2) If the "limit" that applies to the damaged building at the time of loss is less than 80% of its full replacement cost just before the loss, the larger of the following amounts is used in applying the "terms" under Our Limit:

- a) the actual cash value of the damaged part of the building just before the loss; or
- b) that part of the cost to repair or replace the damaged part, without a deduction for depreciation, that the "limit" on the damaged building bears to 80% of its full replacement cost just before the loss.

- 3) If the "limit" that applies to the damaged building at the time of loss is at least 80% of its full replacement cost just before the loss, the smaller of the following amounts is used in applying the "terms" under Our Limit:

- a) the amount actually and necessarily spent to repair or replace the damaged building, without a deduction for depreciation; or
- b) the cost to repair or replace the damage:

- (1) using materials of like kind and quality; and

- (2) for like use;

without a deduction for depreciation.

However, if a damaged building is rebuilt at another location, such cost is limited to the cost that would have been incurred if the building had been repaired or replaced at the location where the damage occurred.

- 4) When determining whether or not the "limit" that applies to the damaged building at the time of loss is at least 80% of the building's full replacement cost just before the loss, do not include the cost of:

- a) excavations; brick, stone, or concrete foundations; piers; footings; or other structures or features that support all or part of the building that are:

- (1) below the undersurface of the lowest basement floor; or

- (2) below the surface of the ground inside the foundation walls, if there is no basement; and

- b) underground flues, pipes, wiring, and drains.

- 5) If the cost to repair or replace the damaged building exceeds the lesser of \$2,500 or 5% of the "limit" that applies to it, "we" will pay no more than the actual cash value of the loss until repair or replacement is completed. Once repair or replacement is completed, "we" will settle the loss as described in 5.c.2) and 5.c.3) above.

- 6) At "your" option, "you" may make a claim under the Actual Cash Value Terms instead of these Replacement Cost Terms. "You" may later make a claim for any additional amount payable under these Replacement Cost Terms, but only if "you" have informed "us", within 180 days after the date of loss, that "you" plan to repair or replace the damaged building.

d. Actual Cash Value Terms

- 1) The Actual Cash Value Terms apply to all property to which the Replacement Cost Terms do not apply.
- 2) The smallest of the following amounts is used in applying the "terms" under Our Limit:
 - a) the cost to repair or replace the lost or damaged part of the property with materials of like kind and quality, to the extent practical;
 - b) the actual cash value of the lost or damaged part of the property just before the loss; or
 - c) (applies only to mobile and manufactured homes) the difference in the actual cash value just before the loss and the actual cash value just after the loss.

6. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy applies to a loss, "we" pay no more than the actual loss.

7. **Insurance Under More Than One Policy And Service Agreement**

- a. If there is other insurance that applies to a loss, cost, or expense covered by this policy, other than insurance in the name of an association or a corporation of property owners, "we" pay "our" share of the loss, cost, or expense. "Our" share is that part of the loss, cost, or expense

that the "limit" of this policy bears to the total amount of insurance that applies to the loss, cost, or expense.

- b. If a loss, cost, or expense covered by this policy is also covered by insurance in the name of an association or a corporation of property owners, this insurance is:
 - 1) excess over the amount due under such other insurance, whether or not the association or corporation of property owners has collected under the other insurance; and
 - 2) primary with respect to any amount not due under such other insurance because of the application of a deductible.
- c. If loss, cost, or expense covered by this policy is also covered by a service agreement, this insurance is excess over any amount recoverable under such agreement.

For the purpose of this item 7.c., a service agreement means a home warranty, a service or maintenance plan or agreement, or any other warranty, plan, or agreement that provides for the repair or replacement of property, even if it has the characteristics or qualities of insurance or is described as insurance.

PAYMENT OF LOSS

1. **Your Property** -- "We" adjust each loss with "you". "We" pay a covered loss within 60 days after an acceptable proof of loss is received and:
 - a. "we" reach an agreement with "you";
 - b. there is an entry of a final judgment; or
 - c. there is a filing of an appraisal award with "us".

Payment is made to "you" unless a loss payee or some other person or entity is named in the policy or is legally entitled to receive payment.

2. **Additional Living Costs And Fair Rental Value** -- If the "described location" is made unfit for use for more than one month, loss, cost, or expense covered under Coverage D is paid on a monthly basis. "You" must give "us" proof of such loss, cost, or expense.
3. **Property Of Others** -- At "our" option, a covered loss to personal property of another may be adjusted with and paid:
 - a. to "you" on behalf of the owner; or
 - b. to the owner. If "we" pay the owner, "we" do not have to pay "you".
4. **Our Options** -- "We" may:
 - a. pay the loss in money; or
 - b. rebuild, repair, or replace the property. "We" must give "you" written notice of "our" intent to do so within 30 days after "we" receive an acceptable proof of loss.

If "we" pay the loss in money, "we" may take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by "us" becomes "ours".

CONDITIONS

1. **Abandonment Of Property** -- "You" may not abandon property to "us" unless "we" agree.
2. **Appraisal** -- If "you" and "we" do not agree on the value of the property or the amount of the loss, either party may make a written demand for an appraisal of the loss.

If either party makes a written demand for an appraisal, each party will select a competent, impartial appraiser within 20

days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask that the umpire be selected by a judge of a court of competent jurisdiction in the state in which the "described location" is located.

The appraisers then determine and state separately the value of the property and amount of the loss. If the appraisers fail to agree, they will submit only their differences to the umpire. An itemized, written agreement signed by any two of these three will determine the amount of the loss.

"You" will pay the expense of "your" appraiser and "we" will pay the expense of "our" appraiser. "You" and "we" will share equally the expense of the umpire and the other expenses of the appraisal.

Under no circumstance will an appraisal be used to interpret policy "terms", determine causation, or determine whether or not a loss is covered under this policy.

3. **Conformity With Law** -- If the "terms" of this policy conflict with an applicable law, the "terms" are amended to conform to that law.
4. **Death** -- The "terms" of this condition apply only when a "named insured" is a person.

If "you" die, "we" provide the property coverages described herein for:

- a. "your" legal representative, but only:
 - 1) with respect to the deceased person's property covered by this policy at the time of death; and
 - 2) to the extent that coverage is provided by this policy; and
- b. persons having proper, temporary custody of the deceased person's covered property, but only with respect to such property and only until such time as a legal representative is appointed and qualified.

5. **Loss Payable Clause** -- With respect to those items of personal property for which a loss payee is shown on the "declarations", that loss payee is considered to be an insured, but only with respect to those items of personal property.

If "we" cancel or do not renew this policy, "we" will so notify, in writing, any loss payees shown on the "declarations".

6. **Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage to "you" or any other insured if, before or after a loss, "you" have, or any other insured has:

- a. willfully concealed or misrepresented a material fact or circumstance that relates to this insurance or the subject thereof; or
- b. committed fraud or sworn falsely with regard to a matter that relates to this insurance or the subject thereof.

This item 6. applies even with respect to an insured who was not involved in the concealment, misrepresentation, fraudulent conduct, or false swearing.

7. **Mortgage Clause**

- a. If a mortgagee is named on the "declarations", a loss payable under Coverage A or Coverage 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. The word mortgagee includes trustee and secured party.
- b. If "we" deny "your" claim, that denial does not apply to a valid claim of the mortgagee if the mortgagee has:
 - 1) notified "us" of any change in ownership, occupancy, or substantial change in risk of which the mortgagee became aware;
 - 2) paid the premium due under this policy on demand if "you" neglected to pay the premium; and

- 3) submitted a signed, sworn statement of loss within 60 days after receiving notice from "us" if "you" failed to do so.

All "terms" of this policy apply to the mortgagee unless changed by this clause.

- c. A secured party's interest is not covered for "your" conversion, embezzlement, or secretion of encumbered property in "your" possession, unless specifically insured against and a premium is paid for such coverage.
- d. If "we" cancel or do not renew this policy, "we" will notify any mortgagees named on the "declarations" at least ten days before the date cancellation or nonrenewal takes effect.
- e. If "we" pay the mortgagee for a loss and deny payment to "you", "we" are subrogated, up to the amount "we" paid for the loss, to all the rights of the mortgagee granted under the mortgage on the property. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

At "our" option, "we" may pay to the mortgagee the whole principal on the mortgage plus the 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.

- 8. **No Benefit To Bailee** -- Coverage under this policy will not directly or indirectly benefit those who are paid to assume custody of covered property.
- 9. **Policy Period** -- The property coverages described herein apply only to losses that occur during the policy period.
- 10. **Recoveries** -- This applies if "we" pay for a loss and lost or damaged property is recovered or payment is made by those responsible for the loss.

"You" must inform "us" or "we" must inform "you" if either recovers property or receives payment. Proper costs incurred by either party are paid first.

At "your" option, "you" may keep the recovered property. If "you" keep the recovered property, the amount of the claim paid, or a lesser amount to which "we" agree, must be returned to "us".

If the claim paid is less than the agreed loss due to a deductible or other limiting "terms", the recovery is prorated between "you" and "us" based on the interest of each in the loss.

11. **Subrogation** -- If "we" pay for a loss, "we" may require an assignment of the right of recovery up to the amount "we" pay.

In the event that "we" require such an assignment, the person or organization to whom payment was made must:

- a. sign and give to "us" all related documents; and

- b. cooperate with "us".

"You" may waive "your" right to recover, in writing and before a loss occurs, without affecting coverage.

12. **Suit Against Us** -- No suit may be brought against "us" unless:

- a. all of the "terms" of the property coverages provided by this policy have been fully complied with; and
- b. the suit is brought within two years after the date on which direct physical loss or damage occurred.

13. **Volcanic Eruption** -- All volcanic eruption that occurs within a 72-hour period constitutes a single occurrence.