

PREFERRED RISK PROGRAM  
HOMEOWNERS  
(Sections I & II)  
POLICY CHANGES APPLY TO ISO, HO2 & HO3 (Ed. 4-84)

The following individual endorsements form a part of and are attached to this policy and shall apply to the current policy and all subsequent renewals.

Page 2 of 15 DEFINITIONS, Definition 9 is added:

**"Actual Cash Value"**. Whenever used in this policy, the term **Actual Cash Value** shall mean the amount which it would cost to repair or replace, including labor, material and taxes, covered property with material of like kind and quality, less allowance for physical deterioration and depreciation and obsolescence.

On Page 2 of 15, SECTION 1, Coverage C--Personal Property, Special Limits of Liability, number 11 is added:

11. \$500 for loss to contents of a freezer or refrigerated units on the **insured location**. The contents must be owned by an **insured** and the loss caused by change in temperature resulting from:
- a. interruption of electrical service to refrigeration equipment caused by damage to the generating or transmission equipment which results in a breakdown in the system; or
  - b. mechanical or electrical breakdown of the refrigeration system.

The **insured** must exercise diligence in inspecting and maintaining the refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, all reasonable means must be used to protect the insured property from further damage, or this coverage is void. The policy deductible does not apply.

On Page 3 of 15, SECTION I, Coverage C--Personal Property, Property Not Covered, Item 3. is deleted and replaced by the following:

3. We do not cover:
- a. motor vehicles, parts and equipment;
  - b. motorized bicycles, parts and equipment;
  - c. recreational motor vehicles, including golf carts, parts and equipment; except those used to service an **insured's** residence which are not licensed for road use or those designed for assisting the handicapped which are not licensed for road use;
  - d. electronic devices, accessories, or antennas that may be operated from the electrical system of a motor vehicle, recreational motor vehicle, motorized bicycle, or watercraft while in or on such vehicle. Films, tapes, wires, discs, records or other media for use with such devices are also not covered;
  - e. portable phones, radar detectors, their accessories and antennas while in or on a motor vehicle, recreational motor vehicle, motorized bicycle, or watercraft.

Page 8 of 15, SECTION I--CONDITIONS, 3. Loss Settlement, Subsection a. and b. are deleted and replaced by the following:

- a.
  - 1) Property under Coverage A or B
  - 2) Personal Property under Coverage C, unless property is not eligible for replacement cost settlement; and
  - 3) Awnings, carpeting, domestic appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; at replacement cost.
- b. A loss settlement at replacement cost means we will pay the smallest of the following amounts:
  - 1) the cost to replace covered property at the time of loss without deduction for depreciation;
  - 2) the full cost of repair at the time of loss;
  - 3) 400% of the actual cash value at the time of loss;
  - 4) the limit of liability applying to Coverage C; or
  - 5) any special limits of liability stated in this policy.
- c. Property listed below is not eligible for replacement cost settlement and covered losses for such property will be settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace:
  - 1) antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
  - 2) memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to its value.
  - 3) articles not maintained in good or workable condition.
  - 4) articles that are outdated or obsolete and are stored or not being used.
- d. We will pay no more than the actual cash value of the loss until actual repair or replacement is completed. However, you may make claim within 180 days after the loss for any additional liability on a replacement cost basis, subject to the terms stated above, once actual repair or replacement is completed.

Page 9 of 15, SECTION I--CONDITIONS, 8. Suit Against Us is deleted and the following substituted:

8. **Suit Against Us**. No action shall be brought unless there has been compliance with the

policy provisions and the action is started within five years after the **occurrence** causing loss or damage.

Pages 11 and 12 of 15, SECTION II--EXCLUSIONS, 1. Coverage E--Personal Liability and Coverage F--Medical Payments to Others do not apply to bodily injury or property damage: subsections e., f. and g. are deleted and replaced by the following:

**Coverage E--Personal Liability and Coverage F--Medical Payments to Others** do not apply to **bodily injury or property damage**:

e. arising out of:

- 1) the ownership, maintenance, use, loading or unloading of a motor vehicle or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an **insured**
- 2) the entrustment by an **insured** of a motor vehicle or any other motorized land conveyance to any person;
- 3) the gift of or the providing of a motor vehicle or any other motorized land conveyance to any person;
- 4) vicarious liability, whether or not statutorily imposed, for the actions of any person, including but not limited to a child or minor, using a motor vehicle or any other motorized land conveyance; or
- 5) any vehicle while being towed by or carried on a motor vehicle or any other motorized land conveyance.

This exclusion does not apply to:

- 1) a trailer not towed by or carried on a motor vehicle or other motorized land conveyance;
- 2) a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
  - a. not owned by an **insured**; or
  - b. owned by an **insured** and on an **insured location**;
- 3) a motorized golf cart when used on a golf course to play golf;
- 4) a vehicle or conveyance not subject to motor vehicle registration which is:
  - a. used to service an **insured's** residence;
  - b. designed for assisting the handicapped; or
  - c. in dead storage at an **insured location**.

f. arising out of:

- 1) the ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- 2) the entrustment by an **insured** of an excluded watercraft described below to any person;
- 3) the gift of or the providing of an excluded watercraft described below to

any person; or

- 4) vicarious liability, whether or not statutorily imposed, for the actions of any person, including but not limited to a child of minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an **insured**. This exclusion does not apply to watercraft:

- 1) that are not sailing vessels and are not powered by:
  - a. inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an **insured**;
  - b. inboard or inboard-outdrive engine or motor power of more than 50 horsepower owned by or rented to an **insured**;
  - c. one or more outboard engines or motors with 25 total horsepower or less;
  - d. one or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an **insured**;
  - e. outboard engines or motors of more than 25 total horsepower owned by an **insured** if you acquired them prior to the policy period, and
    - A. you declare them at policy inception; or
    - B. your intention to insure it is reported to us in writing within 45 days after you acquire the outboard engines or motors;

This coverage is a for the policy period.
- 2) that are sailing vessels with or without auxiliary power:
  - a. less than or equal to 26 feet in overall length;
  - b. 26 feet or more in overall length not owned by or rented to an **insured**;
- 3) that are stored.

g. arising out of:

- 1) the ownership, maintenance, use, loading or unloading of an aircraft;
- 2) the entrustment by an **insured** of an aircraft to any person;
- 3) the gift of or the providing of an aircraft to any person;

- 4) vicarious liability, whether or not statutorily imposed, for the actions of any person, including but not limited to a child or minor, using an aircraft.

An aircraft means any contrivance used or designed for flight (whether or not lighter than air), except model or hobby aircraft not used or designed to carry people or cargo.

Page 12 of 15, SECTION II--EXCLUSIONS, 2. Coverage E--Personal Liability does not apply to: subsections a. and f. are deleted and replaced by the following:

2. **Coverage E--Personal Liability**, does not apply to:
  - a. liability;
    - (1) for your share of any loss assessment charged against all members of an association of property owners;
    - (2) under any other contract or agreement except those written contracts directly relating to the maintenance of the **insured location** not excluding in (1) above or elsewhere in this policy;
  - f. **bodily injury** to you or any **insured** within the definition of **insured** in item 3 of page 1 of 15;

Page 15 of 15, SECTIONS I AND II—CONDITIONS, 5. Cancellation, b. 2) is deleted and replaced by the following:

- 2) 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 notifying you at least 30 days before the date cancellation takes effect.

All other provisions of this policy apply.