



Farmers Smart Plan Home[®] Policy Nevada

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READ YOUR POLICY CAREFULLY.

- This policy is a legal contract between you (the policyholder) and us (the Company). **It Contains Certain Exclusions.**
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Introduction

Property Coverage:

In Section I, this policy insures different kinds of property; however, not all property is insured. This policy will not pay for all types of loss or damage or for all causes of loss or damage to covered property. Coverage is dependent upon whether the type of loss or damage is insured, and if insured, then whether the cause of the loss or damage is covered.

Settlements, including replacement cost settlements, and coverages in this policy, are subject to the limits of insurance and certain conditions stated herein.

If loss occurs, refer to Section I - Property Conditions, Duties After Loss.

Liability Coverage:

In Section II, this policy provides coverage for certain damages you become legally obligated to pay because of **bodily injury** or **property damage** resulting from an **occurrence**. If the Declarations show that **personal injury** coverage applies, this policy provides coverage for certain **personal injuries**. Further, the amount we will pay is subject to the limits of insurance. Coverage is also subject to certain conditions.

If a claim should be made against you, refer to Section II - Liability Conditions, Duties After Loss.

Agreement

You agree:

1. to pay premiums when due; and
2. to comply with all applicable terms of this policy.

In return, we will insure you for the coverages and limits as shown in this policy. This policy includes the Declarations and any endorsements.

Accuracy of Information and Changed Circumstances

The Coverage A (**Dwelling**) **stated limit** is the most we will pay if your **dwelling** sustains a loss. The actual cost to replace the **dwelling** at the time of loss may be different. We do not guarantee that the **stated limit** represents the actual cost to replace the **dwelling**. You may have additional insurance as provided in Extensions of Coverage or by endorsement.

You are responsible for selecting appropriate amounts of coverage, including:

1. Coverage A (**Dwelling**);
2. Coverage B (**Separate Structures**);

3. Coverage C (Personal Property);
4. Coverage D (Loss of Use);
5. Coverage E (Personal Liability); and
6. Coverage F (Medical Payments to Others).

You agree that all information you have provided to us is accurate. We may provide you with information about your **dwelling** or this insurance. You agree to cooperate in determining if all information is correct and complete. You agree to notify us within 60 days if any information is not correct or complete, or changes.

Definitions

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations and, if a resident of the same household as you:

- a. your spouse;
- b. your civil union partner; or
- c. your domestic partner.

Any marriage, civil union or domestic partnership must be legally entered into under local, state or federal laws of the United States and its territories or another country, prior to the date of loss.

"We," "us" and "our" refer to the insurer named in the Declarations. Also certain words and phrases are defined as follows:

1. **Actual cash value** - means the reasonable replacement cost at time of loss less deduction for depreciation.
We may depreciate all replacement costs, including, but not limited to, the costs of materials and labor.
2. **Aircraft** - means any device used or designed for flight, including:
 - a. an unmanned, unpiloted or remotely piloted aerial device or vehicle which is deemed an **aircraft** by a federal or governmental agency, including but not limited to, a drone; or
 - b. **aircraft** parts, accessories, or equipment.

Aircraft does not include model or hobby **aircraft** not used or designed to carry people or cargo, unless deemed to be an **aircraft** by a federal or governmental agency.

3. **Annual aggregate limit** - means the total we will pay for all covered **occurrences** combined which happen in each policy period. This limit applies regardless of the number of such **occurrences** or loss events, or **insureds** or claimants.
4. **Bodily injury** - in Section II - Liability - means physical harm to the body, including physical sickness or disease, to a

person other than an **insured**. This includes reasonable required care, loss of services and death that results.

Bodily injury does not include:

- a. psychological or mental injury or effect, including, but not limited to, fear, depression, humiliation, anxiety, anguish, shock or distress, unless it arises from actual physical harm to the body of a person;
 - b. transmission or exposure of a communicable disease by any **insured** to any other person;
 - c. Acquired Immune Deficiency Syndrome (AIDS), AIDS related Complex, Human Immunodeficiency Virus (HIV);
 - d. any auto-immune disease; or
 - e. any symptom, injury, condition, effect, illness or disease related to subsections a. through d. above, or resulting from a **noxious substance**. A symptom, injury, condition, effect, illness or disease includes, but is not limited to, fatigue, insomnia, stomachaches, headaches or ulcers.
5. **Building law** - means any governmental ordinance, code, regulation, order or law which regulates the repair, replacement, rebuilding, demolition or removal of covered damage to the **dwelling** or a **separate structure**.
6. **Building structure** - means a structure which is a building that is fully enclosed with walls and a roof. A roof or wall does not include a temporary roof or wall structure or any kind of temporary tarp, sheeting or other covering, unless it has been installed temporarily due to recent damage covered by this policy and then only for a reasonable amount of time to repair the recent damage.
7. **Business** - means any full or part-time employment, trade, profession, or occupation, or a commercial, mercantile or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular or is a secondary or supplemental source of income or is an **insured's** principal means of livelihood. Profit and profit motive are irrelevant. **Business** does not include volunteer activities for a not-for-profit organization or public agency for which no money is received other than payment of expenses. **Business** does not include incidental and infrequent personal economic activity such as a garage or yard sale or hobby. **Business** does not include any self-employed, occasional activity by a person under 18 years of age, which activity has no employees or subcontracted independent contractors and is of a type of activity normally performed by persons under 18 including, but not limited to, babysitting, lawn mowing or paper delivery.
8. **Business property** - means property related to or used for or intended for use in **business**. **Business property** includes

personal property that is frequently used in or for **business** or for **business** purposes.

9. **Claimed loss** - means your claim of direct physical loss or damage to property.
10. **Component parts** - mean each of the individual constituent items or parts of covered property. By way of example, for a roof, the individual **component parts** or items of the roof would include, as applicable: a truss, a rafter, a section of decking, underlayment, sheathing or drip edge, a shingle, a tile or other outer covering, a pipe jack, a vent or a skylight, and all other individual items or parts. Each of these individual items or parts would also be **component parts** of the **dwelling**.
11. **Contamination** - means the actual, perceived or suspected introduction, existence, presence, proliferation or spread of any **noxious substance, nuclear substance, pathogen, fungus** or pollutant on, to, or in land, **water, air, buildings, structures** or personal property, either on or off the **residence premises**, which may harm or injure the property or its usefulness or characteristics or which may harm or injure any person. The presence of dust or dirt, or soot, char, ash or other organic particulate matter is not **contamination**.
12. **Dwelling** - means the building or that part of the building used as the primary private residence structure located on the **residence premises**. **Dwelling** does not include **separate structures**.
13. **Earthquake** - means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other natural cause.
14. **Earth movement** - means any movement of earth, including, but not limited to, any type of soil or rock, or mixture of soil and rock, or fill, regardless of magnitude. Examples of **earth movement** include but are not limited to:
- a. **earthquake**, landslide, mudslide, debris flow or mudflow;
 - b. collapse, vibrating, settling, cracking, shrinking, bulging, heaving, subsiding, eroding, sinking, rising, shifting, shearing, expanding, lateral movement, displacement, compacting or contracting of or any pressure by surface or subsurface earth or fill; and
 - c. volcanic activity, including eruption, explosion, lava flow and volcanic action.

Earth movement, except **earthquake**, includes any movement of earth whether combined with, caused by or resulting from natural or man-made events or **water**, and whether the **water** event is man-made or naturally occurring

or is sudden, abrupt and accidental or is constant, repeating, gradual, intermittent, steady or slow.

15. **Fungus or fungi** - means any part or form of any **fungus** or **fungi**, including mold, mildew, spores, wet or dry rot, parasitic microorganisms, mycelial agent or fragment, scents, or mycotoxins. This includes any by-product of any of the foregoing, whether germinated, whether forming a colony or infestation, whether aerosolized, and whether visible or not visible to the unaided human eye.
16. **Household appliance** - means:
- a common household device operated by gas or electric current. This includes, but is not limited to, an air conditioning unit, heating unit, refrigerator, dishwasher, ice maker, clothes washer, water heater, disposal or dehumidifier, and any hoses directly attached thereto; and
 - a water softener or filtration system connected to the **residence premises plumbing system**, and any hoses directly attached thereto.
- Household appliance** does not include furniture, waterbeds, aquariums or sump pumps. A **household appliance** is not part of the **plumbing system**.
17. **Incurred property damage** - in the Section I - Property Condition of Appraisal means the verifiable, actual theft of or accidental, direct, distinct and demonstrable physical injury to or destruction of property.
18. **Insured** - means:
- you;
 - permanent residents of your household who are:
 - your relatives; or
 - other persons under the age of 21 and in the care of any person described above in subsection a. or b. (1);
 - a student enrolled in school full time, as defined by the school, who was a permanent resident of your household before moving out to attend school, provided the student is under the age of:
 - 24 and your relative; or
 - 21 and in your care or the care of any person described above in subsection b.(1); and
 - in Section II - Liability, **insured** also means:
 - any person or organization legally responsible for animals or watercraft covered in Section II - Liability which are owned by you, or anyone included in subsection b. or c. above. Any person or organization using or having custody of these animals or watercraft

in the course of any **business** or without permission of the owner is not an **insured**.

- with respect to any vehicle covered as personal property in Section I of this policy:
 - any person while using or maintaining the vehicle while engaged in the employment of an **insured**; or
 - any other person using the vehicle on an **insured location** with an **insured's** consent.
19. **Insured location** - means:
- the **residence premises**;
 - that part of any other premises, structures and grounds you use as a private residence and:
 - which is shown in the Declarations; or
 - which you acquire during the policy period for your use as a private residence;
 - any premises you use in connection with a premises described in subsections a. or b. above;
 - any part of a premises:
 - not owned by an **insured**; and
 - where an **insured** is temporarily residing;
 - vacant land, other than farm or ranch land, owned by or rented to an **insured** and shown in the Declarations;
 - land owned by or rented to you on which a one or two family building is being built as your private residence;
 - individual or family cemetery plots or burial vaults of an **insured**; and
 - any part of a premises occasionally rented to an **insured** for other than **business** use, but only when it is actually rented to that **insured**.
20. **Marring** - means any disfigurement, blemish, discoloration, weathering or stretching, or the like, of or to covered property, including, but not limited to, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning, whether occurring at once or over time.
21. **Motor vehicle** - means:
- any self-propelled vehicle or any self-propelled machine, whether operable or not, which is designed for movement on land or on land and in **water**, including, but not limited to, any type of automobile, hovercraft or air cushion vehicle;
 - parts, equipment, machinery, furnishings or accessories whether or not attached to or located in or upon such vehicle or machine described in subsection a. above; and

- c. any trailer or semi-trailer which is being carried on, towed by, or hitched for towing by a vehicle or machine described in subsection a. above.
22. **Noxious substance** - means any hazardous, toxic, or **contaminating** solid, liquid, vaporous, gaseous or thermal substance which may cause or result in harm, destruction, damage or injury to the environment or any living thing, or to covered property, the **residence premises**, or any other property.
- Noxious substances** include, but are not limited to, asbestos, silicon, silica, radon, fumes, odors, smoke, including from tobacco products, acids, alkalis, chemicals, carbon monoxide, oil, fuel, fuel oil, gasoline, lead, lead paint, polychlorinated biphenyls (PCBs), solvents or waste, including any residuals, and any substance listed as a hazardous substance by any government agency or body. Waste includes materials which are to be or have been recycled, reconditioned or reclaimed.
- Noxious substances** do not include smoke or fumes from a fire, or commonly available chemicals or products in quantities normally found in a residential household used for cleaning, maintenance or other common residential purposes.
23. **Nuclear hazard** - means:
- a nuclear explosion, including shockwaves, and nuclear reaction and nuclear radiation;
 - the dispersal or spread of **nuclear substances** or nuclear radiation by any means. These include, but are not limited to, conventional explosion, fallout, or radioactive contamination, all whether controlled or uncontrolled or whether intended or accidental, however caused; and
 - the negligent, defective or improper design, construction, operation or maintenance of a nuclear facility or any facility which uses, handles, stores or processes **nuclear substances**.
- Nuclear hazard** is also intended to include any other act or omission which results in a **nuclear hazard**.
24. **Nuclear substance** - means any solid, liquid, vaporous, gaseous or thermal substance contaminated by or with nuclear radiation, or which gives off harmful levels of nuclear radiation.
25. **Occurrence** - in Section II - Liability means:
- an accident which first occurs during the policy period, and which results in **bodily injury** or **property damage**. Repeated or continuous exposure to the same general harmful conditions is considered to be one **occurrence**; or
 - the commission of an offense which is first committed during the policy period and which results in **personal injury**. A series of similar or related offenses is considered to be one **occurrence**.
26. **Pathogen** - means any biological or microbial organism or substance which may cause or result in harm, destruction, damage, injury or disease to any living thing or to property. **Pathogens** include, but are not limited to, bacteria, bacterium, viruses, or any part or by-product of bacteria, bacterium or viruses, including bacterial or viral toxins.
27. **Personal injury** - in Section II - Liability - means injury, other than **bodily injury**, to a person other than an **insured** which occurs during the policy period, and which arises out of one or more of the following offenses:
- false arrest, detention or imprisonment;
 - malicious prosecution;
 - the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, **dwelling** or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - oral or written publication of material that violates a person's right of privacy.
28. **Plumbing system** - means all **water** supply and distribution pipes, plumbing fixtures and traps, valves, and drainage and vent pipes of a **building structure** or structure, or an in ground sprinkler system on the **residence premises**.
- A **plumbing system** does not include any of the following:
- any bath or shower units (not including the bath tub), enclosures or pans, including, but not limited to, curtains, tile, grout, sealants or doors;
 - a roof drainage system, including, but not limited to, gutters, drain pipes and downspouts;
 - a sump or sump pump, sump-pump well or related equipment, pipes or connectors;
 - any part of a drainage ditch or channel;
 - that part of any system designed to remove or drain **water** from the **residence premises** which part is not:
 - within; or
 - directly under the slab or foundation of; a **building structure** on the **residence premises**;
 - any removable hose, tool, device, appliance or implement attached to the **plumbing system**; or

- g. a sprinkler system attached to water distribution pipes by any type of hose or a fire suppression sprinkler system.
29. **Property damage** - in Section II - Liability - means direct, distinct and demonstrable, physical injury to or destruction of tangible property, including loss of use resulting from the direct, distinct and demonstrable, actual physical injury to or destruction of the property.
- Property damage** does not mean:
- actual, threatened, feared, constructive or alleged diminution or loss of value or equity;
 - functional impairment or loss of use of property unless the property has sustained direct, distinct and demonstrable, physical injury or destruction; or
 - non-economic damages.
30. **Remediate** - means to:
- (1) decontaminate, abate, treat, contain, isolate, remove, extract, clean, mitigate, neutralize, quarantine or detoxify;
 - (2) monitor, evaluate, detect, investigate, test or measure for;
 - (3) haul away or dispose of; or
 - (4) respond in any way to, or assess the effects of; any **nuclear substance, noxious substance, pathogen, fungus**, or pollutant, or any **contamination**, whether on or off the **residence premises**; or
- remove, restore or replace any land, **water**, air, building, structure or personal property which is threatened with or has been affected, damaged, infested, polluted or injured by **contamination**.
31. **Residence employee** - means an employee of an **insured** who performs duties related to the ownership, maintenance or use of the **residence premises**. This includes employees who perform similar duties elsewhere for an **insured** if the duties relate to the **residence premises**. This does not include employees while performing duties related to a **business** of an **insured**.
32. **Residence premises** - means the **dwelling, separate structures** and grounds at the address shown in the Declarations.
33. **Roof materials** - mean:
- the roof surface covering types, including, but not limited to, composition shingles, rolled roofing, wood, slate, tile, metal, built up and rubber, and all other **component parts** of the roof which are exposed to the weather, including those which extend above the surface of the roof, including, but not limited to all vents, vent caps, turbines and piping, or the like;
 - all underlayments for moisture protection and drip edges; and
 - any materials that are installed when repairing or replacing **roof materials**, including, but not limited to, sheathing, decking and flashing.
- Roof materials** do not include any telecommunications, entertainment, skylights, solar tubes, solar panel or heating and/or cooling systems, or similar items, or parts thereof, like equipment, masts, connectors, wiring, or the like.
34. **Scheduled roof payment** - means all the estimated reasonable costs to repair or replace covered loss or damage to any **roof materials** multiplied by the **scheduled roof payment percentage**. All costs include, but are not limited to, debris removal, labor, taxes and fees, and any increased costs due to any **building laws** or general contractor fees or charges.
35. **Scheduled roof payment percentage** - means the applicable percentage in the following chart determined by the age and the actual roof surface material type as of the date of loss. However, if a different actual age of **roof material** can be verified, then damage to that material will be adjusted based on the verified age of **roof material**.

Farmers Smart Plan Home® Policy Nevada (continued)

Roof Surface Material Type

Age of Roof in Years Shown in Declarations	Composition Shingles (expected life)		Roof Surface Material Type				
	<=30 Yrs.	>30 Yrs.	Wood	Tile	Slate	Metal	All Other Material Types
0	100%	100%	100%	100%	100%	100%	100%
1	96.7%	98%	97.5%	98%	98.7%	98.7%	97%
2	93.3%	96%	95.0%	96%	97.3%	97.3%	94%
3	90.0%	94%	92.5%	94%	96.0%	96.0%	91%
4	86.7%	92%	90.0%	92%	94.7%	94.7%	88%
5	83.4%	90%	87.5%	90%	93.4%	93.4%	85%
6	80.0%	88%	85.0%	88%	92.0%	92.0%	82%
7	76.7%	86%	82.5%	86%	90.7%	90.7%	79%
8	73.4%	84%	80.0%	84%	89.4%	89.4%	76%
9	70.0%	82%	77.5%	82%	88.0%	88.0%	73%
10	66.7%	80%	75.0%	80%	86.7%	86.7%	70%
11	63.4%	78%	72.5%	78%	85.4%	85.4%	67%
12	60.0%	76%	70.0%	76%	84.0%	84.0%	64%
13	56.7%	74%	67.5%	74%	82.7%	82.7%	61%
14	53.4%	72%	65.0%	72%	81.4%	81.4%	58%
15	50.1%	70%	62.5%	70%	80.1%	80.1%	55%
16	46.7%	68%	60.0%	68%	78.7%	78.7%	52%
17	43.4%	66%	57.5%	66%	77.4%	77.4%	49%
18	40.1%	64%	55.0%	64%	76.1%	76.1%	46%
19	36.7%	62%	52.5%	62%	74.7%	74.7%	43%
20	33.4%	60%	50.0%	60%	73.4%	73.4%	40%
21	30.1%	58%	47.5%	58%	72.1%	72.1%	37%
22	26.7%	56%	45.0%	56%	70.7%	70.7%	34%
23	25%	54%	42.5%	54%	69.4%	69.4%	31%
24	25%	52%	40.0%	52%	68.1%	68.1%	28%
25	25%	50%	37.5%	50%	66.8%	66.8%	25%
26	25%	48%	35.0%	48%	65.4%	65.4%	25%
27	25%	46%	32.5%	46%	64.1%	64.1%	25%
28	25%	44%	30.0%	44%	62.8%	62.8%	25%
29	25%	42%	27.5%	42%	61.4%	61.4%	25%
30 or more	25%	40%	25.0%	40%	60.1%	60.1%	25%

36. **Separate structure** - means:
- a. those structures, including buildings and **building structures**, on the **residence premises** set apart from the **dwelling** by clear space or structures only connected to the **dwelling** by a fence, wall, sidewalk, walkway, driveway, patio, decking or utility line or similar connection; and
 - b. all fences, walls not part of a building, sidewalks, walkways, driveways, pools, pool cages, piers, wharfs, boat docks and spas on the **residence premises**, whether or not abutting or connected to the **dwelling**.
37. **Stated limit(s)** - means the dollar amounts stated as coverage limits in the Declarations for the different types of coverages.
38. **Vacancy or vacant** - means:
- a. no one is legally using the **dwelling** as a principal, habitual place of abode; and
 - b. a predominant amount of personal property has been removed or is absent from the **dwelling**.
- A **dwelling** will be considered legally used only if it is with the knowledge and approval of the owner.
- A **dwelling** under active construction, or actively being repaired because of damage otherwise covered under this policy, will not be considered **vacant** even if a. and b. apply. A **dwelling** is under active construction when it is being erected as a new structure or when it is undergoing substantial improvements, renovations, remodeling or modifications and the construction results in substantial continuing activities by persons associated with the construction project at the premises during the relevant time periods. A recently purchased **dwelling** that is not under active construction will be deemed **vacant** until legally occupied as a principal, habitual place of abode.
- This definition will apply whether or not a **dwelling** is in fact habitable.
39. **Vandalism or malicious mischief** - means malicious or willful, intentional physical injury or damage to property.
40. **Water** - means **water** (H₂O) alone, whether in liquid, frozen, or vapor form, or any liquid, sewage or sludge which contains **water**, whether or not contaminated or combined with or containing other chemicals, particulates, microorganisms or impurities. **Water** includes but is not limited to rain, snow, sleet, slush, ice, dampness, vapor, condensation, moisture, steam and humidity.
41. **Water - reverse flow** - means the flow of **water** from off premises through any sewage, septic or drainage system, or a drain, drain line or drainage channel, or sump pump, or

similar system on the premises, which is designed to drain or pump **water** away from the premises, when the flow of **water** is in the opposite or reverse direction from that which the system, drain line, channel, or pump was designed to drain or pump. A stoppage on the premises within any of the foregoing which stops the flow of **water** with a resulting backing up of the **water** is a backup and is not a **water-reverse flow**. A backup may cause an overflow.

Section I - Property Coverage

Section I - Loss or Damage Insured

Coverage A (Dwelling), Coverage B (Separate Structures) and Coverage C (Personal Property)

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured. Loss or damage means theft of or distinct and demonstrable, physical injury to or destruction of the property. Loss or damage to property in this policy does not include:

1. functional impairment;
2. economic obsolescence;
3. the loss of use of property unless the property was stolen or sustained accidental, direct, distinct and demonstrable, physical injury or destruction;
4. any actual or perceived decrease in the market value;
5. any reduction in serviceability of property; or
6. any sentimental value, however measured or determined.

Loss or damage to property consists of certain types of loss or damage. This policy does not insure covered property for the types of loss or damage described in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage.

Loss or damage to property is caused by perils (causes of loss or damage). This policy does not insure loss or damage to covered property directly or indirectly caused by, arising out of or resulting from the excluded causes of loss or damage set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage, whether the excluded cause of loss or damage occurs on or away from the **residence premises**.

We do not provide Loss of Use or any Extensions of Coverage for any uninsured type of loss or damage or any excluded cause of loss or damage, unless expressed otherwise.

Section I - Types of Property Insured

Coverage A (Dwelling)

We insure:

1. the **dwelling**; and
2. materials and supplies owned by you on or adjacent to the **residence premises** for use in construction of the **dwelling** or a **separate structure**.

Coverage B (Separate Structures)

We insure **separate structures**.

We do not insure:

1. **separate structures** which are intended for use in **business** or which are actually used in whole or in part for **business** purposes by an **insured** or any other person;
2. **separate structures** used principally for the storage of **business property**; or
3. **separate structures** rented or held for rental to any person who is not a tenant of the **dwelling**, unless used solely as a private garage.

Coverage A (Dwelling) and Coverage B (Separate Structures)

We do not insure:

1. land or the value of land, including, but not limited to, the cost to restore, replace, repair, stabilize or rebuild land. This includes land on which the **dwelling** or a **separate structure** is located. If covered cause of loss or damage occurs to the **dwelling** or a **separate structure** and to the land on the **residence premises**, we do not cover any increased cost to repair or replace the **dwelling** or **separate structure** because of damage to the land. Land includes but is not limited to trees, shrubs, plants and lawns on land. However, we do provide limited coverage for trees, shrubs, plants and lawns in Section I - Extensions of Coverage, Trees, Shrubs, Plants, and Lawns; or
2. any type of warranty, service or maintenance contract that covers property.

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world. At your request after a loss, we will also insure personal property:

1. owned by others while the property is on the part of the **residence premises** occupied by an **insured**. However, property of tenants, roommates, roomers, live-ins or boarders not related to that **insured** is not covered; and

2. owned by and in the control of a **residence employee** while in the service of an **insured** anywhere in the world.

Special Limits on Certain Personal Property

Special limits of insurance apply to certain types of personal property. The limits shown below do not increase the Coverage C **stated limit**. The limit for each numbered group is the total limit for any one loss event for all property in that group. The lowest applicable special limit will apply to personal property that falls into more than one group.

1. **Property usually located at an insured's residence other than the residence premises.**

10% of the Coverage C **stated limit** on personal property which is usually located at an **insured's** residence other than the **residence premises**. This includes property of a student **insured** while away at school. This is an aggregate limit which applies to all personal property usually located at an **insured's** other residence, even if the property is also subject to one or more of the specific special limits that follow. This limit does not apply to personal property in a newly acquired principal residence for the first 45 days after the **insured** begins moving to the new residence.

2. **Jewelry, watches, precious and semi-precious stones, and furs.**

\$1,000 limit on any one item and \$2,500 total limit on theft of jewelry; costume jewelry; watches; precious and semi-precious stones; and furs, including articles for which fur represents the principal value. This applies even if such items are considered as art or used as decoration.

3. **Firearms.**

\$2,000 limit on theft of firearms. This includes:

- a. their scopes or mounts whether attached or not; and
- b. all other firearm related equipment and ammunition.

4. **Business property, other than electronic data processing equipment, media and data.**

Coverage for loss or damage to **business property**, other than computers, electronic data processing equipment, and accessories and recording or storage media used with the foregoing, is limited to:

- a. \$1,500 limit while on the **residence premises**; and
- b. \$500 limit while off the **residence premises**.

5. **Electronic data processing equipment, media and data.**

\$2,000 limit on computers and electronic data processing equipment and accessories and recording or storage media used with the foregoing, whether or not it is **business property**. Such property that cannot be

replaced with other property of like kind and quality on the current retail market is not covered.

- b. \$1,000 limit for the cost of replacing data stored on computers, electronic data processing equipment, personal electronic entertainment equipment, communications equipment, accessories, electronic media or recording or storage media. Data includes, but is not limited to, any type of software or text, image, video or audio files.
6. **Money, cashiers' checks, currency, gift certificates and cards, scrip and precious metals.**

\$250 limit on money; cashiers' checks; currency, or any type of currency proxy, like bitcoin or crypto-currency; gift certificates or cards, stored value cards, scrip, smart cards or any card used as money (other than bank issued credit or debit cards); bank notes; medals; coins; bullion; platinum, gold, silver and other precious metals (other than gold ware, silverware, platinum ware or pewter ware). This includes collections of all such property in any form.
7. **Securities, deeds, valuable papers and stamps.**

\$1,000 limit on securities; deeds; evidences of debt; letters of credit; notes other than bank notes; legal documents and other valuable papers; personal records including, but not limited to, photographs, videos, financial and health records; manuscripts; passports; tickets; stamps and stamp collections. This limit includes the costs to research, replace or restore the information from the lost or damaged material.
8. **Silverware, gold ware, platinum ware and pewter ware.**

\$2,500 limit on theft of silverware; gold ware; platinum ware; and pewter ware. This includes similar items for which any such metal represents the principal value.
9. **Imported rugs, carpets and tapestries.**

\$5,000 limit on theft of imported rugs, carpets and tapestries. This applies even if such items are art or decoration. Imported means made or manufactured in whole or in part outside of the United States.
10. **Cards and comic books.**

\$200 limit per trading or collectible card or comic book and \$2,500 total limit on all cards or comic books. This includes sports cards, game cards and trading cards of any kind.
11. **Watercraft and windsurfers.**

\$1,500 limit on watercraft and windsurfers. This includes their trailers, furnishings, equipment and outboard motors, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.

12. **Trailers.**

\$1,200 limit on trailers not used with watercraft or windsurfers, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.

Section I - Types of Personal Property Not Insured

We do not insure:

1. personal property separately described and specifically insured in this or any other policy;
2. any type of warranty, service or maintenance contract that covers property;
3. any animals or creatures. This includes, but is not limited to, mammals, birds, fish, reptiles, insects and spiders, except as provided in Section I - Extensions of Coverage;
4. watercraft and windsurfers. This includes their trailers, furnishings, equipment and outboard motors while being carried on, towed by or hitched for towing by a **motor vehicle**;
5. trailers while being carried on, towed by or hitched for towing by a **motor vehicle**;
6. **motor vehicles**; however, we do cover:
 - a. a motorized golf cart not subject to **motor vehicle** registration while:
 - (1) on the **residence premises**;
 - (2) on the golf course and being used for golfing purposes; or
 - (3) in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
 - b. lawn, garden or farm equipment which is not designed for principal use on public roads and which is principally used on the **residence premises**;
 - c. recreational vehicles designed principally for off-road recreational use that are only used on the **residence premises**, including, but not limited to, all-terrain vehicles; and
 - d. a motorized assisted living device designed to assist the disabled;
7. any sound, video, mapping, tracking or communications equipment or device or system designed: (a) for reproducing, detecting, receiving, transmitting, recording or playing data, signals, maps, location, sound, videos or pictures; and (b) is designed only to be operated from the electrical system of

any **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer while such equipment, device or system is in, on, or installed in a **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer. This includes, but is not limited to: any kind of mobile telephone; radio transceivers or transmitters; scanning monitor receivers; radar or laser detectors; car radio receivers; tape or disc players or recorders; or global positioning system devices. It also includes any accessories, antennas, tapes, discs, software, reels, cassettes, cartridges, carry cases or other devices used with such equipment, device or system;

8. **aircraft** or self-propelled missiles;
9. property located in or on that part of the **residence premises** which is regularly rented or held for rent to others;
10. property of an **insured** which is rented or is available for rent to others when it is away from the **residence premises**;
11. property of tenants, roommates, roomers, live-ins or boarders not related to an **insured**;
12. **water**, electricity or gas;
13. any property which is illegal for an **insured** to possess under federal or state law; or
14. intangible personal property.

Coverage D (Loss of Use)

The **stated limit** for Loss of Use is the total limit for all Additional Living Expense, Loss of Rents and Prohibited Use coverages for any one loss event.

1. Additional Living Expense.

If covered accidental, direct, distinct and demonstrable, physical loss or damage to the **dwelling** makes that part of the **dwelling** where you reside uninhabitable by you, we will reimburse you for the actual, reasonable and necessary increase in living expense incurred by you. This coverage is for you and any **insured** members of your household to maintain the normal standard of living you had at the time of the loss event. Reimbursement for additional living expense will be for the shortest time reasonably needed to: (a) repair or replace the loss or damage to the **dwelling**, or (b) permanently relocate, but in no event for more than the time period shown in the Declarations. Additional living expense that raises your standard of living will not be reimbursed. Upon our request, you must provide receipts for expenses incurred. Additional living expense will be paid for only one household, regardless of the number of named insureds.

2. Loss of Rents.

If covered accidental, direct, distinct and demonstrable, physical loss or damage to covered property makes that part of the **residence premises** rented to others or held for rental by you unfit to live in, we cover your actual loss of rents less any expense that does not continue during the loss period. We pay for the shortest time reasonably needed to repair or replace the damaged property but in no event for more than 12 months. Loss of rents due to cancellation of a lease or agreement is not covered. This coverage only applies if the use of the part rented is for private residential living purposes.

3. Prohibited Use.

We provide Additional Living Expense or Loss of Rents as described above for no more than two weeks if a civil authority prohibits you from use of the **dwelling** because of accidental, direct, distinct and demonstrable, physical damage to a neighboring premises, which damage would have been covered by this policy if the damage had occurred to the **dwelling**. A neighboring premises is a premises in close proximity to the **residence premises**, which because of the proximity and because of the type of damage to the neighboring premises the civil authority prohibits use of the **dwelling**. Prohibited Use coverage does not apply to threatened damage or only because of area wide utility outage. For this coverage to apply the **dwelling** must be habitable or fit to live in.

The time periods in subsections 1, 2, and 3 above are not limited by cancellation, renewal or non-renewal of this policy.

No deductible applies to subsections 1, 2, and 3 above.

Section I - Extensions of Coverage

We will insure you for the Extensions of Coverage as described below except as otherwise shown in the Declarations. Unless otherwise expressly stated, the following Extensions of Coverage are subject to all the policy terms, exclusions, deductibles, and conditions, including without limitation the terms and limitations of any uninsured loss or damage or excluded cause of loss or damage set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage and in any other Extension of Coverage.

1. Limited Water Coverage.

- a. We provide limited coverage for accidental, direct, distinct and demonstrable, physical **water** damage of covered property from direct contact with **water**, but only if the **water** results from:

- (1) the melting of a build-up of ice on portions of the roof or roof gutters on a **building structure**.
- (2) hail, rain, snow, or sleet entering through an opening in the roof or wall of a **building structure**, and only if the opening is first caused by damage from the direct force of the following:
 - i. fire;
 - ii. lightning;
 - iii. explosion resulting from combustion (other than nuclear explosion);
 - iv. riot or civil commotion;
 - v. **aircraft** or vehicles;
 - vi. **vandalism or malicious mischief**;
 - vii. collapse of a **building structure** or structural part of the **building structure**;
 - viii. falling objects;
 - ix. windstorm;
 - x. hail; or
 - xi. theft or attempted theft.
- (3) the freezing of and a discharge, leakage or release of **water** as a result of freezing from the **plumbing system**, heating, air-conditioning or automatic fire protection system or a **household appliance**. We only cover the **water** damage from freezing if you, or any delegee, have used reasonable care to:
 - i. maintain heat in the **dwelling** or a heated **building structure**; or
 - ii. shut off the **water** supply and drain the **plumbing system**, other system or **household appliance** of **water**.

In this subsection (3) we will cover loss or damage from freezing to the covered heating, air-conditioning or automatic fire protection system, or **plumbing system**, except for an exterior sprinkler system, or a **household appliance** from which the **water** discharged, erupted, released or overflowed. Heat turned off is not reasonable care unless you have complied with subsection a.(3)ii..
- (4) a sudden, abrupt and accidental discharge, eruption, overflow or release of **water**, other than a **water - reverse flow**, from within any portion of:
 - i. a **plumbing system**;
 - ii. a heating or air conditioning system;
 - iii. an automatic fire protection system; or
 - iv. a **household appliance**;

provided the discharge, eruption, overflow or release of **water** is not directly or indirectly caused by, or arises out of or results from flood, including debris flow and mud flow, from any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind.

- b. The limited coverage for **water** damage described at subsection a.(4) above applies even if the sudden, abrupt and accidental discharge, eruption, overflow or release of **water** is caused by the following Section I - Part B. Excluded Causes of Loss or Damage:
 - (1) Faulty, Inadequate, Defective or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture or Construction;
 - (2) Inherent Vice or Latent Defect;
 - (3) Wear and Tear, Deterioration or Mechanical Breakdown;
 - (4) Corrosion, Deterioration, Decay or Rust;
 - (5) Power Interruption;
 - (6) Pests or Animals; or
 - (7) Pressure by Trees, Shrubs, Plants or Lawns; orby the Collapse of Building Structure or Structural Part of the Building Structure Extension of Coverage.

All the foregoing in a. or b. must either occur on or be on the **residence premises**, unless the damage is to covered personal property which is off the **residence premises** when damaged.

- c. A sudden, abrupt and accidental discharge, eruption, overflow or release of **water** does not include a constant or repeating gradual or slow release of **water**, or the infiltration or presence of **water** over a period of time, regardless of the volume of **water** involved. We do not cover any **water**, or the presence of **water**, over a period of time from any constant or repeating gradual or slow seepage, leakage, trickle, collection, spray or mist, infiltration or overflow of **water** from any source, even if from the usage of those items described in subsection a.(4) above, whether known or unknown to any **insured**.
- d. (1) If **water** damage to the **dwelling** or to a **building structure** covered in subsection a.(4) above occurs on the **residence premises**, we will pay the reasonable cost of tearing out and replacing that part of the **dwelling** or the **building structure** actually necessary for you to gain access and repair only that specific part of the system or **household**

appliance from which the **water** suddenly, abruptly and accidentally discharged, erupted, overflowed or was released. Any costs incurred in this subsection are subject to the applicable Coverage A or B **stated limit**.

- (2) Costs to tunnel under, cut into or tear out and replace any part or portion of a foundation; slab; concrete floor, pad or patio, or the like; or foundation or retaining wall are limited to \$2,000 per loss event.
- e. In subsection a.(4) above, we do not cover loss or damage to any system or **household appliance** from which the **water** discharged, erupted, released or overflowed.
- f. We do not cover any loss or damage caused by or which consists or is composed of or which is the movement, settling, cracking, bulging, shrinking, heaving, erosion, washing out or expanding of a foundation; slab; concrete floor, concrete pad or sidewalk or patio, or the like; or any wall, including a foundation or retaining wall, foundation fill, or pavement.
- g. This is not additional insurance. All loss, damage or expense in this Extension of Coverage is subject to the applicable Coverage A, B, or C **stated limit** or any other limit of insurance.
- h. **Water** damage in subsection a.(4) will include any **contamination** damage from any contaminant in the **water** when it exited the system or **household appliance**, except **fungi**.
- i. We do not cover loss or damage resulting from a stoppage of a septic system because the system is full.

2. **Extended Replacement Cost - Coverage A.**

We will pay you up to the Extended Replacement Cost **stated limit**, if necessary, to repair, rebuild or replace covered loss or damage to the **dwelling**.

For this Extended Replacement Cost coverage to apply at the time of covered loss or damage to the **dwelling**, you must have complied with each of the following conditions, as applicable:

- a. you must have notified us within 60 days of any inaccuracy or change in any information you have provided us regarding the physical characteristics of your **dwelling**;
- b. you must have notified us within 60 days of any inaccuracy or change in any information we have provided to you regarding the physical characteristics of your **dwelling**;
- c. you must have notified us within 60 days of the start of any physical changes which costs or will increase the

replacement cost of your **dwelling** by \$5,000 or more. This includes additions or remodeling;

- d. you must have selected or increased the Coverage A (**Dwelling**) amount to an amount at least equal to the estimated replacement cost of the **dwelling**, or any update thereto through application of an index or inflation factor or any other method or combination of methods; and
- e. you must actually repair, rebuild or replace the loss or damage to the **dwelling**.

If you do not comply with conditions a., b., c. and d. above prior to covered loss or damage to the **dwelling** and with condition e. above after the loss or damage, then this Extension of Coverage will not apply.

You must agree to any resulting increases in the Coverage A (**Dwelling**) limit and other **stated limits** as estimated or adjusted for changes in the reconstruction cost.

This is additional insurance. It will only apply if the Coverage A **stated limit** is insufficient to repair, rebuild or replace covered loss or damage to that part of the **dwelling** damaged, at the same location, for the reasonable and necessary replacement cost without deduction for depreciation. If you do elect to rebuild at a different location, then any Extended Replacement Cost coverage available will only be based on the costs to repair, rebuild or replace the **dwelling** as if at the same location.

When we determine whether this Extension of Coverage will apply, we will not consider any increased costs caused by or from enforcement of any **building law**.

3. **Contents Replacement Cost - Coverage C.**

- a. If the Declarations show that Contents Replacement Cost coverage applies, then covered accidental direct physical loss or damage to covered personal property, except for those types of personal property described in subsection c. below, will be settled at replacement cost without deduction for depreciation for an amount that is reasonably necessary to repair or replace the damaged property, but for no more than the lesser of the following:
 - (1) any **stated limit** or other limit of insurance in this policy that applies to the property;
 - (2) the replacement cost of that part of the property damaged for equivalent manufacture or construction with materials of like kind and quality, determined as of the time of loss;

- (3) the reasonable amount actually and necessarily spent to repair or replace damage to the property; or
 - (4) the loss to the interest of the **insured** in the property.
Reasonably necessary replacement costs may be based on discounted pricing we obtain which is made available to you for repair or replacement.
 - b. We will pay no more than the **actual cash value** of the property at the time of loss until actual repair or replacement is completed. Except for those types of personal property described in subsection c. below, you may collect any additional amount on a replacement cost basis. To do so the property must have been repaired or replaced in accordance with and subject to Section I - Property Conditions, Replacement Cost Settlement.
 - c. Covered loss or damage to the following types of personal property, whether or not attached to buildings or any structure, will be settled as shown below in subsection d.:
 - (1) property which cannot be replaced;
 - (2) property not in workable condition at the time of loss or damage;
 - (3) property, the age or condition of which has rendered it either obsolete or unusable for the purpose for which it was originally intended;
 - (4) paintings; etchings; pictures; tapestries; art glass windows; or other bona fide works of art or rarity, historical value or artistic merit, including, but not limited to, valuable rugs; statuary; marble; rare books; manuscripts; bronzes; porcelains; rare glass; or bric-a-brac;
 - (5) antiques, including, but not limited to, furniture, metalware, tools, toys, and bric-a-brac;
 - (6) photographs or negatives; digital or analog storage medium that contains data; or articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs, and collectibles and collector's items;
 - (7) a motorized golf cart not subject to **motor vehicle** registration while:
 - i. on the **residence premises**;
 - ii. on the golf course and used for golfing purposes; or
 - iii. in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
 - (8) farm equipment principally used on the **residence premises**;
 - (9) recreational vehicles designed principally for off-road recreational use that are only used on the **residence premises**, including, but not limited to, all-terrain vehicles; or
 - (10) **motor vehicle** parts, equipment, machinery, furnishings or accessories not attached to or located in or upon any **motor vehicle**.
 - d. The covered types of personal property shown above in subsection c. will be settled for no more than the lesser of the following:
 - (1) **actual cash value**;
 - (2) fair market value;
 - (3) any **stated limit** or other limit of insurance in this policy that applies to the property; or
 - (4) the reasonable and necessary amount actually spent to replace lost property or to repair or replace damage to the property.
 - e. The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.
 - f. We may repair or replace damaged property with equivalent like kind and quality property.
4. **Building Ordinance or Law.**
- a. If the Declarations show that Building Ordinance or Law coverage applies, then we will pay for the increased costs that you actually and necessarily incur when you repair, replace, rebuild, demolish or remove, hereinafter "repair", covered damage to the **dwelling** or a **separate structure** because of or resulting from the enforcement of any **building law**. If this coverage applies, then we will pay up to the percentage shown in the Declarations of the applicable Coverage A (**Dwelling**) or Coverage B (**Separate Structures**) **stated limit**. The **building law** must:
 - (1) be adopted by the local government in which the **dwelling** is located;
 - (2) be in force on the date of loss or damage; and
 - (3) directly apply to the part of the **dwelling** or **separate structure** which sustained the covered damage.
 - b. Enforcement of the **building law** must directly apply to the "repair" of:
 - (1) that specific part of the **dwelling** or a **separate structure** which has sustained the covered damage; or

- (2) an undamaged part of the **dwelling** or a **separate structure** which is "physically necessary" in the course of repairs to complete the "repair" of that part of the **dwelling** or **separate structure** which has sustained the covered damage. "Physically necessary" does not include where a **building law** does not directly apply to the covered damage, but a governmental authority will not approve or permit "repair" of the covered damage unless you or anyone acting on your behalf also complies with that **building law**.
 - c. We do not cover:
 - (1) the actual or perceived loss in value to the **dwelling** or a **separate structure** due to the requirements of any **building law**;
 - (2) the cost to "repair", stabilize or otherwise restore land;
 - (3) the costs to comply with any **building law** which requires an **insured** or others to **remediate** the **dwelling** or a **separate structure**, or a part thereof;
 - (4) the increased cost to "repair" if the **dwelling** or **separate structure** is not intended for the same type of occupancy as the pre-loss event **dwelling** or **separate structure**;
 - (5) the increased cost to "repair" the **dwelling** or **separate structure** until it is actually "repaired";
 - (6) those increased costs of construction, renovation or repair that are a result of your failure to timely undertake repairs or rebuilding of loss or damage;
 - (7) the costs of demolition if you should fail to reasonably mitigate or "repair" loss or damage and as a result the **dwelling** or **separate structure** then becomes subject to demolition;
 - (8) those costs of complying with any **building law** that you were required to comply with before the covered loss or damage, even if the **building law** was not actually being enforced, and which **building law** you failed to comply with;
 - (9) those costs of complying with any **building law** that regulates the zoning or use of the **dwelling** or **separate structure**; or
 - (10) those costs of conforming, correcting or remedying any original or subsequent construction, addition, modification, renovation or repair to a building or other structure which did not conform to a **building law** in effect when the construction, modification, renovation or repair was performed.
 - d. If you should rebuild the **dwelling** or a **separate structure** at another location, then we will only pay in this Extension of Coverage the increased costs that you would have incurred to "repair" the **dwelling** or **separate structure** at the same location.
 - e. The decision of whether or not a **building law** applies will be reviewable by a court.
 - f. This is additional insurance.
5. **Debris Removal.**
- We will reimburse you for the reasonable and necessary expenses you incur to remove debris caused by or resulting from covered loss or damage.
- If the amount of loss or damage, including reimbursable debris removal expense, exceeds the applicable Coverage A, B or C **stated limit** for the type of damaged property, we will reimburse you up to an additional 5% of the applicable **stated limit** for the excess reimbursable debris removal expense you have incurred. This is additional insurance. No deductible applies.
- Debris removal does not include and we will not reimburse any expenses incurred by you or anyone acting on your behalf to:
- a. **remediate** any **contamination**; or
 - b. remove, restore or replace any **contaminated** land, **water**, air, buildings, structures or personal property, either on or off the **residence premises**.
- This Extension of Coverage does not apply to the removal of any tree, shrub, plant or lawn, unless the tree, shrub, plant or lawn first damaged covered Coverage A or B property. Then the removal of the tree, shrub, plant or lawn will be included in this Debris Removal Extension of Coverage.
6. **Trees, Shrubs, Plants and Lawns.**
- We cover trees, shrubs, plants and lawns on the **residence premises** for accidental, direct, physical loss or damage resulting from the following perils:
- a. fire or lightning;
 - b. explosion resulting from combustion;
 - c. riot or civil commotion;
 - d. **aircraft** and vehicles, not owned or operated by any **insured**;
 - e. **vandalism or malicious mischief**; and
 - f. theft.
- Property grown for **business** purposes or which is illegal to possess under federal or state law is not covered.

The limit for this Extension of Coverage, including any necessary removal of any trees, shrubs, plants or lawns, for any one loss event will not exceed 5% of the Coverage A **stated limit**. No more than \$750 will be paid for any one tree, shrub or plant, including necessary debris removal. This is additional insurance.

Except as provided therein, removal of trees, shrubs, plants and lawns is not covered in Section I - Extensions of Coverage, Debris Removal.

7. **Fire Department Service Charge.**

We will pay up to \$750 for fire department charges incurred when the fire department is called to save or protect covered property from covered loss or damage.

This is additional insurance. No deductible applies.

8. **Emergency Removal of Property.**

We pay for damage from any cause to covered property:

- a. while being removed from a premises actually and imminently endangered by a peril not excluded in this policy; and
- b. while removed for not more than 30 days from the date of removal.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage C **stated limit** or any Special Limits on Certain Personal Property.

9. **Identity Fraud**

a. Identity Fraud Indemnity Coverage. We will pay up to \$1,500 for loss sustained by an **insured** caused by any of the following:

- (1) a knowing transfer or use, without authority, of the identity of or a means of identification of an **insured** to obtain goods, services or other benefits from an innocent third party. The transfer or use must be with intent to commit, or to aid or abet, unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law;
- (2) theft or unauthorized use of a credit, debit or fund transfer card issued to that **insured**;
- (3) forgery or alteration of a check or other negotiable instrument made or drawn upon an **insured's** account; or
- (4) acceptance in good faith by an **insured** of counterfeit United States or Canadian paper money.

No deductible applies to this subsection a. Any loss which may be payable in this subsection a. will be reduced by any

amount we pay in any other coverage of this policy for the same loss event.

b. Identity Fraud Expense Coverage. If the Declarations list Identity Fraud Expense Coverage under Identity Fraud Coverage, then we will reimburse up to the **stated limit** for Identity Fraud Expense Coverage for the costs and expenses identified below. For this Extension of Coverage to apply:

- (1) the costs or expenses must be the direct result of an act described in subsection a. which first commences during the policy period;
- (2) the act described in subsection a. must be reported to us within 90 days after the date of discovery; and
- (3) the costs or expenses must be incurred within 12 months after the date of discovery.

Reimbursable costs and expenses are:

- (1) costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors, credit agencies or card issuers that have required that such affidavits be notarized;
- (2) costs for certified mail to law enforcement agencies, credit bureaus, financial institutions or similar credit grantors or card issuers;
- (3) lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies, card issuers and/or legal counsel, or to complete fraud affidavits, or to attend legal proceedings, up to a maximum payment of \$250 per day for a maximum of ten days;
- (4) loan application fees for re-applying for a loan(s) when the original application is rejected solely because the lender received incorrect credit information;
- (5) reasonable attorney fees incurred for:
 - i. defense of lawsuits brought against that **insured** by merchants, card issuers or their collection agencies;
 - ii. the removal of any criminal or civil judgments wrongly entered against that **insured**; and
 - iii. challenging the accuracy or completeness of any information in a consumer credit report; and
- (6) charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit bureaus, or card issuers to report or discuss any of the subsection a. loss events.

For subsection b., we will reimburse all costs or expenses up to the Identity Fraud Expense Coverage **stated limit**.

- c. The additional duties of the **insured** after loss are to:
- (1) cooperate in the investigation of the covered event and provide receipts, bills or other records that support the **insured's** claim for reimbursement in this Extension of Coverage; and
 - (2) immediately notify the police and, if applicable, the issuer of the card, credit bureau, credit reporting agency, or credit grantor. Failure to comply with the terms and conditions of the reporting requirements of the grantor of credit will void coverage for any further loss after such failure.

We will reimburse any costs or expenses incurred in fulfilling these additional duties, up to a total amount of \$500.

- d. Any act of or series of acts committed by any person(s) or in which any person(s) is involved or implicated is considered to be one loss event, even if a series of acts continues into subsequent policy periods.
- e. We do not cover loss or expense:
- (1) arising from or in connection with any **business** engaged in by any **insured**;
 - (2) arising from any fraudulent, dishonest or criminal act by an **insured**, any person acting in concert with an **insured**, any authorized representative of an **insured**, or any **residence employee**, regardless of whether any of these act alone or in collusion with others;
 - (3) arising out of use of any card, identification or information by a resident of the **residence premises** or a relative of an **insured** which enables any of the activities in subsection a. above;
 - (4) if an **insured** has not complied with all terms and conditions under which any card is issued; or
 - (5) resulting from any use of a credit card or other credit information of an **insured** by persons or entities to whom the account information has been made available by an **insured** for the purchase of goods, services, money or property, and the **insured** is disputing the transaction for any reason whatsoever, including, but not limited to, disputes over the quality or amount of goods, services, money or property provided or authorized.

Regardless of the number of **insureds** or loss events, our total aggregate limit of insurance in this Extension of Coverage for loss, costs and expense for any policy period

is the Identity Fraud **stated limit** shown in the Declarations. The policy deductible does not apply.

10. **Collapse of Building Structure or Structural Part of the Building Structure.**

We cover loss or damage to covered property caused by collapse of a **building structure** or any structural part of the **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**. The collapse must be a direct result of:

- a. weight of ice, snow, sleet or rain which collects on the roof;
- b. weight of persons, animals, contents or equipment; or
- c. defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs during such construction, repair, remodeling or renovation.

The collapse must be a sudden, abrupt and accidental, actual and complete falling down of the **building structure** or a structural part of the **building structure** or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**. A structural part of a **building structure** means a part of the **building structure**, which if it fell down, would threaten the structural integrity of the **building structure**. Substantial impairment of a **building structure** or structural part of a **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**, without a sudden, abrupt and accidental, actual and complete falling down is not a collapse. Collapse does not mean imminent or threatened collapse. Collapse does not include bending, sagging, bowing, leaning, movement, settling, cracking, bulging, shrinkage, heaving or expansion, whether natural or otherwise, of the **building structure** or a structural part of the **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**, unless an actual and complete falling down has occurred. This Collapse Extension of Coverage does not apply to **separate structures** which are not **building structures**.

For purposes of this Extension of Coverage only, a **building structure** means a structure fully covered by a roof.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage A, B or C **stated limit** or any Special Limits on Certain Personal Property.

11. **Food Spoilage.**

We will pay for the cost of loss or damage to contents in a refrigerator or freezer on the **residence premises** which thaws or spoils due to interruption of electrical utility service. The interruption must originate off the **residence premises**. This is not additional insurance; it is subject to the Coverage C **stated limit**.

12. **Artificially Generated Electrical Current.**

We will pay for loss or damage caused by a sudden, abrupt and accidental surge or decrease in artificially generated electrical current, whether on or off the **residence premises**, to any electronic components or wiring of or in covered personal property. We will pay no more than \$1,000 for all personal property damaged per loss event. This is not additional insurance; it is subject to the Coverage C **stated limit**.

13. **Arson, Burglary or Vandalism or Malicious Mischief Reward.**

We will pay up to the amount specified below for information which leads to an arson, burglary or **vandalism or malicious mischief** conviction in connection with loss or damage to property covered by this policy:

- a. a \$5,000 limit for arson;
- b. a \$1,000 limit for burglary; and
- c. a \$500 limit for **vandalism or malicious mischief**.

In no event will the amount of the reward exceed the total amount of the loss or damage. We will pay no more than the highest applicable limit for any one loss event. No limit will be increased, regardless of the number of persons providing information for that loss, the number of claims being made for that loss or the fact that the loss may involve loss or damage to property in Coverages A, B and C.

No deductible applies. This is additional insurance.

14. **Lock Re-keying.**

We will reimburse you up to \$500 for expense you incur to re-key locks on exterior doors of the **dwelling** or a **separate structure** located on the **residence premises**, when the keys to those locks are part of a covered loss.

No deductible applies. This is not additional insurance; it is subject to the applicable Coverage A or B **stated limit**.

15. **Pet Coverage.**

We will pay reasonable amounts up to \$500 for the veterinary care, burial, disposal, injury or death of household pets owned or kept by you that are injured or die resulting from any covered loss in Section I - Property Coverage that occurs

on the **residence premises**. Settlement will be based on the monetary value of the household pets up to a maximum of \$500 in the aggregate for all pets in any covered loss event in Section I - Property Coverage.

For the purposes of this Extension of Coverage only, a household pet is a fully-domesticated animal owned by you for personal companionship, such as a dog, a cat, a reptile, a bird or a rodent. Household pet does not include:

- a. any type of horse, cow, pig, sheep, goat, chicken, turkey, rooster; or
- b. captive fur-bearing animal, or any animal commonly kept for food or profit.

This is not additional insurance; it is subject to the Coverage C **stated limit**.

16. **Limited Matching Coverage for Vinyl or Aluminum Siding and Roof Materials for Composition Shingle Roofs.**

If the Declarations show a **stated limit** for Limited Matching Coverage, then:

- a. when a loss event requires replacement of vinyl or aluminum exterior siding, **roof materials** for composition shingle roofs, soffit or fascia (herein the "property") on a damaged **building structure**, and the replacement property does not match with the existing undamaged "property" because the existing undamaged "property" is obsolete or discontinued, we will pay up to the Limited Matching Coverage **stated limit** to replace existing undamaged "property" with the same materials that are used to replace covered damaged "property", which replacement may be greater than that required to achieve a reasonably uniform appearance;
- b. you must actually replace the existing undamaged "property" with the same materials that are used to repair or replace the covered damaged "property" to collect any payment under this Extension of Coverage; and
- c. item c.(1)iii. of Section I - Property Conditions, How We Settle Covered Loss, will not apply to loss involving the "property" on a damaged **building structure**.

This is not additional insurance. All payments for this Extension of Coverage are subject to the applicable Coverage A or B **stated limit**.

Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage

A. Uninsured Types of Loss or Damage.

We do not insure property covered by this policy, provide Loss of Use coverage or extend coverage in any Extensions of Coverage, for any loss or damage consisting or composed of any of the uninsured types of loss or damage listed below, whether on or off the **residence premises**, however caused, whether the loss or damage occurred immediately or over time, or is the result of, a natural or man-made activity, condition or event, except as may be stated otherwise.

Uninsured types of loss or damage are never covered regardless of whether any acts, omissions or decisions of any persons, group, organization, association or governmental body or any other cause of loss or event contributes concurrently or in any combination or sequence to cause the uninsured type of loss or damage, except as expressly stated otherwise.

Uninsured types of loss or damage can occur in combination with insured loss or damage. If any uninsured type of loss or damage does occur in combination with or in sequence to insured loss or damage, the uninsured type of loss or damage is not covered. If the insured loss or damage and uninsured loss or damage cannot be physically segregated from each other for any reason, including by way of example but not limited to what perils caused the loss or damage or the extent or timing of the loss or damage caused by individual perils, then none of the loss or damage will be insured by this policy.

1. Water Damage.

We do not insure loss or damage which consists of, is composed of or which is **water** damage, except as covered in Section I - Extensions of Coverage, Limited Water Coverage or unless if caused by fire or lightning.

2. Nuclear Damage.

We do not insure loss or damage which consists of or is composed of or which is nuclear radiation. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of nuclear damage.

3. Construction Defect.

We do not insure loss or damage which is a construction defect in the **dwelling** or a **separate structure**, except as covered in Section I - Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure or unless if by fire or lightning.

4. Inherent Vice or Latent Defect.

We do not insure loss or damage which is an inherent vice or latent defect in covered property.

5. Contamination.

We do not insure loss or damage which consists of, is composed of or which is **contamination** except as provided in Section I - Extensions of Coverage, Limited Water Coverage, or unless if caused by fire or lightning. Nuclear **contamination** is not insured, even if caused by fire or lightning. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of any **contamination**, or of any **nuclear substance, noxious substance, fungi, pathogens** or pollutants.

6. Breakage, Impairment, Corruption or Failure of Personal Property.

We do not insure loss or damage which is the breakage, impairment, corruption or failure of personal property, including any electronic or mechanical part of the personal property, except as provided in item 14.

7. Wear and Tear, Deterioration or Mechanical Breakdown.

We do not insure loss or damage which is wear and tear, deterioration or mechanical breakdown, unless if caused by fire or lightning.

8. Marring.

We do not insure loss or damage which is **marring** of covered property except as provided in item 14.

9. Corrosion, Deterioration, Decay or Rust.

We do not insure loss or damage which consists of, is composed of or which is corrosion, deterioration, decay or rust, unless if by fire or lightning. This includes, but is not limited to, any decomposition, breakdown and/or decay of manmade or natural material or matter by any agent.

10. Fungi.

We do not insure loss or damage which consists of, is composed of or which is **fungi**, unless if caused by fire or lightning. Further, we do not insure any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of **fungi**.

11. Pathogen.

We do not insure loss or damage which consists of, is composed of or which is a **pathogen**, unless if by fire or lightning. Further, we do not insure any **remediation** or

provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of a **pathogen**.

12. **Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding.**

We do not insure loss or damage which consists of, is composed of or which is the movement, settling, cracking, bulging, shrinking, heaving, bending or expanding of any part of covered property, except as provided in item 14.

Movement, settling, cracking, bulging, shrinking, heaving, bending or expanding of any part of covered property includes, but is not limited to, foundations, foundation fill material, foundation piers, foundation beams, slabs, pads, patios, walls, floors, ceilings, roofs, roof structures, supports, walks, driveways, pavements, curbs, fences, retaining walls, bulkheads, spas or swimming pools.

13. **Building Ordinance or Law.**

We do not insure the increased costs of or from the enforcement of any **building law**, except as provided in Section I - Extensions of Coverage, Building Ordinance or Law.

However, we do insure direct, physical loss or damage which results from order of governmental or public authorities to prevent the spread of a fire if the fire results from a cause of loss which would have been covered by this policy.

14. **Exceptions to Uninsured Types of Loss or Damage.**

We do insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property;

8. **Marring**; and

12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding;

which is directly caused by the following causes of loss, subject to the terms, conditions and limitations set forth in subsection B. Excluded Causes of Loss or Damage for any such cause of loss:

a. fire or lightning;

b. windstorm or hail, except **marring** of:

(1) all metal materials that are part of a **separate structure**; or

(2) any of the following that are part of the **dwelling**: metal guttering or downspouts or metal **roof materials**.

Windstorm or hail which causes a distinct and demonstrable actual hole or opening in any of the metal materials or items in (1) or (2) is covered;

c. smog, smudging or smoke (all only if sudden, abrupt and accidental);

d. explosion resulting from combustion (other than nuclear explosion);

e. riot or civil commotion;

f. **aircraft** or vehicles;

g. theft or attempted theft;

h. falling objects;

i. fall of trees or limbs, including felling, topping or trimming of trees;

j. weight of ice, snow or sleet which causes damage to personal property contained in a building; or

k. artificially generated electric current;

and we do insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property; and

8. **Marring**

which is directly caused by the following subsection B. Excluded Cause of Loss or Damage or by the following Extensions of Coverage, subject to the terms, conditions and limitations set forth for the cause of loss or the Extensions of Coverage: **vandalism or malicious mischief**; Limited Water Coverage and Collapse of a Building Structure or Structural Part of the Building Structure.

Any exception to uninsured damage will not apply if it occurs in combination or in sequence with any existing or other uninsured type of damage.

B. Excluded Causes of Loss or Damage.

Except as expressly provided elsewhere in this policy, we do not:

a. insure property covered by this policy;

b. provide Loss of Use coverage; or

c. provide coverage in any Extensions of Coverage; for loss or damage which directly or indirectly is caused by, arises out of, or results from any of the excluded causes of loss or damage listed below, whether the loss or damage occurs on or away from the **residence premises**. Acts or omissions of persons or other causes or other events can cause, contribute to, combine with or aggravate any of the excluded causes of loss or damage to cause loss or damage. Loss or damage caused by an excluded cause of loss or damage is not covered regardless of any acts, omissions or

decisions of any persons, group, organization, association or governmental body or of any other causes or other events which aggravate or contribute concurrently or in any combination or sequence with the excluded cause of loss or damage.

If covered and excluded causes of loss or damage each cause loss or damage to property such that the resulting damage is indistinguishable except as to the timing or sequence of the causes of the damage, then none of the loss or damage is insured by this policy.

Excluded Causes of Loss or Damage are excluded whether they are, or are the result of, natural or man-made activities, conditions or events. Excluded Causes of Loss or Damage apply to exclude the loss or damage arising from or as a result of the excluded activity, condition or event, whether the loss or damage is direct or indirect or immediate or consequential.

However, we do insure accidental, direct, physical loss or damage by fire when the fire results from an excluded cause of loss or damage, except when the fire results from:

- (1) **Governmental Action, Destructive Acts, Nuclear Hazard, Meteorites, Illegal Substances or Vandalism or Malicious Mischief or Arson if the Dwelling is Vacant;** or
- (2) an Increase in Hazard within the control or knowledge of an **insured**.

We do insure loss or damage which consists of or is composed of **water** damage from a covered fire, but we never insure loss or damage by or resulting from **earth movement** or flood caused directly or indirectly by fire.

1. **Earth Movement.**
2. **Water.**

This exclusion includes, but is not limited to:

- a. a **water - reverse flow**;
- b. flood, including debris flow and mud flow, any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind; or
- c. **water** from any source whatsoever, on or below the surface of the ground, whether natural or otherwise.

This **water** exclusion applies even if **water** combines or contributes in any way with any other excluded cause of loss or damage hereunder to cause loss or damage, including, but not limited to, **fungi** or any **noxious substance**.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

3. **Nuclear Hazard.**
4. **Neglect or Lack of Maintenance or Failure to Make Repairs.** Lack of maintenance includes a failure to undertake any maintenance.
5. **Faulty, Inadequate, Defective or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture or Construction.**

We do not insure loss, damage or costs which directly or indirectly are caused by, arise out of or result from, or any costs of fixing or making good, any faulty, inadequate, defective or incomplete planning, zoning, development, surveying, siting, engineering, design, specifications, workmanship, maintenance, servicing, renovation, repair, manufacture, construction, grading, compaction, excavation, or materials that is for, is used in or is part of a method or process involving any type of personal property owned or used by an **insured** or any type of real property (including land or any improvements) whether or not the real property is owned or used by an **insured**.

This exclusion applies:

- a. whether the activity is by an **insured** or by any person, group, organization, association or governmental body;
- b. whether or not an **insured** knew of or approved the activity;
- c. whether the property is on or off the **residence premises**;
- d. whether the property is insured by this policy;
- e. whether the activity involves a flawed quality of the property itself or involves a flawed process, method or procedure in producing property or which affects property;
- f. whether the activity being performed on one item of property damages another item of the same or different property in the process; or
- g. whether the activity damages one aspect or part of property and another aspect or part of the same or different property becomes flawed as a result.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

6. **Inherent Vice or Latent Defect.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any inherent vice or latent defect in property or a quality in or of the property that causes it to damage or destroy itself, whether or not

such defect or quality could have been discovered upon reasonable inspection.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

7. **Contamination.**

We also do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage, which directly or indirectly is due to, arises out of, or results from **contamination**.

8. **Wear and Tear, Deterioration or Mechanical Breakdown.**

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

9. **Corrosion, Deterioration, Decay or Rust.**

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

10. **Fungi.**

This exclusion includes but is not limited to the discharge, dispersal, migration, release or escape of any **fungi**, whether combined with, caused by, or resulting from **water**. Further, we do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation of fungi**.

11. **Noxious Substance.**

This exclusion includes but is not limited to a local or widespread discharge, dispersal, seepage, migration, release or escape of any **noxious substance**. This exclusion applies whether or not:

- a. the **noxious substance** was used legally, normally or intentionally for a purpose for which it was intended or whether its use was confined within the general area of its intended use; or
- b. the **noxious substance** was the result of some legal and normal use of any process or product.

We do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation of any noxious substance**.

12. **Pathogen.**

This exclusion includes but is not limited to the discharge, dispersal, migration, release or escape of any **pathogen**. Further, we do not insure any **remediation** or provide any coverage for Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation of a pathogen**.

13. **Building Ordinance or Law.**

Except as otherwise provided in Section I - Extensions of Coverage, Building Ordinance or Law, we do not insure loss or damage or increased costs which directly or indirectly is caused by, arises out of or results from any **building law** or the enforcement of any **building law**.

14. **Governmental Action.**

- a. This exclusion applies to the confiscation, seizure, quarantine, condemnation, destruction or other deprivation, hereinafter "action", of or injury to any property covered by this policy by any governmental authority or order of governmental authority. This exclusion applies even if:
 - (1) the governmental authority mistakenly believes it has the right to engage in the conduct;
 - (2) the "action" is sustained by property not intended or expected by the governmental authority;
 - (3) the damage is different, or greater or of a different quality than that intended or expected by the governmental authority;
 - (4) the governmental authority did not understand that the "action" may result; or
 - (5) the "action" is incidental to policing activity of the governmental authority.
- b. However, we do insure direct, physical loss or damage caused by acts of confiscation, seizure, damage or destruction of your property by any governmental authority or order of governmental authority:
 - (1) taken at the time of a fire to prevent its spread, if the fire would be otherwise covered in this policy; or
 - (2) if, subject to the Destructive Acts Exclusion, the confiscation, seizure, damage or destruction is incidental to policing activity of a governmental authority, which policing activity is directly caused by or results from the activities of a person who is not an **insured**, or who is not a tenant, roommate, roomer, live-in or boarder.

15. **Power Interruption.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from the interruption of power or other utility service which originates off the **residence premises**, except as provided in Section I - Extensions of Coverage, Limited Water Coverage from freezing of a **water** pipe or Food Spoilage Coverage.

16. **Artificially Generated Electrical Current.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from a sudden, abrupt and accidental surge from or increase or decrease in artificially generated electrical current to any electronic components or wiring of or in personal property, except as provided in Section I - Extensions of Coverage, Artificially Generated Electrical Current.

17. **Failure to Protect Covered Property.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from the failure or neglect of an **insured** to use all reasonable means to mitigate or abate covered loss or damage or to protect covered property at and after the time of loss or damage, or when property is endangered by a covered cause of loss or damage.

18. **Destructive Acts.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any destructive act directed against civilian, military or governmental personnel or property by any domestic or foreign person(s), organization(s), association(s), entity or entities, government or any quasi-governmental body. This exclusion:

- a. includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, seizure, rebellion and revolution, all whether or not by military or paramilitary personnel, and including any direct or indirect consequence of these;
- b. applies even if the loss or damage is sustained by property not intended or expected; and
- c. does not include acts of **vandalism or malicious mischief**.

19. **Theft.**

We do not insure theft:

- a. from a **dwelling** that is under construction, until after the construction has been completed and when the **dwelling** is occupied by an **insured**;
- b. from a **dwelling** that is undergoing remodeling or renovation unless the **dwelling** is occupied by an occupant who is legally using the **dwelling** as a principal, habitual place of abode;
- c. from the **residence premises**:
 - (1) if, for a period of more than 30 days prior to the theft, the **dwelling** has been **vacant** or no person has actually legally lived in the **dwelling**; or
 - (2) if the date of the theft is not known and if for a period of more than 30 days prior to the date on which the

theft is discovered the **dwelling** has been **vacant** or no person has actually legally lived in the **dwelling**;

- d. committed by any **insured** or at the direction of an **insured**;
- e. committed by any person who is or has regularly resided at an **insured location**. However, theft committed by a **residence employee** is covered;
- f. from any part of a **residence premises** rented to others;
- g. of property from any other premises owned, occupied by or rented to any **insured** unless an **insured** is temporarily residing there at the time of the theft. Property of an **insured** in a secured rental storage facility is covered. Property of a student **insured** is covered at a residence away from the **residence premises** if the student has been at the residence any time 45 days before the theft;
- h. of watercraft, campers or trailers and their equipment, furnishings and outboard motors when off the **residence premises**;
- i. of building materials and supplies while off the **residence premises**;
- j. directly or indirectly caused by, arising out of or resulting from any type of sale or transfer of real or personal property, whether voluntary or involuntary, including, but not limited to, internet transactions, or any investment or any investing activity, all whether induced to do so by or resulting from conversion, fraud, false pretenses or other deceptive practices; or
- k. committed by or at the direction of any person to whom an **insured** has given or allowed a power of attorney, or any other similar power, or any type of authorization in or over the property of the **insured**.

Theft includes attempted theft. Theft does not include mysterious disappearance of property. We do not insure a shortage of property or property taken by someone who claims a right to such property through a written or oral agreement with any **insured** unless a court of law rules that a theft did occur. To be covered by this policy, any theft must be immediately reported to the local police.

20. **Mysterious Disappearance.**

Mysterious disappearance is an unexplained loss of property. It includes losing or misplacing property.

21. **Vandalism or Malicious Mischief or Arson if the Dwelling is Vacant.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from:

- a. **vandalism or malicious mischief** if:
 - (1) the **dwelling** has been **vacant** for a period of more than 30 days prior to the **vandalism or malicious mischief**; or
 - (2) it is committed by any person who is or has regularly resided on the **residence premises**; or
- b. arson, whether a result of **vandalism or malicious mischief**, if the **dwelling** has been **vacant** beyond a period of 60 consecutive days prior to the arson.

For subsections a. and b., if the date that the **vandalism or malicious mischief** or arson occurred is not known, then the date of discovery of the damage will be the date of loss.

Vandalism or malicious mischief does not include theft of property. Each time period can begin before this policy incepts.

22. **Pests or Animals.**

This exclusion only applies to pests, or to animals or creatures owned or kept by an **insured**, tenants, roommates, roomers, live-ins or boarders. This includes, but is not limited to, bats; rats; mice and other rodents; bees; termites; moths; vermin; birds; fish; reptiles; insects; and spiders.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

23. **Smog, Smudging or Smoke.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from smog, smudging or smoke:

- a. from the manufacturing of controlled substances, or from legal or illegal commercial, manufacturing, industrial or agricultural operations, whether on or off the **residence premises**, even if sudden, abrupt and accidental; or
- b. which originates on the **residence premises**, unless the smog, smudging or smoke damage is sudden, abrupt and accidental.

24. **Pressure by Trees, Shrubs, Plants or Lawns.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from pressure by, push from or presence of (1) any trees, shrubs, plants or lawn, or (2) any root system from any trees, shrubs, plants or lawn.

However, see Section I - Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

25. **Soil Conditions.**

Soil conditions include, but are not limited to, corrosion, erosion, chemicals, compounds, elements, formation of

crystals, suspensions or gels of or in the soil, or saturation of the soil.

26. **Windstorm or Hail.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from windstorm or hail:

- a. to personal property covered by this policy contained in a **building structure** caused by sand or dust unless the direct force of wind or hail first damaged the **building structure** causing an opening in a roof or outside wall and then sand or dust enters through this opening and causes the loss or damage to the personal property;
- b. to watercraft and windsurfers, including their trailers, furnishings, equipment and outboard motors, unless inside a fully enclosed **building structure** at the time of loss or damage; or
- c. to cloth awnings, greenhouses and their contents, radio and television towers, masts and antennas, including lead-in wiring, and wind chargers and windmills.

27. **Aircraft or Vehicles.**

However, we do insure loss or damage from accidental, direct, physical contact by an **aircraft**, or any refuse from an **aircraft**, or a vehicle with covered property or with a structure containing the covered property. Coverage will not apply unless the **aircraft** or vehicle is moving. Extensions of Coverage **Artificially Generated Electrical Current** and **Food Spoilage** are not subject to this exclusion.

28. **Falling Objects.**

- a. We do not insure loss or damage to covered property which is caused by or results from objects which fall as a result of any cause of loss or damage excluded in this policy.
- b. We do not insure loss or damage to personal property contained in a **building structure** caused by:
 - (1) a falling object, unless the direct force of the falling object first damages the roof or an outside wall of the **building structure**; or
 - (2) sand or dust, unless the direct force of a falling object first damages the roof or an outside wall of the **building structure** and then sand or dust enters through this opening and causes the loss or damage to personal property.
- c. We do not insure loss or damage to covered property which is caused by or results from meteors.

A falling object is a material, inanimate thing which can be touched. Loss of or loss or damage to the falling object itself is not covered.

29. **Collapse.**

However, we do provide limited coverage for collapse of a **building structure** or any structural part of a **building structure** in Section I - Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure.

30. **Sales or Transfers of Property.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any type of sale or transfer of real or personal property by or to an **insured**, including, but not limited to, internet transactions, and whether by conversion, fraud, trickery, false pretenses or other deceptive practices.

31. **Pollution.**

We also do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation** of pollution.

This exclusion does not apply to loss or damage caused by sudden, abrupt and accidental smoke or fumes from a fire.

32. **Refinishing, Renovating, Repairing, Servicing, Restoring, Reconditioning, Retrofitting or Retouching of Personal Property.**

33. **Weather Conditions.**

This only applies if the weather condition contributes to or combines with any cause of loss or damage excluded in this policy to cause loss or damage, except if with Falling Objects or Power Interruption. This applies:

- a. whether or not the weather condition affects property covered by this policy; and
- b. whether the property is on or off the **residence premises**.

34. **Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding of any part of any Structure.**

35. **Malfunction or Failure of Software or a Computer System.**

This applies whether or not a result of error or malicious activities.

36. **Extremes of Temperature.**

This includes freezing, except as provided in Section I - Extensions of Coverage, Limited Water Coverage.

37. **Illegal Substances.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from the sale, growth, manufacture, cultivation, distribution, delivery, processing

or transfer of any illegal substance as defined by federal law or state law by any **insured**. Such substances include but are not limited to explosives, LSD, methamphetamines, marijuana and all narcotic drugs.

Section I - Property Conditions

1. **Limits of Insurance.**

- a. The **stated limits** or any other applicable limits of insurance in this policy are the most we will pay for covered loss or damage. You are responsible for selecting the **stated limits**.
- b. Subject to **stated limits**, with each covered loss or damage to the **dwelling** or any **separate structure**, the amount of insurance coverage applicable to that structure will be reduced by the estimated amount of the loss or damage until reconstruction or repairs are actually made.

2. **Insurable Interest.**

If more than one person or entity has an insurable interest in the covered property, the most we will pay is an amount equal to the **insured's** interest, unless specifically stated otherwise herein.

3. **Duties After Loss.**

In case of covered loss or damage to property, it is your responsibility to:

- a. give prompt written notice to us or our agent without unnecessary delay. In case of theft, you must also immediately notify the police. In case of loss covered in Section I - Extensions of Coverage, Identity Fraud, involving an unauthorized use of a credit card, debit card, fund transfer card, forgery, or acceptance of counterfeit money, you must also immediately notify the police, and as appropriate, the issuer of the card, credit bureau, credit reporting agency, and the credit grantor;
- b. protect the property from further damage. You should make any reasonable and necessary emergency repairs or perform loss mitigation needed to protect the property from further damage. See Section I - Property Conditions, Emergency Services following. Failure to make emergency repairs or act to mitigate the loss may result in continuing or secondary damages which may not be covered by this policy. You must keep records and receipts of your costs;
- c. make a list of all damaged or destroyed personal property showing in detail the quantity, description, **actual cash value**, replacement cost, age and amount of loss. Attach

- all bills, receipts and related records that support your figures;
- d. cooperate with our investigation of the loss or damage and our proof of any repairs or replacement of the damaged property;
- e. as often as we reasonably require:
 - (1) show us the damaged property or provide us and our representatives access to the damaged property and the **residence premises** in order to, among other things, determine the types of loss or damage and the extent and cause thereof, and costs of repair or replacement;
 - (2) provide us with records, documents and other information we may request, and permit us to make copies. This includes, but is not limited to banking records, asset, debt and income information, records and documents, credit history and other financial records, prior insurance losses with us or other insurers, or receipts for property damaged, if obtainable;
 - (3) allow us to take samples of damaged property to inspect, test and analyze;
 - (4) submit to examinations under oath at such times and places as we reasonably designate. We may require the examinations to be taken separately and apart from any other person defined as you or an **insured**. Each examinee must sign a transcript of his or her examination;
 - (5) produce representatives, employees, members of your household or others for interviews or examinations under oath to the extent it is within your power to do so; and
 - (6) submission to a requested examination(s) under oath is a condition precedent to recovery in this policy. Our denial of your claim shall not act as a waiver of our right to examinations under oath; and
- f. send us within 60 days after our request, your signed, sworn statement showing:
 - (1) date, time, location and cause of loss or damage;
 - (2) interest of all **insureds** and all others in the property involved;
 - (3) all legal claims against the property involved including lienholders;
 - (4) all other insurance and any warranty, service or maintenance contract which may cover the loss or damage (see Other Insurance condition following);
 - (5) all information we request to investigate the claim;

- (6) changes in title or occupancy of the property;
- (7) specifications and detailed repair estimates of any damaged structure;
- (8) a list of stolen, damaged or destroyed personal property described in subsection 3.c. above;
- (9) receipts and records that support additional living expenses and loss of rents; and
- (10)evidence which states the amount and cause of loss to support a claim in Section I - Extensions of Coverage, Identity Fraud coverage.

To the extent an **insured**, other than you, is a beneficiary of coverage in this policy, that **insured** shall also be responsible for complying with the duties and responsibilities set forth in this policy respecting loss or damage, including examinations under oath and production of information requested by us.

4. **Emergency Services.**

In the event your covered property sustains covered loss or damage, you should protect the property from further damage. You should make any reasonable and necessary emergency repairs or act to mitigate the loss to protect the property from further damage (hereinafter "emergency services"). We will reimburse the necessary, reasonable costs you incur on an emergency basis at or soon after the time of loss to mitigate further imminent damage from the covered event. If you undertake emergency repairs or services, you must give prompt notice to us or our agent without unnecessary delay and show us the damaged property or provide us and any of our representatives access to the damaged property so that we may, among other things, determine the types of loss or damage and the extent and causes thereof, and estimate the reasonable costs of repair or replacement, if covered. This is not additional insurance. Expenses incurred for emergency services are subject to the applicable Coverage A, B or C **stated limit** and any Special Limits on Certain Personal Property that apply to the property. Emergency services do not include mitigation or abatement of uninsured types of loss or damage, including, but not limited to, **remediation** of any **nuclear substance, noxious substance, pathogen, fungus**, pollutant, or any **contamination**.

If you report loss or damage to covered property and if you have not already performed reasonable, necessary emergency services, we may at our sole discretion assist you in obtaining such emergency services before we determine if the loss or damage is covered by this policy. Although we are not obligated to do so, we may advise you of or we may

refer an independent contractor to perform such emergency services. However, you are responsible for contracting for such emergency services with the independent contractor. You have the right to reject the independent contractor at any time. The provision of such emergency services will not prejudice our right to later deny coverage for any loss or damage.

It is solely your responsibility to direct or manage the activities of any independent contractor providing emergency services. We make no representation as to the skill or experience of any independent contractor. We do not warrant the workmanship of any independent contractor. We are not responsible for the acts or failures to act of any independent contractor. We do not assume liability for injuries sustained by you or any other person resulting from or arising from any repair, attempted repair or from any acts to mitigate the loss.

5. **How We Settle Covered Loss.**

Covered accidental direct physical loss or damage will be settled as follows.

a. Coverage A (**Dwelling**) and Coverage B (**Separate Structures**). We will only settle covered loss or damage on the basis of use as a private residence.

(1) Settlement for covered loss or damage to a specific, individual **component part(s)** of the **dwelling** or **separate structures**, except for **roof materials** and fences, will be settled at reasonable and necessary replacement cost, without deduction for depreciation, for the lesser of the costs to repair or to replace the specific damaged **component part(s)**, but for no more than the lesser of the following:

- i. the applicable **stated limit** or other limit of insurance in this policy that applies to the damaged or destroyed **dwelling** or **separate structure(s)**;
- ii. the reasonable repair or replacement cost of that specific **component part(s)** damaged for equivalent construction with materials of like kind and quality on the **residence premises**, determined as of the time of loss or damage;
- iii. the reasonable and necessary amount actually spent to repair or replace the specifically damaged **component part(s)** of the **dwelling** or **separate structure(s)**; or
- iv. the loss to the interest of the **insured** in the property.

When the cost to repair or replace damaged property is more than \$2,500, we will pay no more than the **actual cash value** of the damaged specific **component part(s)** of property until actual repair or replacement is completed. If the **dwelling** or a **separate structure** is rebuilt or replaced at a different location, the costs described in subsection ii. above are limited to the costs which would have been incurred if the **dwelling** or **separate structure** had been rebuilt or replaced at its location on the **residence premises**.

Reasonable and necessary replacement cost:

- i. does not include damage to property otherwise uninsured or excluded in this policy; and
- ii. may be based on discounted pricing available to you for the repair or replacement.

(2) **Roof Materials.**

- i. **Roof Materials at Replacement Cost.** If your Declarations show that **roof materials** are settled on a replacement cost basis, the exception as it applies to **roof materials** in a.(1) is removed and covered loss or damage for **roof materials** will be settled as set forth in subsection a.(1) above. When the cost of the entire covered loss event, including damage to **roof materials**, is more than \$2,500, we will only pay the **scheduled roof payment** for **roof materials** until repairs or replacement are completed.
- ii. **Roof Materials at Scheduled Roof Payment.** If your Declarations show that **roof materials** are settled on a **scheduled roof payment** basis, then covered loss or damage to those **roof materials** damaged will be paid on a **scheduled roof payment** basis, subject to the applicable **stated limit**.

For purposes of settlement of covered loss to **roof materials**, the **scheduled roof payment** is deemed to be and will determine the **actual cash value** of the loss. Increased costs from the enforcement of any **building law** or general contractor fees or charges will not be paid until incurred in accord with subsection e.

(3) **Fences.**

Covered loss or damage to fences will be settled on an **actual cash value** basis, subject to the applicable **stated limit**.

b. Coverage C (Personal Property).

Unless Section I - Extensions of Coverage, Contents Replacement Cost Coverage applies, covered loss or damage to personal property will be settled for no more than the lesser of the following:

- (1) **actual cash value**;
- (2) fair market value;
- (3) any **stated limit** or other limit of insurance in this policy that applies to the property;
- (4) the reasonable and necessary amount actually spent to replace lost property or to repair or replace damage to the damaged part of the property; or
- (5) the loss to the interest of the **insured** in the property.

The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.

c. We do not cover as part of the settlement of covered loss any:

- (1) cost to repair or replace property which is not damaged but does not match with the materials used to repair or replace the specific **component part(s)** of property which is damaged because of:
 - i. **marring**; or
 - ii. wear, tear, deterioration, corrosion or decay; or
 - iii. obsolescence or discontinuation of materials of or on the exterior of any structure, except as may be provided in Section I - Extensions of Coverage, Limited Matching Coverage for Vinyl or Aluminum Siding and Roof Materials for Composition Shingle Roofs; or
- (2) actual or perceived loss in value to any property, including but not limited to, because materials used to repair or replace lost or damaged property do not match undamaged property; or
- (3) consequential loss or damage to property which is a result of a condition of the property which is uninsured or excluded in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage.

d. General contractor fees or charges:

- (1) will only be included as reasonable replacement costs if it is reasonably likely that the services of a general contractor will be required to manage, supervise and coordinate the repairs; and
- (2) will be paid as set forth in subsection e. that follows, unless the statutory or regulatory law of your state

requires that such fees and charges be paid with the **actual cash value** settlement.

- e. (1) **Actual cash value, scheduled roof payment** and replacement cost settlements will not include payment of:
 - i. increased costs of or from the enforcement of any **building law**; or
 - ii. general contractor fees or charges; or
 - iii. costs to match property which is not damaged with materials used to repair or replace damaged property;unless such fees, charges or costs are covered by this policy and if covered, until you actually incur and pay such fees, charges and costs.
- (2) If loss or damage to any property, or any **component part** thereof, may only be settled on an **actual cash value** basis without recovery of depreciation or for roofs, on a **scheduled roof payment** basis, then for that settlement, if actually covered and incurred:
 - i. item (1)i. will be paid without deduction for depreciation; and
 - ii. items (1)ii. and (1)iii. will be paid with a deduction for depreciation.

6. **Replacement Cost Settlement - Time Limitation.**

For any loss to property which may be settled on a replacement cost basis, you have 365 days from the date of our first payment toward **actual cash value** to collect any amounts due for replacement cost settlement. The property must be actually repaired or replaced by you to collect replacement cost. If you do not actually repair or replace the property within 365 days from the date of our first payment toward **actual cash value**, then the loss or damage will only be settled at **actual cash value**.

7. **Other Insurance.**

Except as provided below, this insurance is excess of any other insurance covering the property. If covered property sustains loss or damage covered by any other insurance, we will be liable only for that portion of the loss covered by this policy that is in excess of the limit of insurance that applies to the other insurance. For purposes of this provision, other insurance includes any type of warranty or service or maintenance contract.

If insurance issued by us or any other member company of the Farmers Insurance Group of Companies® covers the loss or damage, the loss or damage will only be payable under the single policy providing the highest limit of insurance.

8. **Deductible Clause.**

- a. We only pay for loss or damage when a covered loss exceeds the deductible(s) amount applicable to the property. The deductible(s) applies separately to each loss or damage event. All limits of insurance, including special limits, will be applied after the appropriate deductible(s) to the loss or damage is applied.
- b. The following provision applies only if a mortgagee is named in the Declarations, and the mortgagee has foreclosed on the property prior to the date of loss:

The applicable deductible for any interest of any mortgagee will be the smallest of the following amounts:

- (1) the deductible stated in the Declarations; or
- (2) \$1,000.

This provision does not apply to loss or damage from **earthquake** (if covered) or hurricane, where a separate, increased deductible applies to loss or damage caused by that peril.

9. **Loss or Damage to a Pair or Set.**

We may elect to:

- a. pay for the repair or replacement of any part of the pair or set to restore it to its value before the loss or damage; or
- b. pay the difference between the **actual cash value** of the property before and after the loss or damage.

Loss or damage to a part does not mean a total loss or damage of the pair or set.

10. **Appraisal.**

- a. If you or we fail to agree on the **actual cash value** or the **incurred property damage** of your **claimed loss**, either you or we may make a written demand for appraisal. The appraisal shall be made in strict conformance with the terms of this Appraisal condition. Neither you nor we may assign the right to demand appraisal, whether before or after loss or damage. Any assignment shall be void.
- b. (1) Within 20 days of the receipt of a written demand for appraisal, you and we each shall:
 - i. appoint a qualified individual person as an appraiser; and
 - ii. notify the other in writing of the appraiser's name and contact information.
- (2) In order for a person to be qualified to act as an appraiser, the person must be competent, independent, neutral and impartial. A person:
 - i. who has performed, or who is employed by any entity which has performed any work, or a person

who has provided any service for either you or us in relation to any **claimed loss** under this policy, whether or not such work or service has been or will be paid; or

- ii. who has or may perform, or who is employed by an entity which has or may perform repairs or replacement of your property;

shall not be qualified to serve as an appraiser.

- (3) Upon acceptance of the appointment, each appraiser shall within 5 days disclose in writing to you and to us any known facts which a reasonable person may consider to affect the independence, neutrality or impartiality of the appraiser, including without limitation:

- i. any financial or personal interest in the outcome of the appraisal; and
- ii. any current or previous relationship with you or us, or your or our counsel, other representative(s) or experts, or with the other appraiser.

- c. You and we may provide the appraisers, and the umpire if appointed, with estimates, expert opinions, appraisal forms or any information you or we believe to be relevant to the appraisal. Any such documents and information must also be provided to the other party. However, no formal legal discovery shall be conducted by either the appraisers, any umpire, or you or us during or for the preparation of the appraisal, and no court reporter shall be used. The rules of civil procedure and the rules of evidence shall not apply to the appraisal process, and no hearing shall be conducted by the appraisers at which either you or we provide any evidence pertaining to your **claimed loss**.

- d. (1) The appraisers shall determine the **incurred property damage**, if any, to each of the **component parts** of that property for which you have **claimed loss**, and the **actual cash value** of the **incurred property damage**, as of the date of the loss. In determining the **actual cash value** of the **incurred property damage**, the appraisers shall only use reasonable costs of materials of like kind and quality unless the policy expressly provides otherwise.
- (2) The appraisal shall separately state and itemize the following for each individual **component part** of the **incurred property damage**:
 - i. a description of each **component part** of the property;

- ii. a description of the distinct and demonstrable physical injury to or destruction of each **component part**, if any, without reference to what caused the damage;
 - iii. a description of the reasonably necessary repairs or replacements for each **component part** of property;
 - iv. the estimated costs of the reasonably necessary repairs or replacement(s) to each **component part** of property;
 - v. the estimated amount of proper depreciation and/or obsolescence to each **component part** of property; and
 - vi. the **actual cash value** of the **incurred property damage**.
- (3) The appraisers will provide detailed, verifiable support:
- i. of the reasonableness of the costs, including unit costs;
 - ii. that the materials are of like kind and quality, if the policy loss settlement requires like kind and quality settlement; and
 - iii. of the factors and basis used to determine depreciation and/or obsolescence.
- (4) The appraisers may consider and provide you and us with a separate statement of the estimated cost(s) for any repairs or replacements which may be required by **building laws**, but the appraisers may not determine whether such amounts are covered by this policy.
- (5) The appraisers shall submit their written appraisal in strict conformance with this subsection d., to both you and to us, and the amounts agreed upon by the appraisers will be the **incurred property damage** and the **actual cash value** of the **incurred property damage** to each **component part** of property for which you have **claimed loss**, and will be binding. Substantial conformance with this Appraisal condition does not satisfy the terms of this Appraisal condition.
- (6) The appraisers are not authorized to, and shall not decide the cause, or causes, of your **claimed loss** or any **incurred property damage**.
- (7) The appraisers are not authorized to decide whether any **incurred property damage** is covered by this policy.
- As appropriate, each of the foregoing shall also apply to theft.
- e. (1) If the appraisers cannot agree on the **incurred property damage** or the **actual cash value** of the **incurred property damage**, they will advise each of us of their failure to agree and of the need to appoint an umpire to resolve their differences. The appraisers may then agree on an umpire. If the appraisers advise each of us that they cannot agree on an umpire, you or we shall then first request the American Arbitration Association (AAA) to select an umpire.
- (2) Only if the AAA advises you and us in writing that it cannot appoint an umpire may we then jointly request a judge of a district court in the judicial district where the **residence premises** is located to select an umpire. A judge of a district court does not include a commissioner or a judge of a county court at law, a justice court, a municipal court, a probate court, or of a commissioner's court.
- (3) In order for a person to be qualified to act as an umpire, such person must be qualified and meet the conditions as required in subsection b.(2).
- (4) Upon the appointment of an umpire by the appraisers, AAA or a district judge, the umpire shall within 5 business days disclose in writing to you and to us the information required in subsection b.(3).
- (5) Within 20 days of a qualified umpire being appointed, each of the appraisers shall then submit to the umpire, and to both you and us, their appraisals. Their appraisals shall contain all of the information required in subsection d. above, and shall identify each specific matter upon which they disagree and explain in detail why they disagree. Both appraisers and the umpire shall then together meet and confer. The umpire shall then prepare an appraisal. A written appraisal in strict conformance with and setting forth all the information required in subsection d. above, agreed upon and signed by the umpire and either one or both of the two appraisers will determine the **incurred property damage** and the **actual cash value** of the **incurred property damage** of your **claimed loss**, and will be binding.
- (6) If a vacancy should occur regarding the umpire, the vacancy shall be filled in accord with the foregoing process by which the vacating umpire was appointed. Any appointed umpire is subject to (3) and (4) of this subsection e.
- f. Each party will pay the costs of the appraiser it chooses. The costs of the umpire, including if appointed by AAA, and all other reasonable expenses of the appraisal will be

shared and paid equally by you and us. If AAA appoints the umpire, we will pay AAA's process fees.

- g. The appraisal shall not:
- (1) determine whether your **claimed loss** or any **incurred property damage**, or any part thereof, is covered by this policy;
 - (2) determine the cause or causes of the **claimed loss** or any **incurred property damage**;
 - (3) make any factual finding which directly or indirectly determines whether your **claimed loss** or **incurred property damage**, or any part thereof, is covered by this policy;
 - (4) interpret this policy;
 - (5) award or determine any interest or penalties;
 - (6) determine whether property which has not sustained **incurred property damage** is to be matched with materials used to repair or replace property that has sustained **incurred property damage**, or any amount for matching;
 - (7) determine whether the services of a general contractor will be required to manage, supervise and coordinate the repairs, or any amount for general contractor's fees or charges;
 - (8) determine loss settlement under a loss settlement provision of this policy; or
 - (9) be considered to be adjustment of your **claimed loss**.
- h. Any demand for appraisal must be made within the contractual suit limitations period stated in this policy. After that time neither you nor we may demand an appraisal.
- i. If you or we timely demand an appraisal, then upon request or motion made by either you or us for abatement of any suit for or involving the **claimed loss**, the suit shall be abated until after an appraisal award is made in strict conformance with this Appraisal condition.
- j. Even after an appraisal award, we retain the right to deny any **claimed loss** or **incurred property damage**, or any part thereof.

11. Intentional Acts, Criminal Acts, and Fraud.

We do not provide coverage for loss or damage if any **insured** has before or after the loss or in relation to any insurance provided in this policy:

- a. concealed or misrepresented any material fact or circumstance;
- b. intentionally caused or arranged for the loss or damage;

- c. directly or indirectly caused the loss or damage while committing or concealing a felony as defined by either federal or state law;
- d. engaged in fraudulent conduct; or
- e. made material, false statements.

We do not provide coverage for loss or damage resulting from a criminal act committed by or at the direction of any **insured**. This applies whether the loss or damage is the intended result of such an act, even if not subjectively intended or expected by any **insured**. This applies even if any **insured** is not actually charged with or convicted of a crime. We do not provide coverage for loss or damage which arises or results from or is caused by a criminal act for which any **insured** is actually convicted or for which any **insured** pleads guilty, no contest or true in a criminal proceeding.

12. Suit Against Us.

No suit or other action can be brought against us, our agents or our representatives unless there has been full compliance with all the terms of this policy, including, but not limited to:

- a. submission to requested examinations under oath; or
- b. valuation of the **actual cash value** and/or the **incurred property damage** by appraisal, if the suit or action involves such.

Suit on or arising out of the Section I - Property Coverage of this policy must be brought within one year after inception of the loss or damage.

13. Loss Adjustment and Payment.

At our option, we may adjust all losses with you. We may pay you unless another payee is named in the policy, in which case we will pay as interests appear. We will pay within 30 days after:

- a. we reach agreement with you;
- b. a final judgment; or
- c. an appraisal award.

Upon our receipt of an appraisal award, in conformance with the Appraisal provision of this policy, payment by us of the award, or any part of the award, within the time required in this policy estops any contractual or extra-contractual claim by you which may directly or indirectly arise from or may be related to the failure of you and us to agree as to the **actual cash value** and/or the **incurred property damage** of your **claimed loss**. Your failure or refusal to accept our payment does not affect estoppel. Our payment of the award, or partial payment, binds you and us to that part paid and estops any contractual or extra-contractual claim as to that part paid.

14. **Abandoned Property and Our Option.**

We need not accept property abandoned by an **insured**. At our sole option and discretion, we may repair or replace any part of the damaged property with material or property of like kind and quality or we may take all or part of the damaged property at an agreed or the appraised value. We will give you written notice of our intention within 30 days after receipt of your signed sworn statement of loss or the written agreement from the appraisal.

15. **Mortgagee Clause.**

a. Mortgagee includes trustee or loss payee. If a mortgagee is named in this policy, a covered loss 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.

If we deny your claim, based on your act, omission, or neglect, such denial will not apply to a mortgagee's valid claim if the mortgagee:

- (1) knows and promptly notifies us of any change of ownership, occupancy, or **vacancy**, or of substantial change in risk;
- (2) pays on demand any premium due if you have failed to do so; and
- (3) submits a signed, sworn statement of loss within 60 days after we notify the mortgagee of your failure to do so.

b. All policy conditions and terms will apply to the mortgagee, except Misrepresentation, Concealment or Fraud, unless committed by the mortgagee or its representatives. A mortgagee will only have a valid claim if it knows and promptly notifies us of any change in ownership, occupancy, or **vacancy**, or of a substantial change in the risk.

c. We will give the mortgagee at least 10 days notice before we cancel this policy. If we pay the mortgagee for any loss and deny payment to you:

- (1) we have right of recovery against any party responsible for the loss; and
- (2) at our option, we may pay off the entire mortgage debt to the mortgagee. In this event, we receive full assignment and transfer of the mortgage, including all security held as collateral to the mortgage debt, and we are subrogated to all the rights of the mortgagee under the mortgage.

A mortgagee's claim will not be impaired by transfer of a right of recovery.

d. If the **dwelling** is foreclosed upon under the deed of trust or through any other legal means, or if the mortgagee otherwise acquires ownership of the **dwelling**, in our sole and absolute discretion, we may comply with a request by the mortgagee to cancel this policy of insurance on behalf of all parties who have an interest insured by this policy.

16. **No Benefit to Bailee.**

This insurance will not benefit any person or organization who may be storing, holding or caring for or handling or moving property for a fee. We will not recognize any assignment or grant any coverage hereunder to any such person or organization.

17. **Salvage.**

We have salvage rights to damaged property for which we pay loss benefits. We have the right to all or part of the property which may be recovered, including property substituted by others to conceal the loss.

Section II - Liability

Section II - Liability Coverage

We will insure you for the coverages as described below except as otherwise shown in the Declarations.

Coverage E (Personal Liability)

We will pay those damages which an **insured** becomes legally obligated to pay because of:

1. **bodily injury** resulting from an **occurrence**; or
2. **property damage** resulting from an **occurrence**.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered by Coverage E (Personal Liability). Our obligation to defend a suit seeking damages, which is a court proceeding initiated by the filing of a complaint seeking damages, ends once we have paid our applicable **stated limit**. We may investigate and settle any claim or suit seeking damages as we deem appropriate.

Coverage F (Medical Payments to Others)

We will pay reasonable medical expenses for necessary medical services furnished to a person to whom this coverage applies for treatment of **bodily injury**. This will apply for services within three years from the date of the **occurrence** causing **bodily injury**.

Necessary medical services are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services. These include the costs of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses, and hearing aids.

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Necessary medical services do not include:

1. treatment, services, products or procedures that are:
 - a. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the **bodily injury**;
2. the use of thermography or other related procedures of a similar nature; or
3. purchase, rental cost, or use of:
 - a. hot tubs, spas, water beds;
 - b. exercise equipment;
 - c. heating or vibrating devices;
 - d. furniture or equipment not primarily designed to serve a medical purpose;
 - e. memberships in health clubs; or
 - f. medical reports, unless requested by us.

A reasonable medical expense means the usual and customary expense for the necessary medical services.

This coverage applies to:

1. persons on an **insured location** with permission of an **insured**; or
2. persons off an **insured location** if the **bodily injury** is:
 - a. the result of a condition on the **insured location** or the ways immediately adjoining;
 - b. caused by the activities of an **insured**;
 - c. caused by a **residence employee** in the course of employment by an **insured**; or
 - d. caused by an animal or creature owned by or in the care of an **insured**.

This coverage does not apply to:

1. persons injured as a result of their intentional acts;
2. any **insured** or any person regularly residing on an **insured location**, except a **residence employee** who is in the course and scope of employment by any **insured**; or
3. any person eligible to receive benefits provided or mandated under any workers' compensation, occupational disease or non-occupational disability law.

Payment for this coverage is not an admission of liability by any **insured** or us.

Section II - Liability Extensions of Coverage

We will insure you for the Extensions of Coverage as described below, subject to the Declarations.

1. Claim Expenses.

We pay:

- a. all costs we incur in our settlement of a claim or defense of a suit with attorneys of our choice;
- b. premiums on bonds required in a suit we defend, but not for a bond amount greater than the Coverage E **stated limit**. However, we are not obligated to apply for or furnish a bond;
- c. reasonable expenses incurred by an **insured** at our specific request to help us investigate or defend a suit. When we ask an **insured** to attend hearings or trials we will pay actual loss of earnings (but not other income) up to \$250 per day; and
- d. interest after entry of judgment. This will only apply to that portion of damages covered by this policy subject to the applicable Coverage E or F **stated limits**. We will only be responsible for interest that accrues on the amount of such damages until we pay, have given written offer to pay or have deposited such amount with a court.

2. First Aid Expenses.

We will reimburse reasonable and necessary first aid expenses for **bodily injury** to others incurred by an **insured** at the time of an **occurrence** to which this liability coverage applies. We do not pay for first aid to you or any other **insured**.

3. Damage to Property of Others.

At your request, we pay replacement cost up to \$1,500 per **occurrence** for **property damage** to property of others caused by an **insured**. We will not pay for **property damage**:

- a. to property covered in Section I - Property Coverage;
- b. intentionally caused by an **insured** who is 13 years of age or older;
- c. to property owned by or leased or rented to an **insured**, a tenant of an **insured**, any resident of an **insured's** household or anyone who cohabits with an **insured**;
- d. to **business property**;
- e. which arises out of any **business** engaged in by an **insured**;
- f. which arises out of premises owned, rented or controlled by an **insured**, other than an **insured location**; or
- g. which arises out of the ownership, maintenance, operation, use, moving, occupancy, loading or unloading or entry or exit of **aircraft**, watercraft, or **motor vehicles** or any other motorized land conveyance or trailers.

4. **Association Loss Assessment Coverage.**

If the Declarations show a loss assessment coverage amount and the **residence premises** is subject to and governed by a homeowners or property owners association of which you are a member, then subject to the rules of the association we will pay up to the Loss Assessment **stated limit** for your share of any assessment levied against you and other owners of units by the association, but only as follows if the assessment is:

- a. for accidental, direct, distinct and demonstrable, physical loss or damage to tangible property owned in common by all association members, the loss or damage must be loss or damage that manifests during this policy period or the twelve months immediately following the end of this policy period and be loss or damage we would cover in Section I - Property Coverage as it would apply to your **dwelling** or other property you own; or
- b. for **bodily injury, property damage** or **personal injury**, if **personal injury** coverage is provided herein, for which the association becomes liable, then the **bodily injury, property damage** or **personal injury** must result from an **occurrence** to which Section II of this policy would apply to an **insured**. However, we will not pay for an assessment for **property damage** in this part b. if we would not cover the loss or damage in Section I - Property Coverage if the loss or damage had occurred to property covered in Section I - Property Coverage.

The **stated limit** is the most we will pay with respect to any one loss event, regardless of the number of assessments which may be levied by the association for loss or damage or liability arising from that event. This coverage is excess over any collectible insurance covering the association for the loss or damage or liability, whether the association files a claim for the loss or damage or liability with its insurer. You must make a claim for this coverage with us within 365 days of notice to you of the assessment. Claims made after that time are void. Our sole responsibility in this coverage is to pay for a covered assessment.

5. **Personal Injury.**

If the Declarations show **personal injury** coverage applies, we will pay those damages which an **insured** becomes legally obligated to pay because of **personal injury** resulting from an **occurrence** to which this coverage applies.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered as **personal injury**. Our obligation to defend a suit seeking these damages ends once we have paid the applicable limit

of insurance. We may investigate and settle any claim or suit seeking damages as we deem appropriate.

Section II - Liability Exclusions

Coverage E (Personal Liability), Coverage F (Medical Payments to Others) and **personal injury** coverage, if covered by this policy, are subject to the following exclusions:

1. **Any Insured or Other Residents of any Insured's Household.**

We do not cover **bodily injury** or **personal injury** to:

- a. any **insured**; or
- b. any resident of any **insured's** household.

However, we do cover **bodily injury** to a **residence employee** unless the **bodily injury** is the result of the conduct of an **insured** or representative of an **insured** which would be serious and willful misconduct under the workers' compensation laws.

2. **Business.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with any past or present **business** engaged in by any **insured** or conducted from any **insured location**. This includes, but is not limited to, any warranty, any act, or any duty rendered, promised, owed or implied to be provided because of the nature of the **business**. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**.

3. **Business or Professional Services.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with the rendering or failure to render **business** or professional services. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**.

4. **Contract or Agreement - Performance.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with the performance, the quality of performance or failure to perform under a contract or agreement, whether **business** or non-**business**.

5. **Contract or Agreement - Liability Assumed or Imposed.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with liability assumed by or imposed upon any **insured** under any contract or agreement, whether **business** or non-**business** and whether that of a third party. This

includes, but is not limited to, breaches of duty or express or implied warranties.

6. Agreement with Homeowners Association.

We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with any agreement between any **insured** and a corporation or association of homeowners or property owners, except as provided in Section II - Liability Extensions of Coverage, Association Loss Assessment Coverage.

7. Rental Property.

We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with the rental or holding for rental of any property or any part of any premises by any **insured** to any party. This exclusion does not apply to the rental or holding for rental of that part of an **insured location** which is rented or available for rent:

- a. to that part of the **residence premises** not occupied by any **insured**;
- b. on an occasional basis for sole use as a residence;
- c. to no more than two roomers or boarders at the same time for sole use as a residence; or
- d. as an office, studio or private garage.

8. Sale or Transfer of Property.

We do not cover **bodily injury, property damage or personal injury** resulting from, arising from, or in connection with property you or any **insured** has sold or transferred. This includes, but is not limited to:

- a. known, unknown or hidden property conditions, problems or defects, including, but not limited to, manufacturing, structural, or **plumbing**, heating, air conditioning or electrical system conditions, problems or defects;
- b. known, unknown or hidden soil or drainage conditions, problems or defects;
- c. concealment or misrepresentation of or the failure to disclose any known condition, problem or defect in or of the property; or
- d. **contamination**.

9. Owned Property.

We do not cover **property damage** to property owned by any **insured** or any other resident of any **insured's** household. This includes expenses and costs incurred by any **insured** or others to repair, replace, restore or maintain such property to prevent injury to a person or damage to property

of others, whether on or away from an **insured location**. This exclusion applies even where there has already been some injury or damage.

10. Non-owned Property - Used or in the Care, Custody or Control.

We do not cover **property damage** to non-owned property occupied by or used by, or in the care, custody or control of any **insured** or any other resident of any **insured's** household, whether by any agreement or otherwise, except as provided in Section II - Liability Extensions of Coverage, Damage to Property of Others. We do cover an **insured's** liability for **property damage** to such non-owned property if caused by or resulting from fire or lightning.

11. Other Locations.

We do not cover **bodily injury or personal injury** arising from or in connection with a location, other than an **insured location**, which is:

- a. owned by any **insured**;
- b. rented to any **insured**; or
- c. rented to others by any **insured**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course and scope of the **residence employee's** employment by any **insured**.

12. Intentional Acts.

We do not cover **bodily injury, property damage or personal injury** which is caused by, arises out of or is the result of an intentional act by or at the direction of any **insured**. This includes, but is not limited to, any intentional act or intentional failure to act by any **insured**, whether a criminal act or otherwise, where resulting injury or damage would be an objectively probable consequence, even if not subjectively intended or expected by any **insured**. This exclusion applies whether or not:

- a. any **insured** mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury or damage is sustained by persons or property not intended or expected by any **insured**;
- c. the injury or damage is different or greater or of a different quality than that intended or expected;
- d. any **insured** did not understand that injury or damage may result;
- e. any **insured** knew the intentional act or failure to act was a violation of any penal law, whether or not any **insured** is actually charged with or convicted of a crime;

- f. any **insured** was under the influence of any alcohol or narcotic;
- g. any **insured** was insane; or
- h. any **insured** is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured**, shall conclusively bar any **bodily injury, property damage** or **personal injury** which arises or results from or caused by such acts or activities.

13. **Home Care Services.**

- a. We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with home care services, including, but not limited to, child care, day care or foster care services, whether or not licensed or otherwise approved by a governmental agency or body, provided to any person on a regular basis by or at the direction of:
 - (1) any **insured**;
 - (2) any employee of any **insured**; or
 - (3) any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than a cumulative 20 hours per week provided to any one person or group of persons whether that person is the injured party or not.

- b. This exclusion does not apply to:
 - (1) home care services provided to any **insured's** relative, who is not a resident of your household;
 - (2) occasional or part time home care services provided by any **insured** under 21 years of age;
 - (3) the providing of home care services or babysitting services for which compensation is not received, other than the mutual exchange of such services; or
 - (4) the providing of child care, day care or foster care services for not more than a cumulative 20 hours per week by or at the direction of:
 - i. any **insured**;
 - ii. any employee of any **insured**; or
 - iii. any other person actually or apparently acting on behalf of any **insured**.

When this exclusion does not apply as set forth in subsection b., the Section II - Liability Exclusions for Business and Business or Professional Services also do not apply to those activities.

14. **Transmitting a Communicable Sickness or Disease.**

We do not cover **bodily injury, property damage** or **personal injury** which is caused by or arises out of any **insured** transmitting a communicable sickness or disease, including, but not limited to, sexually transmitted sickness or disease. This exclusion applies whether or not the act of transmitting the sickness or disease was consensual or voluntary. This also applies whether or not any **insured** knew he or she was infected with or bore the sickness or disease or that it could be transmitted to another person.

15. **Aircraft, Motor Vehicles, or Watercraft.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with the ownership, maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit by any **insured** of any:

- a. **aircraft**;
- b. **motor vehicle**;

However, this exclusion does not apply to:

- (1) a motorized golf cart not subject to **motor vehicle** registration while:
 - i. on the **residence premises**;
 - ii. on the golf course and being used for golfing purposes; or
 - iii. in a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **residence premises**;
 - (2) lawn, garden or farm equipment principally used on the **residence premises**;
 - (3) recreational vehicles not subject to **motor vehicle** registration while used on the **residence premises**, including, but not limited to, all-terrain vehicles;
 - (4) any watercraft, camper, home or utility trailer not being towed or carried on a **motor vehicle**; or
 - (5) a motorized assisted living device designed to assist the disabled; or
- c. watercraft which:
 - (1) has more than a 50 horsepower inboard or outdrive motor power;
 - (2) is powered by one or more outboard motors with more than 25 total horsepower;
 - (3) is a sailing vessel, with or without auxiliary power, 26 feet or more in length;

- (4) uses a powered **water** jet pump as the primary source of propulsion; or
- (5) uses an air cushion to hover over **water** surfaces.

This subsection c. does not apply to any watercraft while stored on the **residence premises**.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by any **insured** as a **residence employee**.

16. **Entrustment and Negligent Supervision - Aircraft, Motor Vehicles, or Watercraft.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with:

- a. the entrustment of any **aircraft, motor vehicle** or watercraft by any **insured** to any person; or
- b. the negligent supervision of any person by any **insured** regarding the maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit of any **aircraft, motor vehicle** or watercraft.

Respecting **motor vehicles** and watercraft, this exclusion only applies to the same types of **motor vehicles** and watercraft excluded in Section II - Liability Exclusions, Aircraft, Motor Vehicles or Watercraft.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

17. **Vandalism or Malicious Mischief.**

We do not cover **bodily injury, property damage** or **personal injury** which is caused directly or indirectly by or which arises from, during the course of, or in connection with any **vandalism or malicious mischief**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

18. **Destructive Acts.**

We do not cover **bodily injury, property damage** or **personal injury** which is caused directly or indirectly by or which arises from, during the course of, or in connection with any destructive act. This includes acts directed against civilians, or military or governmental personnel or property by any domestic or foreign person(s), organization(s), entity or entities, government or any quasi-governmental body. This exclusion includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, rebellion and revolution, all whether or not by military or paramilitary personnel, and includes any direct or indirect consequence of these, including **contamination**. This applies even if

the loss or damage is sustained by persons or property not intended or expected.

19. **Fungus, Noxious Substance, Nuclear Substance, Pathogen or Pollutant.**

We do not cover **bodily injury, property damage** or **personal injury** which is caused by, results from, or is in connection with or arising from any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, all whether combined with, caused by or resulting from **water**.

This includes, but is not limited to:

- a. the actual, alleged or threatened discharge, dispersal, seepage, release, migration, trespass or escape of any **fungus, noxious substance, nuclear substance, pathogen** or pollutant:
 - (1) from any premises, site or location; or
 - (2) during transportation, handling, storage, treatment, disposal or processing;
- b. **contamination** or **remediation**;
- c. any supervision, instruction, disclosure, failure to disclose, recommendation, warning;
- d. advice given or which allegedly should have been given, in connection with any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, or **remediation** activities;
- e. any claim of nuisance concerning or related to any **fungus, noxious substance, nuclear substance, pathogen**, or pollutant;
- f. all costs, expenses or damages arising out of any order, claim, suit or threat of liability by or on behalf of a governmental authority or any other person or entity for injury, damages or injunctive relief because of or arising out of **contamination** or for **remediation**;
- g. anguish, distress, or fear of any person of **bodily injury** or **property damage** which may be caused by, arise out of or result from alleged, actual or threatened infection with, exposure to, absorption of or **contamination** by or with any **fungus, noxious substance, nuclear substance, pathogen**, or pollutant;
- h. actual, alleged, constructive or threatened diminution or loss of value of any property from the actual or alleged presence of any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, including, but not limited to, loss of equity, loss of rents, loss of use or feared or actual economic loss; or

- i. sums an **insured** is required to expend in equity for or relief from **bodily injury, property damage or personal injury**.

This applies whether a **noxious substance, nuclear substance, pathogen** or pollutant:

- a. was used legally, normally or intentionally for the purpose for which it was intended;
- b. has any function with respect to your property;
- c. was a localized event; or
- d. was confined within the general area of its intended use.

20. **Illegal or Controlled Substance.**

We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with the use, sale, growth, manufacture, cultivation, distribution, delivery, processing, transfer or possession of any substance which is illegal or is a controlled substance under either federal or state law. Such substances include, but are not limited to: cocaine, LSD, methamphetamines, marijuana and all narcotic drugs.

This exclusion does not apply to the legal use, under both state and federal law, of prescription drugs legally prescribed by a licensed physician.

21. **Punitive or Exemplary Damages, Fines, Penalties or Attorney Fees.**

We do not cover punitive or exemplary damages or any amount in the nature of a civil fine or penalty assessed or imposed under any code, statute or regulation or by any court, or any award or assessment of attorney fees. We also do not cover the cost of defense, including attorney fees, related to any such damages, fines or penalties.

22. **Workers' Compensation.**

We do not cover **bodily injury** to any person eligible to receive benefits required to be provided or which may voluntarily be provided by an **insured** under any workers' compensation, occupational disease or non-occupational disability law.

23. **Nuclear Energy Liability Insurance.**

We do not cover **bodily injury or property damage** when any **insured** is covered under any nuclear energy liability policy. This exclusion applies even if the limits of that policy have been exhausted.

24. **Obligation to Reimburse, Share or Indemnify Damages.**

We do not cover any claim to reimburse, share with or indemnify any person or entity for damages, costs or expenses incurred by or awarded against that person or

entity which arises out of or results from any type of event or activity specified in these Section II - Liability Exclusions.

25. **Statutory Liability.**

We do not cover any liability imposed by statute on any **insured** which arises out of, is connected with or results from any type of event or activity specified in these Section II - Liability Exclusions.

26. **Violation of Ordinance, Penal Law or Criminal Acts.**

We do not cover **personal injury** arising from, during the course of or in connection with a violation of any ordinance, order or penal law committed by, or with the knowledge or consent of any **insured**, or any criminal act by any **insured**.

For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured**, shall conclusively bar any **personal injury** which arises or results from or is caused by such acts or activities.

27. **Employment - Personal Injury.**

We do not cover **personal injury** which arises from, during the course of, or in connection with any offense directly or indirectly related to the employment of any person by any **insured**. This applies whether the offensive activity is an employment-related practice, policy, act or omission and whether the substance or context of the offense is employment-related.

28. **Civic or Public Activities.**

We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with civic or public activities performed for pay, not including expense reimbursement, by any **insured**.

29. **Molestation, Abuse or Corporal Punishment.**

We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with any actual, alleged, or threatened molestation, abuse or corporal punishment of any person by anyone, including, but not limited to:

- a. any **insured**;
- b. any employee of any **insured**;
- c. any volunteer, person for hire, or any other person who is acting or who appears to be acting on behalf of any **insured**; or
- d. any **insured** or employee of an **insured** where there are allegations of negligent supervision, negligent hiring, training, or negligent entrustment or any allegation that

an **insured** or employee of an **insured** failed, or allegedly failed, to train, supervise, detect, report or otherwise prevent any person from allegedly molesting, abusing or punishing, or continuing to allegedly molest, abuse or punish any person.

We have no duty to defend or settle any molestation, abuse or corporal punishment claim or any claim of negligent supervision, negligent hiring, failure to report, failure to prevent or negligent entrustment suit against any **insured** or any other person.

This exclusion applies even if:

- a. any **insured** or any other person mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury is sustained by persons not intended or expected by an **insured**;
- c. the injury is different or greater or of a different quality than that intended or expected;
- d. any **insured** or any other person did not understand that injury may result; or
- e. any **insured** or any other person knew the acts or failure to act was a violation of any penal law, whether or not an **insured** is actually charged with or convicted of a crime.

For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured** or any other person, shall conclusively bar any **bodily injury**, **property damage** or **personal injury** which arises or results from or is caused by such acts or activities.

Section II - Liability Conditions

1. Limits of Insurance.

- a. The **stated limit** for Coverage E (Personal Liability) is both the per **occurrence** and the **annual aggregate limit**. All claims which result from or arise out of any one person's **bodily injury**, including death, shall collectively be considered one **occurrence** and will be subject to the per **occurrence** limit.
- b. The **stated limit** for Coverage F (Medical Payments to Others) is the most we will pay in Coverage F for all necessary medical services for **bodily injury** to any one person for any one **occurrence**. Payments for Coverage F are part of and subject to the Coverage E **annual aggregate limit**.
- c. If **personal injury** coverage is purchased separately by you, then payments for **personal injury** damage are

part of and subject to the Coverage E **annual aggregate limit**.

2. Separate Insurance.

This liability coverage applies separately to each **insured**. This condition will not increase our **annual aggregate limit** or our per **occurrence** limit of insurance. However, exclusions in this liability coverage as applied to any one **insured** may limit or exclude coverage as to all **insureds**.

3. Duties After Loss.

In case of an **occurrence**, an **insured** must perform the following duties:

- a. give written notice to us or our agent as soon as possible and state:
 - (1) the policy number, your name and the name of the **insured** against whom the claim is made;
 - (2) the time, place and circumstances of the **occurrence** or claimed **personal injury**; and
 - (3) names and addresses of claimants and witnesses;
- b. immediately send us any notice or demand or legal papers received relating to a claim or suit;
- c. cooperate with and assist us in any matter relating to a claim or suit;
- d. provide all information we request to investigate the claim or suit;
- e. for Damage to Property of Others, send us a sworn statement of loss within 60 days of the loss. Also show us and give us access to any damaged property which is within an **insured's** control;
- f. an **insured** will not, except at that **insured's** own cost, volunteer any payment, assume any obligation or incur any expense except First Aid Expenses;
- g. submit to examinations under oath at such times and places as we reasonably designate, separately and apart from any other person defined as you or **insured** and sign a transcript of the examination;
- h. produce representatives, employees, members of the **insured's** household or others for interviews or examinations under oath to the extent it is within the **insured's** power to do so;
- i. cooperate and assist us and not do anything to inhibit or release any right of contribution, recovery or indemnity against any person or organization who may be liable to an **insured** for activities related to a claim or suit; and
- j. as reasonably requested, attend hearings and trials concerning the suit.

4. **Duties of an Injured Person - Coverage F (Medical Payments to Others).**

The injured person or someone acting on behalf of the injured person must:

- a. give us written proof of claim as soon as possible, under oath if required; and
- b. authorize us to obtain medical reports and records.

The injured person must submit to a physical exam by a doctor we choose when and as often as we reasonably require.

5. **Suit Against Us.**

No action can be brought against us unless there has been full compliance with the terms and conditions of this policy. No one has any right to make us a party to a suit to determine the liability of a person we insure or to make us a party to any action against an **insured**. We may not be sued in Coverage E (Personal Liability) until the obligation of an **insured** has been determined by final judgment after actual trial or by agreement signed by us. In Coverage F (Medical Payments to Others), no action can be brought until 30 days after the required proofs of claim have been filed with us.

6. **Bankruptcy of an Insured.**

Bankruptcy or insolvency of an **insured** or of an **insured's** estate will not relieve us of our duties in this policy.

7. **Other Insurance - Coverage E (Personal Liability).**

This insurance is excess over any other valid and collectible insurance. If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies®, the total amount payable among all such policies shall not exceed the **stated limit** or other limit of insurance of the single policy providing the highest limit of insurance.

General Conditions - Applying to the Entire Policy

1. **Entire Contract - Waiver or Change of Policy Provisions.**

This policy, including the Declarations and any endorsements, include all the agreements between you and us and any of our agents relating to this insurance. The terms, conditions, and exclusions of this policy may not be changed or waived by any oral agreement and may only be changed or waived by endorsement issued by us.

We may change this policy or replace it to conform to the policy form and coverage we then currently use. The change or new policy will be delivered to you or mailed to

you pursuant to the Policy Notices condition in accordance with state law before its effective date. Our request for an appraisal or examination under oath will not waive any of our rights.

2. **Policy Period.**

This policy applies only to covered loss or damage in Section I and to **bodily injury, property damage or personal injury** which occurs during the policy period stated in the Declarations.

3. **Joint Obligations.**

The terms of this policy are joint obligations of all persons defined as an **insured**. This means that the responsibilities, acts, and failures to act of any **insured** will be binding upon any other **insured**. To the extent an **insured**, other than you, is a direct beneficiary of coverage by this policy, that **insured** is also responsible for complying with the duties and responsibilities set forth in this policy.

4. **Misrepresentation, Concealment or Fraud.**

- a. We reserve the right to deny coverage for any loss or damage or claim for injury or damage or, as permitted by law, to void this policy, including but not limited to from its inception, if you or any **insured** has, at any time either before or after a claim or loss:
 - (1) negligently or fraudulently concealed, omitted or misrepresented any material fact or circumstance:
 - i. as permitted by law in the application for, change to or renewal of this insurance; or
 - ii. in the presentation of a claim or loss; or
 - iii. during our investigation of a claim or loss; or
 - (2) engaged in fraudulent conduct with respect to a claim or loss.
- b. If we make any payments pursuant to this policy and we later apply this condition, you must indemnify us for all payments made.
- c. We do not provide coverage for any loss or damage or claim for injury or damage if you or any **insured**, in connection with or related to any insurance provided in this policy:
 - (1) intentionally caused or arranged for the loss or damage or claim;
 - (2) caused the loss or damage while engaged in committing or concealing a felony; or
 - (3) had knowledge of the loss or damage or claim prior to the inception of this insurance.

5. Liberalization Clause.

If we make a change which broadens coverage in this edition of our policy without additional premium charge, that change will automatically apply to your policy 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.

This 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:

- a. a subsequent edition of this policy; or
- b. an amendatory endorsement.

6. Initial Premium Payment.

If any initial policy premium is remitted by check, draft, money order, electronic funds transfer (EFT) or credit card, payment by such method is a conditional payment and is only accepted subject to collection. It is agreed that if the premium remittance is not honored, we may, at our option, rescind (void) coverage from inception.

7. Cancellation.

- a. The named insured 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.
- b. We may cancel this policy by mailing or delivering written notice to you pursuant to the Policy Notices condition. The mailing or delivering of it will be sufficient proof of notice.
 - (1) 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.
 - (2) When this policy has been in effect for less than 70 days and is not a renewal with us, we may cancel the policy for any reason, by letting you know at least 10 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 70 days or more, or at any time if it is a renewal with us, we may cancel for non-payment of premium in accordance with subsection b.(1) above. We may also cancel for one or more of the following reasons, in which case we will notify you at least 30 days before the date cancellation takes effect:
 - i. conviction of the **insured** of a crime arising out of acts increasing the hazard insured against;

- ii. discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - iii. discovery of:
 - (1) an act or omission; or
 - (2) a violation of any condition of the policy; which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;
 - iv. a material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - v. a determination by the Commissioner that continuation of the insurer's present volume of premiums would jeopardize the insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
 - vi. a determination by the Commissioner that continuation of the policy would violate, or place the insurer in violation of, any provision of the Code; or
 - vii. any other underwriting reason allowed by law.
- c. If there is any refund of premium due, we will tender it within a reasonable time after the date cancellation takes place subject to state law. The return premium will be calculated pro rata. Pro rata calculation means that we keep premium only for the period of time you were insured.

8. Renewal and Refusal to Renew.

We may elect to nonrenew by delivering or mailing, pursuant to the Policy Notices condition, written notice to you at least 30 days before the expiration date of this policy. The mailing or delivering of it will be sufficient proof of notice.

This provision to nonrenew does not apply if:

- a. we indicate our willingness to renew and you fail to pay the premium by the due date; or
- b. the named insured indicates to us or our agent that you do not wish the policy to be renewed.

If we elect to renew this policy, we may condition its renewal on an increase or reduction of **stated limits** or other limits of insurance or an increase or reduction or elimination of coverages or deductibles. If we offer to renew this policy, including conditioning renewal as indicated, we will deliver

or mail a written offer in accordance with state law. Such mailing or delivering will be sufficient proof of notice. This policy will automatically terminate at the end of the policy period if you do not accept our offer to renew it. Failure to pay the required renewal premium means that you have declined our offer. It is agreed that if the premium remittance is not honored, you have failed to pay the premium and have declined our offer.

For any renewal offer we make, we may increase the Coverage A (**Dwelling**) **stated limit** based on an updated estimated reconstruction cost of the **dwelling**, an inflation factor, changes in costs of construction, or any other method or combination of methods we may use to determine the amount for which we will offer to insure the **dwelling** at renewal. Any increase of the Coverage A **stated limit** will result in the proportionate increase of the **stated limits** for all coverages for which the applicable **stated limit** is a percentage of the Coverage A **stated limit**.

9. **Assignment and Death.**

Any interest you may have in this policy or benefits payable under this policy may not be assigned or transferred to another person without our written consent and is void and invalid.

If you should die, we will cover:

- a. your spouse, civil union partner or domestic partner under applicable local, state or federal law of the United States or its territories, or of another country, if a resident of the same household with you at the time of your death, or any other member of your household on the **residence premises** who is an **insured** at the time of your death, but only while a resident of the **residence premises**;
- b. your legal representative while acting as such, but only with respect to the **residence premises** and property covered by this policy at the time of your death; or
- c. any person having proper temporary custody of your insured property until your legal representative is appointed and qualified.

10. **Subrogation.**

When we pay for any loss or damage, an **insured's** right to recover from anyone else for that loss or damage becomes our right up to the amount we have paid. **Insureds** must protect any of these rights and help us enforce them. However, an **insured** may waive in writing before a loss, all rights of recovery against any person. An **insured** may not waive after a loss any rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us. We are entitled to payment, reimbursement and subrogation regardless of whether the total amount of the recovery by an **insured** on account of the loss or damage is less than the actual loss suffered by that **insured**. Subrogation does not apply to Section II - Liability.

11. **What Law will Apply.**

This policy is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or risks principally located in that state. The laws of the state where the **residence premises** is located shall govern any and all claims or disputes in any way related to this policy.

12. **Arbitration.**

Any claim or dispute related to this policy, by an **insured** against us or us against an **insured**, may be resolved by arbitration only upon mutual consent of us and the other party subject to:

- a. no arbitrator has the authority to award punitive damages, exemplary damages or attorney's fees;
- b. neither of the parties are entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. no arbitrator has the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

13. **Conflict of Terms.**

If there are terms of this policy which conflict with statutes of the state where issued, the terms are amended to conform to such statutes.

14. **Where Suits May be Brought.**

Any and all suits related to this policy will be brought, heard and decided only in a state court located in the judicial district in which the **residence premises** is located or in a federal court located in the state in which the **residence premises** is located. Any and all suits against persons not party to this policy but involved in the sale, administration, performance or alleged breach of this policy, shall be brought, heard and decided only in a state court located in the judicial district in which the **residence premises** is located or in a federal court located in the state in which the **residence premises** is located, provided that such persons are subject to or consent to jurisdiction in the courts specified in this paragraph.

Nothing in this section shall limit or impair any party's right to remove a state court suit to a federal court.

15. Changed Information.

You agree that if any information we use to rate or underwrite your policy changes, including but not limited to whether you qualify for discounts, or if that information is determined by you or us to be incorrect or incomplete, then we may, during the policy period or at renewal, re-underwrite this insurance, including adjusting coverage and/or premium.

16. Additional Benefits and Services.

We may work with independent merchants for enhanced value for replacement of your property. We may also work with independent merchants for other services, discounts or benefits. We may introduce you to these merchants and if you are interested in any of the services, discounts, or benefits that they may offer, you will have to deal directly with them. You do not have to use their services. You do not have to accept any discounts or benefits that they may offer to you. We do not make any representation regarding the suitability of any such services, discounts or benefits for your specific needs. We are not obligated to expand or continue to make available any such services, discounts or benefits.

17. Policy Notices.

We will address policy notices to you at your address shown in the Declarations. We may mail or, unless prohibited by law, deliver such notices to you. If a mortgagee is named in this policy, any notices we give to the mortgagee may be mailed or delivered.

However, when mailed, we or vendors we retain may forward or address such notices to an updated address per any change of address presented to or filed with the United States Postal Service. In addition, we may update our policy records to reflect this updated address and/or address future policy notices to this address.

Except where prohibited by law, a policy notice per this Policy Notices Condition will be deemed "mailed" or "delivered" if it is delivered by electronic transmittal or facsimile.

18. Reciprocal Provisions.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the Declarations, and in consideration of the Subscription Agreement, which is provided to you and incorporated herein by reference. You acknowledge that you have read, understood and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact. Membership fees which you pay as a subscriber are not part of the premium and are not returnable, unless otherwise required by state law.

We hold the Annual Meeting of the members of the Farmers Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March of each year at 2:00 p.m. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten (10) days before such time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the Subscription Agreement.

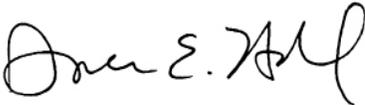
Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice.

This policy is non-assessable.

Farmers Smart Plan Home[®] Policy Nevada (continued)

The company named in the Declarations has caused this policy to be signed by the officers shown below.

FARMERS INSURANCE EXCHANGE
by Farmers Underwriters Association
Attorney-in-Fact



Secretary



Vice-President