

Required Coverages and Amendments

AMENDMENT OF DELUXE HOME PROVISIONS - NEVADA

Any reference to "aggregate property limit" is replaced by "Property Location Limit".

DEFINITIONS

Definition 2. **Bodily injury** is replaced by:

2. **Bodily Injury** means physical bodily harm, including sickness or disease. This includes required care, loss of services and death resulting therefrom.

Bodily injury does not include any symptom, effect, condition, disease or illness resulting in any manner from:

- a. Lead in any form;
- b. Asbestos in any form;
- c. Radon in any form; or
- d. Oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at the **residence premises**.

Definition 10. **Occurrence** is replaced by:

10. **Occurrence** means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions during the policy period, resulting in **bodily injury** or **property damage**. All losses arising out of such continuous or repeated exposure shall be deemed to arise out of one accident; or
- b. An offense, including a series of related offenses, committed during the policy period, resulting in **personal injury**. All losses arising out of such offenses or series of offenses shall be deemed to arise out of one offense.

The following definitions are added:

17. **Volunteer** means an unpaid:

- a. Member or leader;
- b. Coach, manager, trainer or teacher;
- c. Director, officer, board member or trustee; or
- d. Staff member;

of a non-profit corporation or association.

A **covered person** will not be considered paid if:

- a. Reimbursed only for direct out of pocket expenses for food, travel, uniforms, or similar costs incurred in; or
- b. Paid a nominal stipend for;

the fulfillment of their duties in the non-profit corporation or association. A **volunteer** also means an administrator or executor of a deceased person's estate.

Volunteer does not mean a **covered person** engaged in any activity that involves the **covered person's business**, or that requires the **covered person** to provide professional services.

18. **Remediation** means the reasonable and necessary treatment, removal or disposal of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - required to repair or replace property covered under **PROPERTY COVERAGE - HOME** damaged by a covered peril. **Remediation** includes payment for any reasonable increase in living expenses necessary for **your** household to maintain its normal standard of living if biological irritants, contaminants or spores make **your residence premises** uninhabitable. If biological irritants, contaminants or spores

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make **your residence premises** rented to others or held out for rental uninhabitable, **remediation** also includes payment of its fair rental value, less any expenses that do not continue. **Remediation** does not include payment for loss or expense due to cancellation of a lease or agreement.

PROPERTY COVERAGE - HOME

The **REAL PROPERTY - INSURING AGREEMENT** is replaced by:

REAL PROPERTY - INSURING AGREEMENT

1. Dwelling Owners - *We* cover:

- a. The dwelling on **your residence premises**, including structures attached to **your** dwelling. Structures connected to **your** dwelling by only a fence, utility line or similar connection are not considered structures attached to **your** dwelling; and
- b. Other structures on **your residence premises** separated from **your** dwelling by clear space or connected to **your** dwelling by only a fence, utility line or similar connection.

The **REAL PROPERTY - LIMIT OF LIABILITY** is replaced by:

REAL PROPERTY - LIMIT OF LIABILITY

Covered losses are settled on a replacement cost basis (without deduction for depreciation) subject to the following:

1. Payment will not exceed the smallest of:
 - a. The amount that **we** could reasonably be expected to pay to repair or replace the damaged, destroyed or stolen property with materials of like kind and quality for similar use on the same **residence premises**;
 - b. The amount actually and necessarily spent to repair or replace the damaged, destroyed or stolen property with

materials of like kind and quality for similar use on the same **residence premises**;

- c. For structures on **your residence premises** covered under provision 1.b. of the **REAL PROPERTY - INSURING AGREEMENT**, 20% of the Property Location Limit shown on the Coverage Summary or, if Increased Other Structures is shown on the Coverage Summary, an amount equal to the sum of the Increased Other Structures amount and 20% of the Property Location Limit shown on the Coverage Summary;

- d. Any applicable limits shown on **your** Coverage Summary for items listed under provision 2. or 3. of the **REAL PROPERTY - INSURING AGREEMENT**; or

- e. The Property Location Limit shown on the Coverage Summary.

2. If, at the time of a covered loss, **you** have:

- a. Maintained coverage on the dwelling at 100% of its replacement cost as determined by **our** estimate completed and based on the accuracy of information **you** furnished to, or confirmed for, **us**;
- b. Accepted the **GENERAL PROVISIONS - HOME, 18. ESTIMATED RESIDENCE VALUE ADJUSTMENT** provision, agree to accept each annual adjustment in the estimated residence value shown on the Coverage Summary, and pay any additional premium charged; and
- c. Notified **us** within 90 days of the start of any alterations to the real property which increase the replacement cost of the dwelling by 5% or more;

then, if at the time of a covered loss the estimated residence value indicated on the Coverage Summary is less than the current

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replacement cost for the covered dwelling, **we** will:

- a. Increase the estimated residence value indicated on the Coverage Summary available for the covered dwelling loss to equal the then current replacement cost of the dwelling;
- b. Adjust the Property Location Limit to reflect the same percentage of the new estimated residence value as calculated under provision a. above.

Under no circumstance will the new adjusted Property Location Limit reflect a higher percentage of the new estimated residence value than the percentage shown on the Coverage Summary as the location limit percentage; and

- c. Adjust the Segment premium from the time of loss for the remainder of the policy period based on the increased limit of liability.

Current replacement cost does not include any additional costs necessary to comply with any ordinance or law that regulates the construction, repair or demolition of the property.

3. **We** will pay no more than the actual cash value of the damaged real property until actual repair or replacement is complete. Once actual repair or replacement is complete, **we** will settle the loss according to the replacement cost provisions above.
4. In the event **you** replace the dwelling at a location other than the location of the loss, **we** will pay no more than the estimated residence value shown on the Coverage Summary for equivalent construction and use as the original **residence premises**.
5. **You** may make claim under this Segment for loss or damage on an actual cash value basis. **You** may then make claim within one

year after loss for any additional payment on a replacement cost basis.

6. **We** will pay no more than the estimated residence value shown on the Coverage Summary for covered loss to the dwelling if the **residence premises**:

- a. Is substantially empty of **your** furnishings and contents;
- b. **You** have not permanently resided at the **residence premises** for more than 30 consecutive days immediately prior to the time of a covered loss; and
- c. **You** did not notify **us** of such changes above.

A special vacant house deductible of 5% of the estimated residence value shown on the Coverage Summary applies to the covered loss. However, if another deductible would apply, only the highest deductible will be applicable.

Our payment shall not include any amounts which may be paid or payable under **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage.**, and shall not be payable for any losses excluded in **PROPERTY COVERAGE - LOSSES WE DO NOT COVER.**

REAL PROPERTY - COVERED PERILS is replaced by:

REAL PROPERTY - COVERED PERILS

We cover sudden and accidental direct physical loss to property described in **REAL PROPERTY - INSURING AGREEMENT**, unless the loss is not covered under **PROPERTY COVERAGE - LOSSES WE DO NOT COVER.**

TANGIBLE PERSONAL PROPERTY - PROPERTY SPECIAL LIMITS

The introductory paragraphs are replaced by:

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Limitations apply to the following categories of tangible personal property. If tangible personal property can reasonably be considered a part of two or more of the categories listed below, the highest limit will apply. These limitations do not increase the amount of insurance under the Property Location Limit shown on the Coverage Summary. The total amount of coverage for each category in any one loss is listed below.

If any of the categories listed below are also part of a Blanket limit specifically insured elsewhere in this policy, and the loss is not excluded under this Segment or the Blanket, then the amount listed below will be considered in addition to the amount available under the Blanket limit of insurance subject to any pertinent per item limit listed. This does not apply to individual items that are separately and specifically scheduled and for which a premium is paid for each individual item.

Category 1. is replaced by:

1. \$500 . . . On money, bank notes, bullion, gold (except goldware), silver (except silverware), platinum, coins and medals.

Category 5. is replaced by:

5. \$2,500 . . . For loss to trading cards, comic books, memorabilia, souvenirs, collectors' items and similar articles whose age or history contribute to their value, subject to a maximum amount of \$250 per trading card, comic book or other individual item.

Category 7. is replaced by:

7. \$5,000 . . . For loss by **theft** of jewelry, watches, precious and semi-precious stones, furs, and garments trimmed with fur or consisting primarily of fur.

Category 8. is replaced by:

8. \$1,000 . . . For loss to watercraft, including their trailers, furnishings, portable boat lifts, equipment and outboard motors.

The following categories are added:

10. \$2,500 . . . For loss by misplacing or losing of jewelry, watches, precious and semi-precious stones.

11. \$10,000 . . . For **theft** of rugs, including, but not limited to, any hand-woven silk or wool rug, carpet, tapestry, wall-hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age.

TANGIBLE PERSONAL PROPERTY - LIMIT OF LIABILITY

Provision 4. is replaced by:

4. **Our** limit of liability for tangible personal property usually located at a **covered person's** residence or premises is 5% of the Property Location Limit shown on the Coverage Summary provided such residence or premises is:

- a. Not shown on the Coverage Summary; or
- b. Shown on the Coverage Summary for Liability Coverage only.

Payment under this provision does not entitle the **covered person** to **ADDITIONAL PROPERTY COVERAGES**.

TANGIBLE PERSONAL PROPERTY - COVERED PERILS

We cover sudden and accidental direct physical loss to property described in **TANGIBLE PERSONAL PROPERTY-INSURING AGREEMENT** caused by a peril listed below unless the loss is excluded under **PROPERTY COVERAGE-LOSSES WE DO NOT COVER**.

Item 16. **Volcanic eruption** and all subsequent language of **TANGIBLE PERSONAL PROPERTY - COVERED PERILS** is deleted.

ADDITIONAL PROPERTY COVERAGES

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Under provision **1. Additional Living Expense.**, item a. is replaced by:

- a. If a loss covered under **PROPERTY COVERAGE - HOME** makes **your residence premises** uninhabitable, **we** cover reasonable increases in living expenses necessary for **your** household to maintain its normal standard of living. However, additional living expenses due to **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be paid in addition to any amounts paid or payable under **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage.**

Coverage for additional living expenses payable under this provision is limited to:

- (1) The shortest time required to repair or replace the damaged portion of the premises; or
- (2) If **you** permanently relocate, the shortest time required for **your** household to settle elsewhere;

but in no case for more than one year.

This period of time is not limited by expiration of this policy. **We** do not cover loss or expense due to cancellation of a lease or agreement.

Provision **2. Fair Rental Value.** replaced by:

2. Fair Rental Value.

If a loss covered under **PROPERTY COVERAGE - HOME** makes **your residence premises** rented to others or held for rental uninhabitable, **we** cover its fair rental value, less any expenses that do not continue. However, loss of rental income due to **remediation** of biological irritants, contaminants or spores - including but not

limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be paid in addition to any amounts paid or payable under **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage.**

Coverage for fair rental value payable under this provision is limited to the shortest time required to repair or replace the damaged portion of the rented premises. This period of time is not limited by expiration of this policy. **We** do not cover loss or expense due to cancellation of a lease or agreement.

Provision **4. Debris Removal.** is replaced by:

4. Debris Removal.

We will pay **your** reasonable expense for the removal of debris of covered property for covered losses.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 4% of that limit of liability is available for debris removal expense.

We will also pay **your** reasonable expense, up to \$500, for the removal from **your residence premises** of:

- a. **Your** tree(s) felled by the peril of Windstorm or Hail;
- b. **Your** tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a **TANGIBLE PERSONAL PROPERTY - COVERED PERIL;**

provided the tree(s):

- a. Damage(s) a covered structure;

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- b. Block(s) a driveway on the residence premises so that vehicles cannot pass;
- c. Block(s) a ramp or driveway for handicapped persons' access to a structure; or
- d. Prohibit(s) safe entry into a covered structure through any of its normal entryways.

The \$500 limit is the most **we** will pay in any one loss regardless of the number of fallen trees.

Provision **6. Building Ordinance Increased Cost.** is replaced by:

6. Building Ordinance Increased Cost.

We will pay the increased cost that **you** incur due to the enforcement of any local building ordinance or law in effect at the time of the loss, regulating the construction, repair or demolition of the physically damaged area of **your** covered real property as the result of a covered loss. If the amount to be paid for the actual damage to the real property plus the ordinance or law increased cost is more than the limit of liability for the damaged real property, an additional 5% of that limit of liability is available for **Building Ordinance Increased Cost.**

Provision **8. Mortgage Extra Expense Coverage.** is replaced by:

8. Mortgage Extra Expense Coverage.

If a **total loss** occurs to the **residence premises** from a covered loss, **we** agree to reimburse **you** for the increased **monthly mortgage expenses.**

In addition, **we** will pay mortgage **acquisition costs** and legal fees incurred from the construction of a replacement dwelling at the same location.

Your limit for this coverage is \$20,000. No more than \$250 per month of this limit will be

available for the **monthly mortgage expenses.**

We will pay **you** on a semi-annual basis for up to a total of four years or until **you** no longer occupy the replacement premises, whichever comes first.

Coverage is limited to the extra expense of **your** first mortgage on the **residence premises.**

Provision **9. Personal Home Computer and Data Records Coverage.** is replaced by:

9. Personal Home Computer and Data Records Coverage.

We cover personal home computer(s) that are:

- a. Located on **your residence premises;** and
- b. Are owned by **you;**

for direct physical loss except for losses listed in **PROPERTY COVERAGE - LOSSES WE DO NOT COVER.** **We** also cover loss to data caused by magnetic injury and loss to **your** personal home computer and data caused by external power failure or external power surge.

Provision **11. Collapse.** is replaced by:

11. Collapse.

Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.

Collapse does not mean:

- a. A building or any part of a building that is in danger of falling down or caving in.
- b. A part of a building that is standing even if it has separated from another part of the building.

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- c. A building that is standing or any part of a building that is standing even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

We cover sudden and accidental direct physical loss to covered real property and tangible personal property involving a **collapse** of a building or any part of a building if the **collapse** was caused by one or more of the following:

- a. Decay that is hidden from view, unless the presence of such decay is known to **you** prior to **collapse**;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to **you** prior to **collapse**;
- c. Weight of contents, equipment, animals or people;
- d. Weight of rain which collects on a roof;
- e. Use of defective material or methods in construction, remodeling or renovation if the **collapse** occurs during the course of the construction, remodeling or renovation; or
- f. **TANGIBLE PERSONAL PROPERTY - COVERED PERILS.**

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items a., b., c., d., e. and f. unless the loss is a direct result of the **collapse** of a covered building or any part of a covered building.

This coverage does not increase the limit of liability applying to the damaged covered property and is limited to one year after the inception of the loss.

Provision **22. Lock Replacement.** is replaced by:

22. Lock Replacement.

We will pay up to \$500 to replace the locks on **your residence premises** if the keys are lost or stolen. **You** must notify **us** within 72 hours of discovering the loss. There is no deductible for this coverage.

Provision **24. Police Department Service Charge.** is replaced by:

24. Police Department Service Charge.

We will pay up to \$50 per **occurrence**, subject to a maximum of \$250 per policy period, for police department charges incurred when the police department is called due to the accidental activation of a burglary alarm system. The deductible does not apply.

Provision **25. Witness Expense Reimbursement.** is replaced by:

25. Witness Expense Reimbursement.

We will pay **your** reasonable expenses and any lost wages **you** incur as a result of **your** appearance at a trial as a prosecution witness. This must result from a person being charged with committing an illegal act related to a covered real property or tangible personal property loss.

Reimbursement is subject to \$25 a day for reasonable expenses and \$50 a day for lost wages up to a maximum of \$300. No deductible applies to this coverage.

The following provision is added:

26. Biological Irritants, Contaminants or Spores Remediation Coverage.

Subject to the limit and exceptions stated below, **we** will pay for **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - that is a direct result

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of a covered peril under **PROPERTY COVERAGE - HOME**.

This coverage does not apply if such loss is a result of:

- a. The failure of a **covered person** to exercise reasonable care in maintaining the **insured location**;
- b. The failure of a **covered person** to use all reasonable measures to save and preserve covered property at and after the time of a loss; or
- c. Continuous or repeated seepage or leakage of water or steam, which occurs over a period of weeks, months, or years from a plumbing, heating or air conditioning system, automatic fire protective sprinkler system, or household appliance.

We do not cover any loss in value to the **insured location** caused by, consisting of, or resulting from biological irritants, contaminants or spores, including but not limited to, mold, fungus, wet rot, dry rot, or bacteria.

This coverage is limited to a total of \$10,000 for **remediation**.

The residence deductible shown on the Coverage Summary applies to this coverage. Only one deductible amount shall be applied to each **occurrence**.

LOSSES WE DO NOT COVER

Under exclusion 1., item a. is replaced by:

- a. Caused by water damage, meaning:
 - (1) Flood, surface water, sewage, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not driven by wind;

- (2) Water which backs up through sewers or drains;
- (3) Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;
- (4) Water emanating from a sump pump, sump pump well or similar device designed to prevent overflow, seepage or leakage of subsurface water; or
- (5) Any loss caused by, consisting of, or resulting from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - other than as provided in **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage**.

Under exclusion 1., item b. is replaced by:

- b. Caused by earth movement, meaning: earthquake, including land shock waves or tremors before, during or after a volcanic eruption; landslide; mudflow; mine subsidence; earth subsidence; sinkhole; or earth sinking, rising or shifting; or movement resulting from improper compaction, site selection or any other external forces; unless direct loss by:

- (1) Fire;
- (2) Explosion; or
- (3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window

ensues, and then **we** will pay only for the ensuing loss.

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This exclusion does not apply to loss by **theft**.

Under exclusion 1., item d. is replaced by:

d. Involving intentional acts or omissions of or at the direction of one or more **covered persons**, if the loss that occurs:

- (1) May reasonably be expected to result from such acts; or
- (2) Is the intended result of such acts.

This exclusion applies regardless of whether or not the **covered person** is actually charged with, or convicted of a crime.

The following exclusions are added:

h. Resulting from criminal acts or omissions of or at the direction of one or more **covered persons**. This exclusion applies even if:

- (1) Such **covered person** lacks the mental capacity to govern his or her conduct; or
- (2) Such **covered person** is not actually charged with or convicted of a crime.

i. Caused by, consisting of, or resulting from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - other than as provided in **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage**.

j. Caused by continuous or repeated seepage or leakage over a period of weeks, months or years, of water, steam or fuel:

- (1) From a plumbing, heating, air conditioning or automatic fire protective system, or from within a household appliance; or

- (2) From within or around any plumbing fixtures, including, but not limited to, shower stalls, shower baths, tub installations, sinks or other fixtures designed for use of water or steam.

Damage that is hidden from view or concealed within walls or ceilings which is caused by continuous or repeated seepage or leakage from a plumbing system listed in (1) or (2) above shall be considered sudden and accidental. A hidden or concealed loss must be reported to **us** no later than three days after the date the damage is detected or should have been detected. **We** do not cover damage to the defective system or appliance from which the water or steam escaped. Losses consisting of mold, fungus, wet rot, dry rot or bacteria are subject to the terms and limits provided in **ADDITIONAL PROPERTY COVERAGES, 26. Biological Irritants, Contaminants or Spores Remediation Coverage**.

Under exclusion 2., item c. is deleted.

Under exclusion 2., item d. is replaced by:

- d. Caused by or consisting of the following:
- (1) Wear and tear, aging, marring, scratching or deterioration;
 - (2) Inherent vice, latent defect, electrical or mechanical breakdown or failure;
 - (3) Rust or other corrosion;
 - (4) Smog, smoke from agricultural smudging or industrial operations;
 - (5) Settling, shrinking, bulging, or expansion including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;

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- (6) Birds, vermin, insects, or rodents; or animals kept or owned by a **covered person**;
- (7) Pressure from or presence of tree, shrub or plant roots; or growth of any tree, shrub, plant or lawn, whether such growth is above or below the surface of the ground to:
- (a) Pavement, patios, and walls not part of the dwelling; or
 - (b) Plumbing systems, including outdoor pipes; or
- (8) Discharge, dispersal, seepage, leakage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, leakage, migration, release or escape is itself caused by a **TANGIBLE PERSONAL PROPERTY - COVERED PERIL**.

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

If any of these other than (7), cause water not otherwise excluded to escape from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, **we** cover loss caused by the water. **We** also cover the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which this water escaped.

Under exclusions **2.a.**, **2.b.**, and **2.d.**, any ensuing loss from a covered peril to covered property not excluded or excepted in this policy is covered.

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Under exclusion **2.**, item e. is replaced by:

- e. Caused by freezing of a plumbing, heating, air conditioning, automatic fire protective sprinkler system, a household appliance, or by discharge, seepage, leakage or overflow from within the system or appliance caused by freezing, while the real property is vacant, unoccupied or being constructed unless **you** have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water.

Under exclusion **2.**, item f. is deleted.

HOW WE SETTLE PROPERTY CLAIMS AND WHAT YOU MUST DO

Provision **1. How We Pay Claims.** is replaced by:

1. How We Pay Claims.

We may pay for loss in money, or **we** may repair or replace the damaged or stolen real or tangible personal property. **We** may, at **our** expense, return any stolen property to **you**.

If **we** return stolen property **we** will pay for any damage resulting from **theft**. **We** may keep all or part of the property at an agreed upon or appraised value.

Under provision **4. Your Duties After Loss.**, item a. is replaced by:

- a. Give prompt notice to **us** or **our** agent. Notice of loss caused by windstorm or hail must be given to **us** or **our** agent promptly, but in no event more than one year after the date of loss.

The following provisions are added:

10. Cost of Preparing Proof of Loss.

We will pay up to \$250 for the reasonable expenses incurred by **you** or any **covered person**, for any outside services necessary to

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prepare proof of **your** loss or other exhibits required by this policy. This includes:

- a. Building repair estimates;
- b. Accounting services;
- c. Appraisals; or
- d. Other necessary services performed for **you** or any **covered person**, by others.

However, **we** will not pay for any legal services or the services of a public adjuster.

11. Our Rights to Obtain Salvage.

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by **us** or payment of the agreed or appraised value.

We will notify **you** of **our** intent to exercise this option within 30 days after **we** receive **your** signed, sworn proof of loss. If not signed, sworn proof of loss is requested by **us**, **we** will notify **you** of **our** intent to exercise this option within 60 days after the date **you** report the loss to **us**.

When **we** settle any loss caused by **theft** or disappearance, **we** have the right to obtain all or part of any property which may be recovered. A **covered person** must protect this right and inform **us** of any property recovered. **We** will inform **you** of **our** intent to exercise this right within 10 days of **your** notice of recovery to **us**.

LIABILITY COVERAGE - HOME

The **PERSONAL LIABILITY INSURING AGREEMENT** is replaced by:

PERSONAL LIABILITY - INSURING AGREEMENT

If a claim or suit is brought against **you** or any **covered person** for the following:

1. **Personal injury**;

2. **Bodily injury**; or

3. **Property damage**;

caused by an **occurrence** to which this coverage applies, **we** will:

1. Pay on **your** behalf claims for which **you** or any **covered person** are legally liable, including pre-judgment interest awarded against **you** or any **covered person**, up to **our** limit of liability; except as excluded by the provisions listed in the **LIABILITY COVERAGE - LOSSES WE DO NOT COVER**.

2. Provide defense costs for the counsel of **our** choice, even if the suit is groundless, false, or fraudulent. **We** may investigate and settle any claim or suit that **we** decide is appropriate. **Our** duty to settle or defend ends when the amount **we** pay for damages resulting from an **occurrence** equals **our** limit of liability.

3. Pay on **your** behalf claims for **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location** up to the applicable limit of liability; subject to the exclusions listed in **LIABILITY COVERAGE - LOSSES WE DO NOT COVER**.

The **PERSONAL LIABILITY - LIMIT OF LIABILITY** provision is replaced by:

PERSONAL LIABILITY - LIMIT OF LIABILITY

1. **Our** total liability under **LIABILITY COVERAGE - HOME** for all damages resulting from any one **occurrence** excluding any damages which, in whole or in part, arise out of, are aggravated by, or result from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be more than the Personal Liability limit shown on the Coverage Summary.

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This limit is the same regardless of the number of:

- a. **Covered persons;**
- b. Claims or suits made;
- c. Persons who sustain injury or damage;
- d. Acts or failure(s) to act; or
- e. Policies.

2. **Our** total liability in any one policy period for all damages which, in whole or in part, arise out of, are aggravated by, or result from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria- at the **insured location** during the policy period will not be more than the Personal Liability - Biological Irritants, Contaminants or Spores limit shown on the Coverage Summary.

This aggregate limit is the same regardless of the number of:

- a. **Occurrences** during the policy period;
- b. **Covered persons;**
- c. Claims or suits made;
- d. Persons who sustain injury or damage;
- e. Acts or failure(s) to act;
- f. Locations insured under the policy; or
- g. Policies.

ADDITIONAL LIABILITY COVERAGES

The following provision is added:

6. Volunteer Wrongful Acts Coverage.

We pay amounts that a **covered person** becomes legally liable to pay because of civil claims made against **you** or a **covered person**, for any actual or alleged wrongful act.

A **covered person** for **Volunteer Wrongful Acts Coverage** is:

- a. **You**; or
- b. Any **family member**.

A **wrongful act** is any actual or alleged:

- a. Error;
- b. Misstatement;
- c. Action(s) or inaction(s);
- d. Neglect; or
- e. Breach of duty;

committed by a **covered person** in that person's capacity as a volunteer.

Your limit of liability for **Volunteer Wrongful Acts Coverage** is \$10,000. This is the most **we** will pay for all losses arising out of a single **wrongful act**, regardless of the number of **covered persons** or policy periods. A series of interrelated **wrongful acts** is considered a single **wrongful act**.

Our payment is excess over any other collectible insurance.

This coverage does not apply to liability for any of the following:

- a. **Bodily injury, property damage** or **personal injury**;
- b. Other than money damages;
- c. Fines or penalties imposed by law or matters deemed uninsurable by the law;
- d. Arising out of a **covered person's** failure or inaction in obtaining or maintaining insurance, including any error or inaction as to the amount, form or provisions of the insurance;
- e. Arising out of a **covered person's** dishonesty. However, **we** will protect the **covered person** for alleged dishonesty until:

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- (1) A judgment establishes the **covered person's** actual or intentional dishonesty; or
- (2) The expenses **we** incur in defending the claim exceed \$10,000;

whichever occurs first;

- f. Based upon or attributable to a **covered person's** gain of any personal profit or advantage which the **covered person** was not legally entitled to receive;
- g. Return of any payments given a **covered person** without the previous approval of the Board of Directors of the corporation or association. Without this approval, these payments will be considered to have been illegal;
- h. An accounting of profits made from the purchase or sale of securities under any federal or state laws;
- i. A **covered person's** failure to register securities as required by any federal or state laws;
- j. Arising out of or in any way related to discrimination in violation of any statute, ordinance or law prohibiting such discrimination;
- k. Arising out of any:
 - (1) Nuclear reaction;
 - (2) Radiation or radioactive contamination; or
 - (3) Any consequence of these; or
- l. Arising out of any actual or alleged **wrongful act** committed by a **covered person** in the capacity as an elected or appointed public official or member of a governmental body.

If a claim or suit is brought against **you** or any **covered person** alleging a **wrongful act**, **we**

will provide defense costs for the counsel of **our** choice, even if the suit is groundless, false or fraudulent. **We** may investigate and settle any claim or suit that **we** decide is appropriate. The claim must be covered under this **Volunteer Wrongful Acts Coverage**. If **we** defend a claim or suit for a **wrongful act**, **we** will pay, in addition to **your** Wrongful Acts Limit of Liability, the expenses **we** incur in defending a claim or suit. **Our** duty to settle or defend ends when the expenses **we** incur exceed \$10,000. In addition to these expenses **we** will pay:

- a. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend; **we** have no obligation to secure or provide bonds;
- b. Up to \$100 a day for loss of earnings, but not other income, because of attendance at hearings or trials at **our** request;
- c. Other reasonable expenses (other than loss of earnings) incurred at **our** request;
- d. Expenses incurred by **us** and costs taxed against any **covered person** in any suit **we** defend; and
- e. Interest accruing after a judgment is entered and before the loss is paid in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.

We are not obligated to defend suits brought against a **covered person** in any country where **we** are prevented from defending because of laws or other reasons. However, **we** will pay any expense incurred with **our** written consent for the **covered person's** defense.

Our obligation to pay the above costs ends when **our** limit of liability for **Volunteer Wrongful Acts Coverage** has been exhausted.

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ADDITIONAL LIABILITY COVERAGES, 5. Other Payments We Make., does not apply to a claim or suit under *your* **ADDITIONAL LIABILITY COVERAGES, 6. Volunteer Wrongful Acts Coverage.**

LOSSES WE DO NOT COVER

Under exclusion 1., item d., sub-items (2), (3), (4) and (5) are replaced by:

- (2) Watercraft powered by one or more outboard motors of 50 horsepower or less, which are owned by a **covered person**;
- (3) Watercraft powered by inboard or inboard-outboard motor power of 50 horsepower or less, which are owned by a **covered person**;
- (4) Any watercraft which is neither:
 - (a) A sailing vessel; nor
 - (b) Motor powered;that is owned or rented by a **covered person**;
- (5) Watercraft that **you** or any **family member** do not own as long as they are not furnished or available for the regular use of **you** any **covered person**, regardless of the horsepower;

Under exclusion 1., item h. is replaced by:

- h. Intended by, or which may reasonably be expected to result from the intentional acts or omissions of one or more **covered persons**. This exclusion applies even if:
 - (1) Such **covered person** lacks the mental capacity to govern his or her conduct;
 - (2) Such **bodily injury** or **property damage** is of a different kind or

degree than that intended or reasonably expected; or

- (3) Such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

Under exclusion 1., the following items are added:

- o. Arising out of sexual molestation, corporal punishment or physical or mental abuse. However, **we** will cover **your** liability for corporal punishment to any pupil if coverage for corporal punishment is shown on the Coverage Summary.
- p. Resulting from criminal acts or omissions of or at the direction of one or more **covered persons**. This exclusion applies even if:
 - (1) Such **covered person** lacks the mental capacity to govern his or her conduct; or
 - (2) Such **covered person** is not actually charged with or convicted of a crime.
- q. Which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

This exclusion does not apply to **bodily injury** which results from such discharge if the discharge is sudden and accidental.

Under exclusion 2., the following items are added:

- h. **Bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**, to the extent the damages exceed the limit provided in

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PERSONAL LIABILITY - LIMIT OF LIABILITY item 2.

- i. Liability imposed upon any **covered person** by any governmental authority for **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**, to the extent the liability imposed exceeds the limit provided in **PERSONAL LIABILITY - LIMIT OF LIABILITY** item 2.
- j. Any liability statutorily imposed upon any **covered person** for **bodily injury** or **property damage** which results in any manner from vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
- k. Any liability a **covered person** assumes by contract or agreement.

Under exclusion 3., the following item is added:

- e. Which, in whole or in part, arises out of, is aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**.

Exclusion 4. is replaced by:

- 4. **Personal injury** does not apply to:
 - a. Injury caused by a violation of a law or ordinance by, or with the knowledge or the expressed or implied consent of a **covered person**;
 - b. Injury sustained by any person as a result of an offense directly or indirectly related to the acts of a person in the employment of a **covered person**;

- c. Injury arising out of or in connection with a **business** engaged in by a **covered person**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **business**;
- d. Civic or public activities performed for pay by any **covered person**;
- e. Injury arising out of:
 - (1) Oral or written publication of material, if done by or at the direction of any covered person with knowledge of its falsity; or
 - (2) Discrimination because of race, creed, color, sex, sexual preference, religion, age or national origin;
- f. Injury to **you** or a **covered person** within the meaning if part a. or b. of the **covered person** definition; or
- g. Liability arising out of a premises:
 - (1) Owned by a **covered person**;
 - (2) Rented to a **covered person**; or
 - (3) Rented to others by a **covered person**;that is not an **insured location**.

GENERAL PROVISIONS

Under the **TERMINATION** provision, the **Cancellation**. item, sub-item c. is replaced by:

- c. **We** may cancel:
 - (1) If **you** do not pay the premium, at any time by letting **you** know at least 10 days before the date cancellation takes effect.
 - (2) When this policy or Segment has been in effect for 69 days or less and

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is not a renewal with **us**, for any reason by letting **you** know at least 10 days before the date cancellation takes effect.

- (3) When this policy or Segment has been in effect for at least 70 days or at any time if it is a renewal with **us**:
- (a) If **you** have made a material misrepresentation in the policy application which **we** have relied upon in affording coverage; or
 - (b) If the insured risk has substantially changed since the policy inception date and such change would warrant a substantial difference in the premium charged.

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

The title of provision a. **SUBROGATION** is replaced by **11. SUBROGATION**.

The title of provision b. **ADDITIONAL INSURED** is replaced by **12. ADDITIONAL INSURED**.

The title of provision c. **THE LAW** is replaced by **13. THE LAW**.

The title of provision d. **CHANGES DURING THE POLICY PERIOD** is replaced by **14. CHANGES DURING THE POLICY PERIOD**.

The following provisions are added:

15. WHAT LAW WILL APPLY

This Segment and Policy Introduction 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. Subject to the following paragraph, the laws of the state in which the **residence premises** is located shall govern any and all claims or dispute in

any way related to this Segment or Policy Introduction.

If a covered loss to property, or any other **occurrence** for which coverage applies under this Segment or Policy Introduction happens outside the state in which the **residence premises** is located, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district where that covered loss to property, or any other covered **occurrence** happened.

16. WHERE LAWSUITS MAY BE BROUGHT

Subject to the following, any and all lawsuits in any way related to this Segment and Policy Introduction, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located. Any and all lawsuits against persons not parties to this Segment or Policy Introduction but involved in the sale, administration, performance, or alleged breach of this Segment or Policy Introduction, or otherwise related to this Segment or Policy Introduction, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located, provided that such persons are subject to or consent to suit in courts specified in this paragraph.

If a covered loss to property, or any other **occurrence** for which coverage applies under this Segment or Policy Introduction happens outside the state in which the **residence premises** is located, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district where that covered loss to property, or any other covered **occurrence** happened.

Nothing in this provision **WHERE LAWSUITS MAY BE BROUGHT**, shall impair any party's

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right to remove a state court lawsuit to a federal court.

17. ARBITRATION

Any claim or dispute in any way related to this Segment or Policy Introduction, by a **covered person** against **us** or **us** against a **covered person**, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

- a. No arbitrator shall have the authority to award punitive damages or attorney's fees;
- b. Neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. No arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

18. ESTIMATED RESIDENCE VALUE ADJUSTMENT

At each policy anniversary, **we** may increase the estimated residence value shown on the Coverage Summary to reflect the minimum amount of insurance coverage **we** are willing to issue for the dwelling **we** cover for the succeeding policy period.

Adjustments in the estimated residence value will also result in adjustments to the Property Location Limit.

Any adjustment in premium resulting from the application of this provision will be made based on premium rates in use by **us** at the time a change in the estimated residence value is made.

You agree that it is **your** responsibility to ensure that each of the limits of liability shown on the Coverage Summary is appropriate for

your insurance needs. If **you** want to increase or decrease any of the limits of liability shown on the Coverage Summary, **you** must contact **us** to request such a change.

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