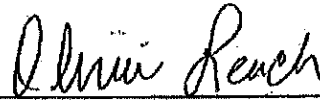


Claim# 0245281968.1 - RED

To Whom It May Concern:

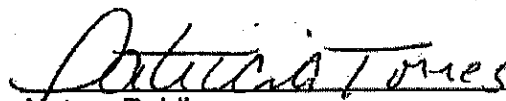
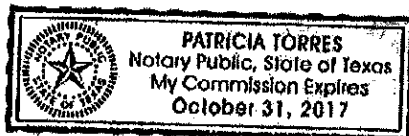
I, Olivia Leach, employee of Allstate Insurance Company Irving, Texas,
do certify that the enclosed is a copy of policy and or declaration page for the above
claim number, showing the coverages that were on the policy at the time of loss
of 06/28/2011. The enclosed copy of policy and or declaration
page was printed and mailed through Allstate's Output Processing Center.



Claim Support

State of Texas, County of Dallas

On this 15th day of February 2016, before me personally
appeared Olivia Leach to me known to be the person who executed the
foregoing instrument and acknowledged that he/she executed the same as a free act
and deed.


Notary Public

RECEIVED

FEB 16 2016

STAFF COUNSEL

Michael Koch Ins
612 S Wells, Unit F
Lake Geneva WI 53147

Your Quick Insurance Check

- ✓ Verify the information listed in the Policy Declarations.
- ✓ Please call if you have any questions.
- ✓ Now you can pay your premium before your bill is issued - visit allstate.com or call 1-800-Allstate®.



David and Pam Gagnon
39010 90th Pl
Genoa City WI 53128-2402

With this renewal, keep getting protection and rewards like never before.

Allstate® Your Choice Home Insurance—Your Renewal Offer

We're pleased to offer to renew your Allstate Property and Casualty Homeowners policy with the Your Choice Home Gold Protection package for another year.

With this package, you're saying YES to extra benefits, including:

- Being renewed regardless of the number of claims you have.
- For remaining claim-free, a credit of up to 5% to apply towards your next renewal premium.
- Extended protection in the event of a covered loss.
- Increased coverage for contents and valuables inside your home.
- Coverage for theft of jewelry, watches and furs—up to \$5000.

Be sure to check the **Your Benefits and Opportunities** page, which provides information about the Gold Protection package features, along with ways to save even more on your premium. And don't forget that we now offer new Personalized Options, which provide tailored coverages designed to meet the needs of today's homeowner—details are also highlighted on the Your Benefits and Opportunities page.

Additional Information

You'll want to review the attached Policy Declarations to make sure you're comfortable with the coverage choices you've made. Also, unless a mortgage company or lienholder pays your insurance premium for you, your bill will be sent to you separately. If you're enrolled in the Allstate Easy Pay Plan, you won't receive a bill. Instead, we'll send you a statement detailing your payment withdrawal schedule.

(over)

PROP *510004810081053004221001*

000000912697167 070 065 WI



Information as of
August 16, 2010

RP468

Have Questions? Please Contact Us

To learn more about Personalized Options, or if you have questions about your policy, please call your Allstate representative at (866) 480-8666. For online services, such as making a payment or viewing policy information, you can register at our Customer Care Center on allstate.com. And for 24-hour-a-day, 7-day-a-week service and information, just call 800-ALLSTATE® (800-455-8888).

We Appreciate Your Business

Thanks again for choosing Allstate—where you get more than just great coverage and service. You get Allstate's 55 years of business experience behind you. So you're working with a team of people who know insurance and give you the freedom to manage your policy your way.



Frederick F. Cripe
President, Allstate Property and Casualty Insurance Company

More Ways To Save

There are a variety of ways to save money on your Allstate homeowners insurance. Below are just a few discounts and savings options that may be available in your area (subject to qualifications).

Home Buyer Discount

For those who have recently purchased a home that is less than 50 years old.

Claim Free Discount

For those who maintain a property policy for at least one year prior to their Allstate policy's effective date and have no claims within five years.

55 and Retired Discount

For those who are retired and over age 55.

Home and Auto Discount

For those who insure their home, condo, mobile home or apartment through Allstate, as well as their auto.

Age of Home Discount

A varying discount based on the age of home (under 50 years old)—the newer the home, the larger the discount.

Partially Renovated Home Discount

For those with certain home renovations that were completed by a licensed contractor (such as a new roof or updated electrical or plumbing systems).

To learn more about these and other discounts available in your area, contact your Allstate representative today!

IMPORTANT INFORMATION

Please read the following about the Gold Protection package features.

Guaranteed Renewal for Claims

Regardless of the number of claims you have, your policy will be renewed. But note that your policy may still be non-renewed for other reasons including type of claim and condition of property.

Claim-Free Bonus

For every designated twelve-month period that your policy is claim-free, a Claim-Free Bonus of up to 5% of your current policy's premium will be returned to you in the form of a credit that can be applied toward your next twelve-month renewal premium. If your policy does not renew, the credit amount will be applied to any outstanding premium balance, and any remainder refunded to you.

Note: this document provides general information about the features of the Gold Protection package you selected. The specific details, which govern how the features apply, are shown in Allstate's rates, rules, and/or forms currently in effect. Additionally, continuation of your policy is subject to Allstate's underwriting criteria.

X71644 -1

Allstate Property and Casualty Insurance Company

RENEWAL

Homeowners Policy Declarations

Summary

NAMED INSURED(S) David and Pam Gagnon 39010 90th Place Genoa City WI 53128-2402	YOUR ALLSTATE AGENT IS: Michael Koch Ins 612 S Wells, Unit F Lake Geneva WI 53147	CONTACT YOUR AGENT AT: (262) 248-0861
POLICY NUMBER 9 12 697167 10/24	POLICY PERIOD Begins on Oct. 24, 2010 at 12:01 A.M. standard time, with no fixed date of expiration	PREMIUM PERIOD Oct. 24, 2010 to Oct. 24, 2011 at 12:01 A.M. standard time
LOCATION OF PROPERTY INSURED 39010 90th Place, Genoa City, WI 53128-2402		
MORTGAGEE • WELLS FARGO BANK NA 936 ITS SUCCESSORS &/OR ASSIGNS P O Box 100515 Florence SC 29502-0515 <i>Loan # 0254903834</i>		

Total Premium for the Premium Period (Your bill will be mailed separately)

Premium for Property Insured	\$565.91
Premium for Scheduled Personal Property Coverage	\$50.00
TOTAL	\$615.91

Your premium reflects the Gold Protection package.

PROP *510004810081053004221003*



Information as of
August 10, 2010

Page 1
W1070RBD

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

COVERAGE AND APPLICABLE DEDUCTIBLES (See Policy for Applicable Terms, Conditions and Exclusions)

LIMITS OF LIABILITY

Dwelling Protection - with Building Structure Reimbursement Extended Limits	\$135,174	
• \$500 All Peril Deductible Applies		
Other Structures Protection	\$60,186	
• \$500 All Peril Deductible Applies		
Personal Property Protection - Reimbursement Provision	\$101,381	
• \$500 All Peril Deductible Applies		
Additional Living Expense	Up To 12 Months	
Family Liability Protection	\$300,000	each occurrence
Guest Medical Protection	\$1,000	each person

DISCOUNTS Your premium reflects the following discounts on applicable coverage(s):

Protective Device (SPP)	5.00 %	Home and Auto	35.00 %
Protective Device	3.00 %	Claim Free	15.00 %

RATING INFORMATION

The dwelling is of Frame construction and is occupied by 1 family
Your dwelling is 2 mile(s) to the fire department

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Scheduled Personal Property Coverage

Your policy includes Scheduled Personal Property Coverage. Please refer to the Scheduled Personal Property endorsement (form APC273) for terms, conditions and exclusions applicable to your Scheduled Personal Property Coverage.

PROPERTY CLASS(ES) AND APPLICABLE DEDUCTIBLES	TOTAL OF INDIVIDUAL ITEM LIMITS PER CLASS (See your APC273 for coverage limits applicable for each scheduled item)
Jewelry	\$5,265

Your Policy Documents

Your Homeowners policy consists of this Policy Declarations and the documents listed below. Please keep these together.

- Homeowners Policy form APC268
- Extended Protection Amendatory End. form APC270
- Scheduled Personal Property End. form APC273
- Wisconsin Homeowners Amendatory End. form APC242-2
- Lender's Loss Payable Endorsement form APC275
- Guaranteed Renewal for Claims form APC308

Important Payment and Coverage Information

The Property Insurance Adjustment condition applies.

Do not pay. Mortgagee has been billed.

IN WITNESS WHEREOF, Allstate Property and Casualty Insurance Company has caused this policy to be signed by two of its officers at Northbrook, Illinois, and if required by state law, this policy shall not be binding unless countersigned on the Policy Declarations by an authorized agent of Allstate Property and Casualty Insurance Company.



Frederick F. Cripe
President



Mary J. McGinn
Secretary

PROP *510004610081053004221004*



Information as of
August 10, 2010

Page 3

WI07DR00

Allstate Property and Casualty Insurance Company

Policy Number: 912 69716710/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

DWELLING PROFILE

Allstate has determined that the estimated cost to replace your home is : \$132,532

The enclosed Policy Declarations shows the limit of liability applicable to Coverage A—Dwelling Protection of your homeowners insurance policy. The estimated replacement cost of your home is the minimum amount for which we will insure your home.

The decision regarding the limit applicable to your Coverage A — Dwelling Protection is your decision to make, as long as, at a minimum, your limit equals the estimated replacement cost as determined by Allstate and does not exceed maximum coverage limitations established by Allstate.

It is important to keep in mind that your Coverage A limits reflect a replacement cost that is only an estimate based on data that was available to us when we made this estimate (this data is described further below). The actual amount it will cost to replace your home cannot be known until after a covered total loss has occurred.

How is the replacement cost estimated?

Many factors can affect the cost to replace your home, including its age, size, and type of construction. For example, the replacement cost uses construction data, such as labor and materials, that are available to us when we made this estimate. This estimate is also based on characteristics of the home, which include information that you provided to us. You might have chosen to insure your home for a higher amount than the estimated replacement cost shown above.

Note to customers renewing their policy

The estimated replacement cost for your home may have changed since the last time we communicated this information to you. This is because, at renewal, Allstate uses the home characteristics that you have provided to us to recalculate and update the estimated replacement cost. Using updated labor and material rates for your zip code, Allstate takes the home characteristics you have provided and determines the updated estimated replacement cost. The information about your home's characteristics is provided below.

If the information about your home shown below requires any change or if you have any questions or concerns about the information contained in this Important Notice, please contact your Allstate representative, or call us at 1-800-Allstate.®

DWELLING STYLE: 1.0 Story(s), 1 Family(s), Built 1958, Living Area 830 sq. ft.

FOUNDATION: 100% Slab

ADDITIONS: Detached Structures -- Detached Garage - 3 Car (1)

Detached Structures -- Shed - Large (1)

Interior -- Kitchen - Average (1)

Interior -- Full Bath - Designer (1)

DETAIL: Exterior Walls -- Aluminum Siding 100 %

Roofing -- Asphalt/Fiberglass Shingle 100 %

Interior Partitions -- Drywall 100 %

Information as of
August 10, 2010

Page 4
W070RBD

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Interior Partitions -- Less than 10 ft Wall Height 100 %

Heating & Cooling -- Heat & Central Air Cond. - Avg Cost 100 %

SPECIAL FEATURES: Exterior -- Bay Windows (1)

Decrease Language:

Additional information about Dwelling Protection limits

Your policy includes a feature called "Property Insurance Adjustment" (PIA). PIA reflects changes in construction costs in your area that may have occurred during the policy period. This information is useful in estimating the amount of insurance coverage needed to cover the cost of rebuilding your home in the event of a covered total loss.

We would like you to know that your policy's PIA recently indicated that certain construction costs in your market have declined. Based on this information, you may decide to lower your Dwelling Protection limits. If you choose to lower your Coverage A—Dwelling Protection limits, your premium will decrease accordingly. Please note that decreasing your Dwelling Protection limits may result in decreases in other coverages that are tied to your Coverage A limits and could lower your premium.

It is important for you to understand that PIA estimates are only estimates and lowering your Dwelling Protection limits may leave you with insufficient coverage in the event of a loss. For example, if you have done any remodeling to your home which has not been updated in our records, your home's replacement cost may be higher than our current records indicate. In that case, you may want to maintain or even increase your limits. Conversely, there is a possibility that your current limits may provide coverage in excess of the actual replacement cost of your home not only based on the PIA estimate, but on other considerations. For example, if you originally decided to insure your home at an amount that exceeded the estimated replacement cost, you may want to call your Allstate representative to discuss the current value of your home and the possibility of lowering your limits.

If you have any questions about PIA, or your policy in general, please contact your Allstate representative.

X67831

PROP *510004810081059004221005*



Information as of
August 10, 2010

Page 5
W1070RB

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

Allstate's Privacy Policy

At Allstate, we value you as a customer and share your concerns about privacy. To help you understand how we treat the nonpublic personal information ("customer information") that we obtain from you or other sources in the course of providing you with products and services, this notice describes our use and protection of that information.

Whether you're doing business with us through your local agent or broker, our Customer Information Center, or allstate.com, we want you to know that Allstate respects your privacy and protects your information.

- We do not sell customer information.
- We do not share your customer information with persons, companies, or organizations outside of Allstate that would use that information to contact you about their own products and services.
- We expect persons or organizations that provide services on our behalf to keep customer information confidential and to use it only to provide the services we've asked them to perform.
- Within Allstate, we communicate to our employees regarding the need to protect customer information, and we've established physical, electronic, and procedural safeguards to protect customer information.

Below we've provided answers to questions that might be on your mind regarding privacy. You may be wondering ...

What do we do with your customer information?

Allstate does not sell your customer information, or medical information, to anyone. Nor do we share it with companies or organizations outside of Allstate that would use that information to contact you about their own products and services. If that practice were ever to change, we would, of course, offer you the ability to opt out of this type of information sharing, and we would offer you the opt-out with time for you to respond before the change in our practice took place.

Your agent or broker may use customer information to help you with your overall insurance program. We may also communicate with you about products, features, and options you have expressed an interest in or that we believe may be of interest to you. We may, without authorization but only as permitted or required by law, provide customer information to persons or organizations both inside and outside of Allstate to fulfill a transaction you have requested, service your policy, market our products to you, investigate or handle claims, detect or prevent fraud, participate in insurance support organizations, or comply with lawful requests from regulatory and law enforcement authorities. These persons or organizations may include: our affiliated companies, companies that perform marketing services on our behalf, other financial institutions with which we have a joint marketing agreement for the sale of our own products, and your agent or broker.

What kind of customer information do we have, and where did we get it?

Much of the customer information that we have about you comes directly from you. When submitting your application or request for insurance or other products and services we offer, or requesting an insurance quote, you may give us information such as your name, address, and Social Security number. We keep information about your transactions with our affiliates, others or us—for example, the types of products and services you purchase from us, premiums, account balances, and payment history.

Page 1 of 3

PROP *510004810081053004221006*



Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

We also may collect information from outside sources, including consumer reporting agencies and health care providers. This information may include loss information reports, motor vehicle reports, credit reports, and medical information.

How do we protect your customer information?

When we share customer information with companies working on Allstate's behalf, we expect those companies to use that information only to provide the service we have asked them to perform. Within Allstate, customer information is available to those individuals who may need to use it to fulfill and service the needs of Allstate customers. We communicate the need to protect customer information to all employees and agents, especially those individuals who have access to it. Plus, we've established physical, electronic, and procedural safeguards to protect customer information.

Finally, should your relationship with Allstate end, your customer information will remain protected in accordance with our privacy practices as outlined in this Important Notice.

How can you find out what information we have about you?

You may request to either see, or obtain from us by mail, the customer information about you in our records. If you believe that information is incomplete or inaccurate, you may request that we make any necessary corrections, additions or deletions to the disputed customer information. To fulfill your request, we may make arrangements with an insurance support organization or a consumer reporting agency to copy and disclose customer information to you on our behalf. You may also request a more complete description of the entities to which we disclose customer information, or the circumstances that might warrant such disclosures. Please send any of the requests listed above in writing to: Allstate Insurance Company, Customer Privacy Inquiries, P.O. Box 11904, Roanoke, VA 24022.

If you are an Internet user...

Our website, allstate.com, provides information about Allstate, our products, and the agencies and brokers that represent us. You may also perform certain transactions on the website. When accessing allstate.com, please be sure to read the Privacy Statement that appears there.

To learn more, the allstate.com Privacy Statement provides important information relating to your use of the website, including, for example, information regarding: 1) our use of online collecting devices known as "cookies"; 2) our collection of information such as IP address (the number assigned to your computer when you use the Internet), browser and platform types, domain names, access times, referral data, and your activity while using our site; 3) who should use our web site; 4) the security of information over the Internet and 5) links and co-branded sites.

We hope you have found this Important Notice helpful. If you have any questions or would like more information, please don't hesitate to contact your Allstate agent or call the Allstate Customer Information Center at 1-800-Allstate.

X68086

This notice is being provided on behalf of the following companies:

Allstate County Mutual Insurance Company
Allstate Indemnity Company
Allstate Investment Management Company
Allstate New Jersey Insurance Company
Allstate Texas Lloyd's

Allstate Fire and Casualty Insurance Company
Allstate Insurance Company
Allstate Motor Club, Inc.
Allstate Property and Casualty Insurance Company
Allstate Texas Lloyd's, Inc.

Page 2 of 3

Allstate Property and Casualty Insurance Company

Policy Number: 912 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Forestview Mortgage Insurance Company
Roadway Protection Auto Club, Inc.

General Underwriters Agency, Inc.

(ed. 05/2005)

Page 3 of 3

PROP *510004810081053004221007*



Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

Identity Theft Expenses Coverage — Coverage for Identity Theft Victims

While modern technology has made our lives easier, it's also made it easier for thieves to commit what's become the fastest growing crime in America* — identity theft.

Thieves begin by gaining access to personal information such as your Social Security number, date of birth and driver's license number. They then use this information to set up fake accounts, open loans, rent housing, secure employment or even obtain medical care — all without you even knowing.

As this crime grows increasingly common, consumers need options for dealing with the costs and hassles related to identity theft—that's why we're offering Identity Theft Expenses Coverage.

For just \$ 30 per year you can get help to restore your good name.

Now Allstate has a product that can help you if your identity is stolen. You can add this optional coverage to your property policy for just a few dollars a month—a small price to pay for peace of mind. Especially when you consider that while other insurance companies typically require a deductible for similar protection, with Allstate there is no deductible.

Allstate takes identity theft expense coverage a step further.

If you purchase this coverage we'll reimburse you for covered expenses you incur to restore your identity up to a \$25,000 coverage limit. That's more than most companies offer for this type of coverage. This coverage includes reimbursement for:

- **Attorneys fees** (subject to applicable coverage limits)—in case you need to hire an attorney to defend you if lawsuits are brought against you by merchants or collection agencies, if you need help to remove criminal or civil judgements wrongly entered against you, or to challenge information contained in your credit report.
- **Lost wage recovery** (up to \$250/day with a \$5,000 cap) — this will help cover wages or salary you may lose if you need to take time off work to complete affidavits or meet with law enforcement agencies, financial institutions, credit grantors, credit reporting agencies or attorneys.
- **Loan reapplication fees** — this covers your expenses if you need to reapply for loans denied you solely because the lender received incorrect information due to identity theft.
- **Other expenses** — covers other expenses involved in restoring your identity, such as mailing costs, notary expenses and long distance phone calls.

Allstate Property and Casualty Insurance Company

Policy Number: 912 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

You can get help if you become a victim.

If you ever become a victim of identity theft, you probably won't know all that is involved in restoring your name. There are many issues you would need help with, including:

- Understanding your rights as an identity theft victim.
- Filling out paperwork, including police reports.
- Issuing a Fraud Alert to the three major credit bureaus, as well as Social Security Administration, Federal Trade Commission, and U.S. Postal Service.
- Obtaining copies of your credit bureau reports.
- Working with the three major credit bureaus to restore the accuracy of your credit history.
- Reviewing your credit history to verify if fraud includes items such as public records, (liens, judgements, bankruptcies); credit accounts; or errors with addresses/prior employment.
- Issuing a fraud alert to affected financial institutions and credit card companies.
- Tracing Social Security numbers, notifying and working with the Department of Motor Vehicles, collection agencies for creditors, and law enforcement personnel.

This may seem overwhelming, but our Identity Theft Expenses Coverage can help. With it, if you decide to hire a firm to help you address identity theft issues such as these, you will have up to \$2,000 available to pay for their services. In addition, we may refer you to a firm that specializes in addressing the effects of identity theft.** In either case, if you have this coverage you'll have peace of mind knowing you can get help to restore your identity.

Are you in Good Hands® ?

With Allstate you have 75 years of business experience behind you. That means you're getting more than great products and service. You get a team of people who know insurance and give you the freedom to manage your insurance your way. To sign up for Identity Theft Expenses Coverage, or for more information, just call your Allstate representative, or log onto allstate.com.

You should never be alone. That's our stand.

**Referrals, if any, are solely at the discretion of Allstate. Identity Theft Expenses Coverage is subject to policy terms. Please read the policy endorsements carefully.

* Federal Trade Commission Identity Theft Survey Report, September 2003

X71831

Page 2

PROP *510004810081053004221008*



Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

Important Information About Your Allstate Policy

The enclosed Policy Declarations includes important information, such as your address, the coverages and coverage limits you've chosen, the names of insured persons — as well as other details pertinent to your policy. These details may include, for example, for motor vehicle policies, the drivers and vehicles you've insured, as well as the vehicle identification numbers (VIN) assigned to your insured vehicles; and, for property policies, the location of the insured property and mortgagee information, if applicable. Your Policy Declarations also lists any discounts or surcharges applied to your policy.

Because much of the information found on your Policy Declarations is used to help us determine your premium, please be sure to review your Policy Declarations carefully each time you receive one. You may want to add coverage, delete coverage or change your coverage limits — or you may want to change other information relating to your policy, whether it be a motor vehicle, your home or other insured property. You may also want to contact your Allstate representative for information concerning discounts that may be available for your policy.

Making changes to your policy

If you need to make a change to any of the information listed on your Policy Declarations, please notify your Allstate representative of the change as soon as possible. With a few exceptions, **any changes will be effective as of the date you notify us.**

If you have any questions about this notice, or if you need to update any of the information listed on the enclosed Policy Declarations, please contact your Allstate agent or our Customer Information Center at 1-800-ALLSTATE (1-800-255-7828).

X67096

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

Information about Flood Insurance

Protection against flood damage

Most homeowners, renters and commercial insurance policies do not provide coverage for damage caused by floods. In fact, protection against floods is generally available only through a separate policy.

That's why Allstate is a participant in the National Flood Insurance Program and offers standard flood insurance policies*. A flood policy can help complete the insurance protection for your property and help protect your financial well-being.

You may need it more than you think

Approximately 90% of all disasters in the U.S. are flood related. While you may think that it couldn't happen to you, over 25% of all flood losses occur in low to moderate risk areas.

And because flood damage is often accompanied by other damage, such as wind and hail (which is typically covered under a property policy), selecting Allstate gives you the convenience and peace of mind that comes with working with just one claim adjuster and one agent, instead of two or more.

It's affordable

The federal government sets the rates for flood insurance, so there's typically no difference in rates from policy to policy -- you can generally switch to a flood insurance policy administered by Allstate for the same amount of premium. If you choose Allstate, you can have the service, convenience and comfort you've come to expect from us.

For more information about flood insurance, or if you have any questions about your policy in general, please contact your Allstate representative or visit us at allstate.com.

* Allstate provides the standard flood insurance policy under the terms of the National Flood Insurance Act of 1968 and its amendments, and Title 44 of the Code of Federal Regulations. The standard flood insurance policy is written by Allstate for the National Flood Insurance Program which is administered by the Federal Insurance Administration, part of the Federal Emergency Management Agency.

Subject to availability and qualifications. Other terms, conditions and exclusions may apply.



Allstate Property and Casualty Insurance Company

Policy Number: 912 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Information about Scheduled Personal Property Coverage

Protection for your valuables

Allstate offers Scheduled Personal Property (SPP) coverage to help protect your valuables.

These items can include jewelry (such as engagement and wedding rings), fine art and musical instruments. Sports equipment, such as golf clubs, can also be covered by SPP.

In addition, SPP can cover valuables stored outside of your home in a safe deposit box or bank. And if you work from home and use computer or audio-visual equipment for business purposes, SPP can cover these items as well.

Already have SPP?

Even if you currently have SPP coverage, it's a good idea to review your coverage annually. It's possible that the value of your property has changed or that you have purchased new items that have not been added to your coverage.

Affordable coverage

The cost of SPP coverage varies, but the value of your property is the best way to determine how much coverage you need —the rates are generally a small percentage of the total value of the items you're insuring. This could mean that your valuables are being protected for only a fraction of the cost.

To learn more about SPP coverage, or if you have any questions about your insurance policy in general, contact your Allstate representative, or visit us at allstate.com.

Subject to availability and qualifications. Other terms, conditions and exclusions may apply.

X68087

Allstate Property and Casualty Insurance Company

Policy Number: 9 12 697167 10/24 Your Agent: Michael Koch Ins (262) 248-0861
For Premium Period Beginning: Oct. 24, 2010

Important Notice

Thank you for being a customer with us. This notice is to inform you that you have the right to cancel this policy whenever you choose by simply contacting your insurance representative or calling us directly at 1-800-255-7828.

Of course, we hope that you never decide to discontinue your relationship with us. We appreciate your business, and we hope to have the opportunity to provide you with the insurance coverage you need for as long as you need it.

X72880

PROP *510004810081053004221010*



Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Wisconsin Homeowners

Amendatory Endorsement – APC242-2

This endorsement amends your Homeowners Policy and is in addition to all other amendatory endorsements which apply to this policy.

I. In the General section, the following changes are made:

A. The Cancellation provision is replaced by the following:

Cancellation

Your Right to Cancel:

You may cancel this policy by returning it to us or by notifying us in writing of the future date you wish to stop coverage.

Our Right to Cancel:

Alstate may cancel this policy by mailing notice to you at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with us, we may cancel this policy for any reason.

When this policy has been in effect for 60 days or more, or if it is a renewal with us, we may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts; or
- 3) there has been substantial change or increase in hazard in the risk we originally accepted.

If we cancel this policy, we will give you at least 10 days notice before the cancellation takes effect. Our mailing the notice of cancellation to you will be deemed to be proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. Your return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

B. Our Right Not to Renew or Continue is replaced by the following:

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current premium period. If we do not intend to continue or renew the policy, we will mail you notice at least 60 days before the end of the premium period. Our mailing notice of non-renewal to you will be deemed proof of notice.

Any unearned premium amounts under \$2.00 will be refunded only upon **your** request.

C. Misrepresentation, Fraud or Concealment is replaced by the following:

If **we** determine that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or occurrence in which any **insured person** has concealed or misrepresented any material fact or circumstance and

1. **we** rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
2. the fact misrepresented or falsely warranted contributes to the loss.

D. Action Against Us is replaced by the following:

No one may bring an action against us unless there has been full compliance with all policy terms.

E. The following provision is added:

Conditional Reinstatement

If **we** mail a cancellation notice because **you** did not pay the required premium when due and **you** then tender payment by check, draft, or other remittance which is not honored upon presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates coverage is void. This means that **We** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

II. In Section I—Your Property, the following changes are made:

A. Under Losses We Cover Under Coverage C, Item 8 is replaced with the following:

8. Vandalism or Malicious Mischief.

We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 60 days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

B. In Additional Protection —Additional Living Expense is replaced by the following:

Additional Living Expense

We will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss **we** insure against. However, payments for increase in living expenses or **your** lost fair rental income expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.**

We will pay your lost fair rental income resulting from a covered loss under Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection, less charges and expenses which do not continue, when a loss we cover under Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection makes the part of the residence premises you rent to others, or hold for rental, uninhabitable. We will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months. However, payments for your lost fair rental income expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.

- C. In Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, under Section A, Item 6, is replaced by the following:

6. Vandalism or Malicious Mischief if your dwelling is vacant or unoccupied for more than 60 consecutive days immediately prior to the vandalism or malicious mischief. A dwelling under construction is not considered vacant or unoccupied.

- D. In Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, under Section C, Item 5., the following exception is added:

This exclusion does not apply when the residence premises is partially destroyed but ordered destroyed by fire ordinance or similar law.

- E. In Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, under section C, Item 8, is replaced by the following:

8. Intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
- a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

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

We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

- F. In Section I Conditions, under How We Pay For A Loss provision, the following is added:

We agree that in the event of a total loss we will pay the limit of liability shown on the Policy Declarations for Coverage A—Dwelling Protection. This limit represents the total value of the dwelling on the residence premises, including structures attached to the dwelling.

G. In **Section I Conditions**, the following changes are made:

1. The **Our Settlement of Loss** provision is replaced by the following:

Our Settlement of Loss

We will settle any covered loss with you. We will settle with you, unless another payee is named in the policy. We will settle within 30 days after the amount of loss is finally determined. This amount may be determined by an agreement among you, any other payee or entity named in the policy and us, an appraisal award or a court judgment.

2. In **Action Against Us**, paragraph b. is deleted.

III. In **Section II—Family Liability and Guest Medical Protection**, the following changes are made:

A. In **Losses We Do Not Cover Under Coverage X**, the second paragraph is amended as follows:

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, we will provide a defense with counsel of our choice, even if the allegations are groundless, false or fraudulent. We are not obligated to pay any claim or judgment after we have exhausted our limit of liability.

B. In **Losses We Do Not Cover Under Coverage X and Coverage Y**, Section C, **Losses We Do Not Cover Under Coverage X and Coverage Y**, the following is added to item 1.:

We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

C. In **Section II Conditions**, subsection (a) is replaced by the following to the **What You Must Do After An Accidental Loss** provision:

a) within 20 days following the loss, notify us or our agent in writing, stating:

- 1) your name and policy number;
- 2) the date, the place and the circumstance of the loss;
- 3) the name and address of anyone who might have a claim against an **insured person**;
- 4) the names and addresses of any witnesses.

Failure to give such notice within 20 days will not invalidate any claim made by an **insured person** if:

- 1) that person can show it was not reasonably possible to notify us or our agent within the specified time; or
- 2) that such notice was given as soon as reasonably possible.

D. The **Action Against Us** provision is replaced by the following:

No one may bring an action against us unless there has been full compliance with all policy terms.

IV. In Section II—Optional Protection, the Coverage J—Extended Coverage on Jewelry, Watches and Furs, the following provision is added to the third paragraph that begins, "We do not cover loss caused by or consisting of"

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.

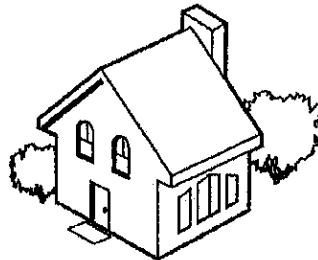
We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

All other policy terms and conditions apply.

////////////////

**Allstate Property and Casualty Insurance Company
The Company Named In the Policy Declarations
A Stock Company---Home Office: Northbrook, Illinois 60062**



APC268

Table of Contents

Agreements We Make With You.....	2	
General		
Definitions Used In This Policy.....	2	
Insuring Agreement.....	4	
Conformity To State Statutes.....	4	
Coverage Changes.....	4	
Policy Transfer.....	4	
Continued Coverage After Your Death.....	4	
Cancellation.....	4	
Misrepresentation, Fraud or Concealment.....	5	
What Law Will Apply.....	5	
Where Lawsuits May Be Brought.....	5	
Action Against Us.....	6	
Arbitration.....	6	
Section I— Your Property		
Coverage A		
Dwelling Protection		
Property We Cover Under Coverage A.....	6	
Property We Do Not Cover Under Coverage A.....	6	
Coverage B		
Other Structures Protection		
Property We Cover Under Coverage B.....	6	
Property We Do Not Cover Under Coverage B.....	7	
Losses We Cover Under Coverages A and B.....		7
Coverage C		
Personal Property Protection		
Property We Cover Under Coverage C.....	7	
Limitations On Certain Personal Property.....	7	
Property We Do Not Cover Under Coverage C.....	8	
Losses We Cover Under Coverage C.....	8	
Additional Protection		
Additional Living Expense.....	10	
Credit Card, Debit Card or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money.....	10	
Debris Removal.....	11	
Emergency Removal Of Property.....	11	

Fire Department Charges.....	11
Temporary Repairs After A Loss.....	11
Trees, Shrubs, Plants and Lawns.....	12
Temperature Change.....	12
Power Interruption.....	12
Arson Reward.....	12
Collapse.....	12
Land.....	13
Lock Replacement.....	13

Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C.....	13
--	----

Section I Conditions

Deductible.....	16
Insurable Interest and Our Liability.....	16
What You Must Do After A Loss.....	16
Our Settlement Options.....	17
How We Pay For A Loss.....	17
Our Settlement Of Loss.....	19
Appraisal.....	19
Abandoned Property.....	20
Permission Granted To You.....	20
Our Rights To Recover Payment.....	20
Our Rights To Obtain Salvage.....	20
Action Against Us.....	20
Loss To A Pair Or Set.....	20
Glass Replacement.....	20
No Benefit To Bailee.....	20
Other Insurance.....	20
Property Insurance Adjustment.....	20
Mortgagee.....	21
Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.....	21

Section II—Family Liability and Guest Medical Protection

Coverage X

Family Liability Protection

Losses We Cover Under Coverage X.....	22
---------------------------------------	----

Coverage Y

Guest Medical Protection

Losses We Cover Under Coverage Y.....	22
---------------------------------------	----

Additional Protection

Claim Expense.....	22
Emergency First Aid.....	22

Damage To Property Of Others	23
Losses We Do Not Cover Under Coverage X and Coverage Y	23

Section II Conditions

What You Must Do After An Accidental Loss.....	25
What An Injured Person Must Do — Coverage Y—Guest Medical Protection	26
Our Payment of Loss—Coverage Y— Guest Medical Protection	26
Our Limits Of Liability	26
Bankruptcy	26
Our Rights To Recover Payment— Coverage X—Family Liability Protection.....	26
Action Against Us.....	26
Other Insurance — Coverage X— Family Liability Protection.....	27

Section III—Optional Protection

Optional Coverages You May Buy

Coverage BC Building Codes	27
Coverage BP Increased Coverage On Business Property.....	27
Coverage DP Increased Coverage On Electronic Data Processing Equipment	27
Coverage F Fire Department Charges	27
Coverage G Loss Assessments.....	27
Coverage J Extended Coverage On Jewelry, Watches and Furs	28
Coverage K Incidental Office, Private School Or Studio.....	28
Coverage M Increased Coverage On Money.....	29
Coverage P Business Pursuits.....	29
Coverage S Increased Coverage On Securities.....	29
Coverage SD Satellite Dish Antennas	29
Coverage ST Increased Coverage On Theft Of Silverware	29

Agreements We Make With You

We make the following agreements with you:

General

Definitions Used In This Policy

Throughout this policy, when the following words appear in bold type, they are defined as follows:

1. **Bodily Injury** — means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) Herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

In addition, **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**.

2. **Building structure** — means a structure with walls and a roof.
3. **Business** — means:
 - a) any full- or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**.

However, the mutual exchange of home day care services is not considered a **business**;

- b) the rental or holding for rental of property by an **Insured person**. Rental of **your residence premises** is not considered a **business** when:
- 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to roomers or boarders, provided not more than two roomers or boarders reside on the **residence premises** at any one time; or
 - 3) a portion is rented as a private garage.
4. **Dwelling** — means the single family building structure identified as the insured property on the Policy Declarations, where **you** reside and which is principally used as a private residence.
5. **Insured person(s)** — means **you** and, if a resident of **your** household:
- a) any relative; and
 - b) any person under the age of 21 in **your** care.
- Under Coverage X — Family Liability Protection and Coverage Y — Guest Medical Protection, insured person also means:**
- a) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **Insured person**. We do not cover any person or organization using or having custody of animals or watercraft in any business, or without permission of the owner;
 - b) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **Insured person**.
6. **Insured premises** — means:
- a) the **residence premises**; and
 - b) under Section II only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
 - 2) any part of a premises not owned by an **Insured person** but where an **Insured person** is temporarily living;
 - 3) cemetery plots or burial vaults owned by an **Insured person**;
 - 4) land owned by or rented to an **Insured person** where a single family dwelling is being built as that person's residence;
 - 5) any premises used by an **Insured person** in connection with the **residence premises**;
 - 6) any part of a premises occasionally rented to an **Insured person** for other than **business** purposes.
7. **Occurrence** — means 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**.
8. **Property damage** — means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
9. **Remediation** — means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property we cover under **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection or Coverage C — Personal Property Protection** damaged by a covered water loss, including payment for any reasonable increase in living expenses necessary to maintain **your** normal standard of living if mold, fungus, wet rot or dry rot makes **your residence premises** uninhabitable. **Remediation** also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.
10. **Residence employee** — means an employee of an **Insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes

similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.

11. **Residence premises** — means the **dwelling**, other structures and land located at the address stated on the Policy Declarations.
12. **We, us or our** — means the company named on the Policy Declarations.
13. **You or your** — means the person listed under **Named Insured(s)** on the Policy Declarations as the **insured** and that person's resident spouse.

Insuring Agreement

In reliance on the information **you** have given **us**, **we** agree to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform **us** of any change in title, use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The Policy Period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

This policy imposes joint obligations on the **Named Insured(s)** listed on the Policy Declarations as the **insured** and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

This policy imposes joint obligations on persons defined as an **insured person**. This means that the responsibilities, acts and failures to act of a person defined as an **insured person** will be binding upon another person defined as an **insured person**.

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is

located, the provisions are amended to conform to such statutes.

Coverage Changes

When **we** broaden coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, **we** may adjust **your** coverage and premium accordingly during the premium period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death.
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

Our Right to Cancel:

We may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy

Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with us, we may cancel this policy for any reason by giving you at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 60 days or more, or if it is a renewal with us, we may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk we originally accepted.

If the cancellation is for non-payment of premium, we will give you at least 10 days notice. If the cancellation is for any of the other reasons, we will give you at least 30 days notice.

Our mailing the notice of cancellation to you will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. Your return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current premium period. If we do not intend to continue or renew the policy, we will mail you notice at least 30 days before the end of the premium period. Our mailing the notice of nonrenewal to you will be deemed proof of notice.

Misrepresentation, Fraud or Concealment

We may void this policy if it was obtained by misrepresentation, fraud or concealment of material facts. If we determine that this policy is void, all premiums paid will be returned to you since there has been no coverage under this policy.

We do not cover any loss or occurrence in which any insured person has concealed or misrepresented any material fact or circumstance.

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. Subject to the following paragraph, the laws of the state in which the residence premises is located shall govern any and all claims or disputes in any way related to this policy.

If a covered loss to property, or any other occurrence for which coverage applies under this policy happens outside the state in which the residence premises is located, claims or disputes regarding that covered loss to property, or any other covered occurrence may be governed by the laws of the jurisdiction in which that covered loss to property, or other covered occurrence happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

Where Lawsuits May Be Brought

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, 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 policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, 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 the courts specified in this paragraph.

If a covered loss to property, or any other occurrence for which coverage applies under this policy 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 right to remove a state court lawsuit to a federal court.

Action Against Us

No one may bring an action against us unless there has been full compliance with all policy terms.

Any action against us to which neither the **Action Against Us** provision located in **Section I Conditions** nor the **Action Against Us** provision located in **Section II Conditions** applies must be commenced within one year of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

Arbitration

Any claim or dispute in any way related to this policy, by an **Insured person** against us or us against an **Insured 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.

Section I – Your Property

Coverage A

Dwelling Protection

Property We Cover Under Coverage A:

1. **Your dwelling** including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.
3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

1. Any structure including fences or other property covered under **Coverage B – Other Structures Protection**.
2. Land.
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

Coverage B

Other Structures Protection

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. Structures connected to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the **residence premises** for use in connection with structures other than **your dwelling**.

4. Wall-to-wall carpeting fastened to **building structures** on the **residence premises** other than **your dwelling**.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for **business purposes**.
2. Any structure or other property covered under **Coverage A—Dwelling Protection**.
3. Land.
4. Construction materials and supplies at the address of the **residence premises** for use in connection with the **dwelling**.
5. Satellite dish antennas and their systems, whether or not attached to **building structures**.

Losses We Cover Under Coverages A and B:

We will cover sudden and accidental direct physical loss to property described in **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection** except as limited or excluded in this policy.

**Coverage C
Personal Property Protection**

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located away from the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**.
2. At **your option**, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be

considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$50— Money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards.
2. \$200— Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$250— Theft of any recording or storage media while such property is away from the **residence premises**, whether or not it is used with electronic data processing equipment or in a **business**. Recording or storage media includes, but is not limited to:
 - a) tapes;
 - b) CDs, DVDs and other discs;
 - c) records;
 - d) disks;
 - e) reels;
 - f) cassettes;
 - g) cartridges; or
 - h) programs.
4. \$500— Theft of tools and their accessories.
5. \$1,000— Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value.
6. \$1,000— Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not

include electronic data processing equipment or the recording or storage media used with that equipment.

- 7. \$1,000— Trading cards, subject to a maximum amount of \$250 per card.
- 8. \$1,000— Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
- 9. \$1,000— Manuscripts, including documents stored on electronic media.
- 10. \$1,000— Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
- 11. \$1,000— Trailers not used with watercraft.
- 12. \$1,000— Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
- 13. \$1,500— Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a business. Recording or storage media will be covered only up to:
 - a) the retail value of the media, if pre-programmed; or
 - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.
- 14. \$2,000— Theft of firearms, their related equipment, and accessories.
- 15. \$2,500— Motorized land vehicles used solely for the service of the **Insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.

- 16. \$2,500— Theft of goldware, silverware, pewterware and platinumware.

Property We Do Not Cover Under Coverage C:

- 1. Personal property specifically described and insured by this or any other insurance.
- 2. Animals.
- 3. Motorized land vehicles, including, but not limited to, any land vehicle powered or assisted by a motor or engine. **We do not cover** any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We do cover** motorized land vehicles designed for assisting the disabled or used solely for the service of the **Insured premises** and not licensed for use on public roads subject to **Limitations On Certain Personal Property**, item 15.
- 4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
- 5. Property of roomers, boarders, or tenants not related to you.
- 6. Property located away from the **residence premises** and rented or held for rental to others.
- 7. Satellite dish antennas and their systems.

Losses We Cover Under Coverage C:

We will cover sudden and accidental direct physical loss to the property described in **Coverage C—Personal Property Protection**, except as limited or excluded in this policy, caused by:

- 1. Fire or Lightning.
- 2. Windstorm or Hail.

We do not cover:

- a) loss to covered property inside a **building structure**, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind

- forces rain, snow, sleet, sand or dust through the damaged roof or wall;
- b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed **building structure**. However, we do cover canoes and rowboats on the **residence premises**.
3. Explosion.
 4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
 5. Aircraft, including self-propelled missiles and spacecraft.
 6. Vehicles.
 7. Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.
 8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.
 9. Falling objects.

We do not cover loss to personal property inside a **building structure** unless the falling object first damages the exterior walls or roof of the **building structure**.
 10. Weight of ice, snow or sleet which causes damage to personal property in a **building structure**, but only if the **building structure** is damaged due to the weight of ice, snow or sleet.
 11. Increase or decrease of artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.
 12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.
 13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
 14. Freezing of a plumbing, heating or air conditioning system or a household appliance.

We do not cover loss at the **residence premises** under perils 12), 13), and 14) caused by or resulting from freezing while the **building structure** is vacant, unoccupied or under construction unless you have used reasonable care to:
 - a) maintain heat in the **building structure**; or
 - b) shut off the water supply and drain the water from the systems and appliances.
 15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:
 - a) theft or attempted theft committed by an **insured person**;
 - b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **dwelling** is completed and occupied;

- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
 - d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
 - e) theft from that part of the **residence premises** rented by you to other than an **insured person**.
16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any **building structure** on the **residence premises**. This does not include damage to the glass.

Additional Protection

1. Additional Living Expense

- a) We will pay the reasonable increase in living expenses necessary to maintain your normal standard of living when a direct physical loss we cover under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection** makes your **residence premises** uninhabitable. However, additional living expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

Payment for additional living expense as a result of a covered loss under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection** will be limited to the least of the following:

- 1) the time period required to repair or replace the property we cover, using due diligence and dispatch; or

- 2) if you permanently relocate, the shortest time for your household to settle elsewhere; or
- 3) 12 months.

Additional Living Expense will not exceed the amount indicated on your Policy Declarations.

- b) We will pay the reasonable and necessary increase in living expenses for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss we insure against. However, payments for increase in living expenses due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. Credit Card, Debit Card or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money

We will pay for loss:

- a) that an **insured person** is legally required to pay for the unauthorized use of any
 - 1) credit card;
 - 2) debit or automated teller machine card;
 - 3) bank fund transfer card;
 - 4) code;
 - 5) account number;
 - 6) personal identification number; or
 - 7) other means of account access
 that can be used, alone or in conjunction with items 1) through 7) above, to obtain money, goods, services, or any other thing

of value, or that can be used to initiate a transfer of funds.

- b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **Insured person's** account;
- c) to an **Insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000, regardless of the number of persons involved. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any **business** of an **Insured person**;
- b) loss caused by or at the direction of an **Insured person** or any other person who has been entrusted with any credit card, debit or automated teller machine card, or bank fund transfer card;
- c) loss arising out of dishonesty of an **Insured person**.

When loss is discovered, the **Insured person** must give **us** immediate notice. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, the **Insured person** must also give immediate notice to the company or bank that issued the card. Failure to comply with the terms and conditions of the card voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

When this coverage applies, **we** will defend any suit brought against an **Insured person** for the enforcement of payment that an **Insured person** is legally required to make as a result

of the unauthorized use of any credit card, debit or automated teller machine card, or bank fund transfer card issued to or registered in the name of an **Insured person**. The defense will be at **our** expense, with counsel of **our** choice.

When this coverage applies, **we** have the option to defend an **Insured person** or the **Insured person's** bank against a suit for the enforcement of payment legally required to be made as a result of forgery or alteration of a check or negotiable instrument made or drawn upon an **Insured person's** account. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

3. Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the Limit Of Liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. Emergency Removal Of Property

We will pay for sudden and accidental direct physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. Fire Department Charges

We will pay up to \$500 for service charges made by fire departments called to protect **your** property from a loss **we** cover at the **residence premises**. No deductible applies to this protection.

6. Temporary Repairs After A Loss

We will reimburse **you** up to \$5,000 for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase

the limit of liability applying to the property being repaired.

7. Trees, Shrubs, Plants and Lawns

We will pay up to 5% of the Limit Of Liability shown on the Policy Declarations under **Coverage A—Dwelling Protection** for loss to trees, shrubs, plants and lawns at the address of the **residence premises**. We will not pay more than \$500 for any one tree, shrub, or plant including expenses incurred for removing debris. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the **residence premises**, vandalism or malicious mischief, theft or collapse of a **building structure** or any part of a **building structure**.

We will pay up to \$500 for reasonable expenses you incur for the removal of debris of trees at the address of the **residence premises** for direct physical loss caused by windstorm, hail, or weight of ice, snow or sleet. The fallen tree must have caused damage to property covered under **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection**.

We do not cover trees, shrubs, plants, or lawns grown for **business** purposes.

This coverage does not increase the limit of liability applying to the damaged property.

8. Temperature Change

We will pay for loss to covered personal property in a **building structure** at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss to the **building structure**.

This coverage does not increase the limit of liability applying to the damaged property.

9. Power Interruption

We will pay up to \$500 for loss to the contents of freezers and refrigerated units on the

residence premises caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

This coverage does not increase the limit of liability applying to the damaged property.

10. Arson Reward

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

11. Collapse

We will cover at the **residence premises**:

- a) the entire collapse of a covered **building structure**;
- b) the entire collapse of part of a covered **building structure**; and
- c) direct physical loss to covered property caused by a) or b) above.

For coverage to apply, the collapse of a **building structure** specified in a) or b) above must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss we cover under **Section I, Coverage C—Personal Property Protection**;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain, snow or ice which collects on a roof;
- d) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

Collapse as referenced herein means the covered **building structure** or part of the covered **building structure** has actually fallen down or fallen into pieces unexpectedly and

Instantaneously. It does not include settling, cracking, shrinking, bulging, expansion, sagging, or bowing. Furthermore, collapse does not include or mean substantial structural impairment or imminent collapse.

Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, fuel oil tank, septic tank, cistern or similar system, foundation, retaining wall, bulkhead, pier, wharf or dock is not included, unless the loss is a direct result of the collapse of a building structure or part of a building structure that is a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss we cover under Section I, Coverage C—Personal Property Protection;
- b) weight of persons, animals, equipment or contents; weight of rain, snow or ice which collects on a roof;
- c) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

This coverage does not increase the limit of liability applying to the covered property.

12. Land

If a sudden and accidental direct physical loss results in both a covered loss to the dwelling, other than the breakage of glass or safety glazing material, and a loss of land stability, we will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the dwelling sustaining the covered loss.

The Section I—Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C reference to earth movement does not apply to the loss of land stability provided under this Additional Protection.

13. Lock Replacement

When a key to a lock is stolen as part of a covered theft loss, we will pay under Coverage A—Dwelling Protection the reasonable expenses you incur to replace or re-key exterior door locks at the residence premises with locks or cylinders of like kind and quality. The limit of liability under this coverage following any one theft loss is \$500.

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

Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C

A We do not cover loss to the property described in Coverage A—Dwelling Protection or Coverage B—Other Structures Protection consisting of or caused by the following:

1. Freezing of:

- a) plumbing, fire protective sprinkler systems, heating or air conditioning systems;
- b) household appliances; or
- c) swimming pools, hot tubs and spas within the dwelling, their filtration and circulation systems;

or discharge, leakage or overflow from within a), b) or c) above, caused by freezing, while the building structure is vacant, unoccupied or being constructed unless you have used reasonable care to:

- a) maintain heat in the building structure; or
- b) shut off the water supply and drain the system and appliances.

2. Freezing, thawing, pressure or weight of water, snow or ice, whether driven by wind or not. This exclusion applies to fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves and docks. This exclusion also applies to swimming pools, hot tubs, spas, their filtration and circulation systems if the swimming pool, hot tub or spa is not located within a heated portion of the dwelling.

3. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:
 - a) from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
 - b) from, within or around any plumbing fixtures, including, but not limited to shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.
4. Collapse, except as specifically provided in **Section I—Additional Protection** under item 11, "Collapse."
5. Theft from **your residence premises** while **your dwelling** is under construction, or of materials and supplies for use in construction, until **your dwelling** is completed and occupied.
6. Vandalism or Malicious Mischief if **your dwelling** is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.
7.
 - a) wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
 - b) mechanical breakdown;
 - c) growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
 - d) rust or other corrosion;
 - e) contamination, including, but not limited to, the presence of toxic, noxious or hazardous gasses, chemicals, liquids, solids or other substances at the **residence premises** or in the air, land or water serving the **residence premises**;
 - f) smog, smoke from the manufacturing of any controlled substance,

agricultural smudging and industrial operations;

- g) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
- h) insects, rodents, birds or domestic animals. **We do cover the breakage of glass or safety glazing materials caused by birds; or**
- i) seizure by government authority.

If any of a) through h) cause the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, household appliance or fire protective sprinkler system within **your dwelling**, **we cover the direct physical damage caused by the water or steam**. If loss to covered property is caused by water or steam not otherwise excluded, **we will cover the cost of tearing out and replacing any part of your dwelling necessary to repair the system or appliance**. This does not include damage to the defective system or appliance from which the water escaped.

8. Soil conditions, including, but not limited to, corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.

- B. **We do not cover loss to the property described in Coverage A—Dwelling Protection or Coverage B—Other Structures Protection when:**
 - 1) there are two or more causes of loss to the covered property; and
 - 2) the predominant cause(s) of loss is (are) excluded under items A.1 through A.8 above.
- C. **We do not cover loss to the property described in Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection consisting of or caused by the following:**

1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.

2. Water or any other substance that:
a) backs up through sewers or drains; or
b) overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

3. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 3 listed above.

4. Earth movement of any type, including, but not limited to, earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

5. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**.

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

6. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.

7. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.

8. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
a) may be reasonably expected to result from such acts; or
b) is the intended result of such acts.

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

9. Weather Conditions that contribute in any way with a cause of loss excluded under **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C** to produce a loss.

10. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
a) planning, zoning, development, surveying, siting;
b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
c) materials used in repair, construction, renovation or remodeling; or
d) maintenance

of property whether on or off the residence premises by any person or organization.

11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

D. We do not cover loss to the property described in **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** when:

- 1) there are two or more causes of loss to the covered property; and
- 2) the predominant cause(s) of loss is (are) excluded under items C.1. through C.11 above.

E. We do not cover loss to the property described in **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** consisting of or caused by mold, fungus, wet rot, dry rot or bacteria. This includes any loss which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

This exclusion applies regardless of whether mold, fungus, wet rot, dry rot or bacteria arises from any other cause of loss, including but not limited to a loss involving water, water damage or discharge, which may otherwise be covered by this policy, except as specifically provided in **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

F. We do not cover loss to the property described in **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:

1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

2. War or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

Section I Conditions

1. Deductible

We will pay when a covered loss exceeds the applicable deductible shown on the Policy Declarations. We will then pay only the excess amount, unless we have indicated otherwise in this policy.

2. Insurable Interest and Our Liability

In the event of a covered loss, we will not pay for more than an insured person's insurable interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. What You Must Do After A Loss

In the event of a loss to any property that may be covered by this policy, you must:

- a) immediately give us or our agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, give notice to the company or bank that issued the card.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give us a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give us all accounting records, bills, invoices and other vouchers, or certified copies, which we may reasonably request to examine and permit us to make copies.
- e) produce receipts for any increased costs to maintain your standard of living while

you reside elsewhere, and records supporting any claim for loss of rental income.

- f) as often as **we** reasonably require:
 - 1) show **us** the damaged property.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the **insured person's** household or others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
 - 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;
 - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
 - 4) any other insurance that may cover the loss;
 - 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
 - 6) at **our** request, the specifications of any damaged **building structure** or other structure; and
 - 7) evidence supporting any claim under the Credit Card, Debit or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money protection. State the cause and amount of loss.

We have no duty to provide coverage under this section if **you**, an **insured person**, or a representative of either fail to comply with items a) through g) above, and this failure to comply is prejudicial to **us**.

4. Our Settlement Options

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5 "How We Pay For A Loss."

Within 30 days after **we** receive **your** signed, sworn proof of loss **we** will notify **you** of the option or options **we** intend to exercise.

5. How We Pay For A Loss

Under Coverage A—Dwelling Protection, Coverage B—Other Structures Protection and Coverage C—Personal Property Protection, payment for covered loss will be by one or more of the following methods:

- a) Special Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under Coverage A—Dwelling Protection and Coverage B—Other Structures Protection, without deduction for depreciation, is less than \$2,500 and if the property is not excluded from the Building Structure Reimbursement provision, or;
 - 2) the whole amount of loss for property covered under Coverage C—Personal Property Protection, without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.
- b) Actual Cash Value. If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the Limit Of Liability shown on the Policy Declarations for the coverage that applies to the damaged,

Page 17 of 29

destroyed or stolen property, regardless of the number of items involved in the loss.

You may make claim for additional payment as described in paragraph c) and paragraph d) below, if applicable, if you repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.

- c) Building Structure Reimbursement. Under **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection**, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered property within 180 days of the actual cash value payment. This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a **building structure** damaged by a covered loss. This additional payment shall not include any amounts which may be paid or payable under **Section I, Conditions — Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**, and shall not be payable for any losses excluded in **Section I—Your Property, under Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, section E.**

Building Structure Reimbursement will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the **building structure(s)** for equivalent construction for similar use on the same **residence premises**;
- 2) the amount actually and necessarily spent to repair or replace the damaged **building structure(s)** with equivalent construction for similar

use on the same **residence premises**; or

- 3) the Limit Of Liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

If you replace the damaged **building structure(s)** at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Reimbursement described above. The amount payable under Building Structure Reimbursement described above does not include the value of any land associated with the replacement structure(s).

Building Structure Reimbursement payment will be limited to the difference between any actual cash value payment made for the covered loss to **building structures** and the smallest of 1), 2) or 3) above.

Building Structure Reimbursement will not apply to:

- 1) property covered under **Coverage C—Personal Property Protection**;
- 2) property covered under **Coverage B—Other Structures Protection** that is not a **building structure**;
- 3) wall-to-wall carpeting, fences, awnings and outdoor antennas whether or not fastened to a **building structure**; or
- 4) land.

Payment under a), b), or c) above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction,

maintenance, repair, relocation or demolition of building structures or other structures.

- d) **Personal Property Reimbursement.** Under **Coverage C—Personal Property Protection**, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the Limit Of Liability shown on the Policy Declarations for **Coverage C—Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs and collector's items;

- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss; or
- 5) motorized land vehicles used solely for the service of the Insured premises and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.

6. Our Settlement Of Loss

We will settle any covered loss with you unless some other person or entity is named in the policy. We will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between you and us, an appraisal award or a court judgment.

7. Appraisal

If you and we fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the residence premises is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to you and to us the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. **Abandoned Property**
We are not obligated to accept any property or responsibility for any property abandoned by an **Insured person**.
9. **Permission Granted To You**
a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A **building structure** under construction is not considered vacant.
b) You may make alterations, additions or repairs, and you may complete structures under construction.
10. **Our Rights To Recover Payment**
When we pay for any loss, an **Insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **Insured person** must protect these rights and help us enforce them. You may waive your rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of the loss.
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 no 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. An **Insured 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.
12. **Action Against Us**
No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which **Section I Conditions** applies, unless:
a) there has been full compliance with all policy terms; and
b) the action is commenced within one year after the inception of loss or damage.
13. **Loss To A Pair Or Set**
If there is a covered loss to a pair or set, we may:
a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
b) pay the difference between the actual cash value of the pair or set before and after the loss.
14. **Glass Replacement**
Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.
15. **No Benefit To Bailee**
This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.
16. **Other Insurance**
If both this insurance and other insurance apply to a loss, we will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.
17. **Property Insurance Adjustment**
When the Policy Declarations indicates that the Property Insurance Adjustment Condition applies, you agree that, at each policy anniversary, we may increase the Limit of Liability shown on the Policy Declarations for **Coverage A—Dwelling Protection** to reflect one of the following:
a) the rate of change in the index identified in the "Important Payment and Coverage

Information" section of the Policy Declarations. The limit of liability for **Coverage A—Dwelling Protection** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1000; or

- b) the minimum amount of insurance coverage we are willing to issue for the succeeding premium period under **Coverage A—Dwelling Protection** for your dwelling and other property we cover under **Coverage A—Dwelling Protection**.

Any adjustment in the limit of liability for **Coverage A—Dwelling Protection** will result in an adjustment in the limit of liability for **Coverage B—Other Structures Protection** and **Coverage C—Personal Property Protection** in accordance with our manual of Rules and Rates.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by us at the time a change in limits is made.

We will not reduce the limit of liability shown on the Policy Declarations without your consent. You agree that it is your responsibility to ensure that each of the limits of liability shown on the Policy Declarations are appropriate for your insurance needs. If you want to increase or decrease any of the limits of liability shown on the Policy Declarations, you must contact us to request such a change.

18. Mortgagee

A covered loss will be payable to the Mortgagee(s) named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered building structure in the event of an increase in hazard, intentional or criminal acts of, or directed by, an insured person, failure by any insured person to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if we cancel this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an insured person fails to do so;
- b) pay upon demand any premium due if an insured person fails to do so;
- c) notify us in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give us the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at our option, permit us to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgage interest provision shall apply to any trustee or loss payee or other secured party.

19. Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss

In the event of a covered water loss under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection**, we will pay up to \$5,000 for mold, fungus, wet rot or dry rot remediation.

Remediation means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property we cover under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures**

Protection or Coverage C—Personal Property Protection damaged by a covered water loss, including payment for any reasonable increase in living expenses necessary to maintain your normal standard of living if mold, fungus, wet rot or dry rot makes your residence premises uninhabitable. Remediation also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.

This Condition does not increase the limits of liability under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection.**

Section II—Family Liability and Guest Medical Protection

Coverage X Family Liability Protection

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, we will pay damages which an insured person becomes legally obligated to pay because of bodily injury or property damage arising from an occurrence to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an insured person. If an insured person is sued for these damages, we will provide a defense with counsel of our choice, even if the allegations are groundless, false or fraudulent. We are not obligated to defend any suit or pay any claim or judgment after we have exhausted our limit of liability.

Coverage Y Guest Medical Protection

Losses We Cover Under Coverage Y:

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses,

hearing aids, and pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an occurrence causing bodily injury to which this policy applies, and is covered by this part of the policy.

Each person who sustains bodily injury is entitled to this protection when that person is:

1. on the insured premises with the permission of an insured person; or
2. off the insured premises, if the bodily injury:
 - a) arises out of a condition on the insured premises or immediately adjoining ways;
 - b) is caused by the activities of an insured person or a residence employee;
 - c) is caused by an animal owned by or in the care of an insured person; or
 - d) is sustained by a residence employee.

Additional Protection

We will pay, in addition to the limits of liability:

1. **Claim Expense**

We will pay:

 - a) all costs we incur in the settlement of any claim or the defense of any suit against an insured person;
 - b) interest accruing on damages awarded until such time as we have paid, formally offered, or deposited in court the amount for which we are liable under this policy; interest will be paid only on damages which do not exceed our limits of liability;
 - c) premiums on bonds required in any suit we defend; we will not pay bond premiums in an amount that is more than our limit of liability; we have no obligation to apply for or furnish bonds;
 - d) up to \$150 per day for loss of wages and salary, when we ask you to attend trials and hearings;
 - e) any other reasonable expenses incurred by an insured person at our request.
2. **Emergency First Aid**

We will pay reasonable expenses incurred by an insured person for first aid to other persons at the time of an accident involving bodily injury covered under this policy.

3. Damage To Property Of Others

At your request, we will pay up to \$500 each time an **Insured person** causes **property damage** to someone else's property. At our option, we will pay the cost to either repair or replace the property damaged by an **Insured person**, without deduction for depreciation.

We will not pay for **property damage**:

- a) to property covered under Section I of this policy;
- b) to property intentionally damaged by an **Insured person** who has attained the age of 13;
- c) to property owned by or rented to an **Insured person**, any tenant of an **Insured person**, or any resident in your household; or
- d) arising out of:
 - 1) past or present **business activities**;
 - 2) any act or omission in connection with a premises, other than an **Insured premises**, owned, rented or controlled by an **Insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft, hovercraft or watercraft.

Losses We Do Not Cover Under Coverage X and Coverage Y

A. Losses We Do Not Cover Under Coverage X:

- 1. We do not cover **bodily injury** to an **Insured person** or **property damage** to property owned by an **Insured person** whenever any benefit of this coverage would accrue directly or indirectly to an **Insured person**.
- 2. We do not cover any **property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
- 3. We do not cover any **bodily injury** or **property damage** arising out of any liability statutorily imposed upon any **Insured person** in any manner, consisting

of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

- 4. We do not cover any liability an **Insured person** assumes arising out of any contract or agreement.

- 5. We do not cover **property damage** to property rented to, occupied or used by, or in the care of, an **Insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.

- 6. We do not cover any liability imposed upon any **Insured 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 mold, fungus, wet rot, dry rot or bacteria.

B. Losses We Do Not Cover Under Coverage Y:

- 1. We do not cover **bodily injury** to any **Insured person** or regular resident of the **Insured premises**. However, this exclusion does not apply to a **residence employee**.
- 2. We do not cover **bodily injury** to any person on the **Insured premises** because of a **business activity** or professional service conducted there.

C. Losses We Do Not Cover Under Coverage X and Coverage Y:

Coverage under **Coverage X—Family Liability Protection** will be excluded for **bodily injury** and **property damage** and coverage under **Coverage Y—Guest Medical Protection** will be excluded for **bodily injury** as follows:

- 1. We do not cover any **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or

omissions of, any **insured person**. This exclusion applies even if:

- a) such **insured person** lacks the mental capacity to govern his or her conduct;
- b) such **bodily injury or property damage** is of a different kind or degree than intended or reasonably expected; or
- c) such **bodily injury or property damage** is sustained by a different person than intended or reasonably expected.

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

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

- 3. We do not cover **bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

- 4. We do not cover **bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:

- a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is

being used away from an **insured premises**;

- c) a motorized wheel chair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements under 40 horsepower;
- h) **bodily injury** to a **residence employee**.

- 5. We do not cover **bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:

- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
- b) is a sailing vessel 26 feet or more in length;
- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

- 6. We do not cover **bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of hovercrafts. This exclusion does not

apply to **bodily injury** to a **residence employee**.

7. We do not cover **bodily injury** or **property damage** arising out of:
- the negligent supervision by any **insured person** of any person; or
 - any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, hovercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. We do not cover any **bodily injury** 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.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. We do not cover **bodily injury** or **property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.

10. We do not cover **bodily injury** or **property damage** arising out of the past or present business activities of an **insured person**.

We do cover the occasional or part-time business activities of an **insured person** who is a student under 21 years of age who is self-employed and has no employees.

11. We do not cover **bodily injury** or **property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This

exclusion does not apply to **bodily injury** to a **residence employee**.

12. We do not cover **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

13. We do not cover **bodily injury** or **property damage** caused by war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

Section II Conditions

1. **What You Must Do After An Accidental Loss**

In the event of **bodily injury** or **property damage**, you must do the following:

- Promptly notify us or our agent stating:
 - your name and policy number;
 - the date, the place and the circumstances of the loss;
 - the name and address of anyone who might have a claim against an **insured person**;
 - the names and addresses of any witnesses.
- Promptly send us any legal papers relating to the accident.
- At our request, an **insured person** will:
 - cooperate with us and assist us in any matter concerning a claim or suit;
 - help us enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - attend any hearing or trial.
- Under the **Damage To Property Of Others** protection, give us a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show us any damaged property under that person's control.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others

at the time of the loss as provided for in this policy.

2. What An Injured Person Must Do — Coverage Y — Guest Medical Protection

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give us written proof of the loss. If we request, this must be done under oath.
- b) Give us written authorization to obtain copies of all medical records and reports.
- c) Permit doctors we select to examine the injured person as often as we may reasonably require.

3. Our Payment Of Loss — Coverage Y — Guest Medical Protection

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by us or an insured person.

4. Our Limits Of Liability

Regardless of the number of insured persons, injured persons, claims, claimants or policies involved, our total liability under Coverage X — Family Liability Protection for damages resulting from one occurrence will not exceed the Limit Of Liability shown on the Policy Declarations. All bodily injury and property damage resulting from continuous or repeated exposure to the same general conditions is considered the result of one occurrence. Our total liability under Coverage Y — Guest Medical Protection for all medical expenses payable for bodily injury, to any one person, shall not exceed the "each person" Limit Of Liability shown on the Policy Declarations.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an insured person.

6. Our Rights to Recover Payment — Coverage X — Family Liability Protection

When we pay any loss, an insured person's right to recover from anyone else becomes

ours up to the amount we have paid. An insured person must protect these rights and help us enforce them.

7. Action Against Us

- a) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.
- b) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under Coverage X — Family Liability Protection, unless the obligation of an insured person to pay has been finally determined either by judgment against the insured person after actual trial, or by written agreement of the insured person, injured person and us, and the action against us is commenced within one year of such judgment or agreement.
- c) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under Coverage Y — Guest Medical Protection, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
- d) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under Section II — Additional Protection, unless such action is commenced within one year after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred, or within one year after the date of loss to the property if coverage is being sought under the Damage to Property of Others provision.
- e) No one shall have any right to make us a party to an action to determine the liability of an insured person.

8. **Other Insurance—Coverage X—Family Liability Protection**

This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III—Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

1. **Coverage BC**

Building Codes

We will pay up to 10% of the amount of Insurance on the Policy Declarations under **Coverage A—Dwelling Protection** to comply with local building codes after a covered loss to the dwelling or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair or demolition of the dwelling.

2. **Coverage BP**

Increased Coverage On Business Property

The limitation on business property located on the residence premises, under **Coverage C—Personal Property Protection**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is on the residence premises.

3. **Coverage DP**

Increased Coverage On Electronic Data Processing Equipment

The limitation on electronic data processing equipment under **Coverage C—Personal Property Protection**, and the recording or storage media used with that equipment, is

increased to the amount shown on the Policy Declarations.

4. **Coverage F**

Fire Department Charges

The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

5. **Coverage G**

Loss Assessments

If your residence premises includes a building structure which is constructed in common with one or more similar buildings, and you are a member of, and subject to the rules of, an association governing the areas held in common by all building owners as members of the association, the **Insured premises** means the building structure occupied exclusively by your household as a private residence, including the grounds, related structures and private approaches to them.

We will pay your share of any special assessments charged against all building owners by the association up to the Limit Of Liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) sudden and accidental direct physical loss to the property held in common by all building owners caused by a loss we cover under **Section I** of this policy; or
- b) **bodily injury or property damage** covered under **Section II** of this policy.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

We will pay only when the assessment levied against the insured person, as a result of any one loss, for **bodily injury or property damage** exceeds \$250 and then only for the amount of such excess. This coverage is not subject to any deductible applying to **Section I** of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to **Sections I and II** of this policy and the **Section I and II Conditions**, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

**6. Coverage J
Extended Coverage On Jewelry, Watches and Furs**

Coverage C—Personal Property Protection is extended to pay for sudden and accidental direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Coverage C—Personal Property Protection**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any **Insured person**, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke. We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.
- d) war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

- e) failure by any **Insured person** to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss we cover.

Any deductible shown on the Policy Declarations applicable to **Coverage C—Personal Property Protection**, also applies to a loss under this coverage.

**7. Coverage K
Incidental Office, Private School Or Studio**

- a) The limits applying to property used or intended for use in a **business** under **Coverage C—Personal Property Protection** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The **Coverage K** limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The second limit applies to property while away from the **residence premises**. These limits are not in addition to **Coverage C—Personal Property Protection, Limitations On Certain Personal Property** on property used or intended for use in a **business**. The increased coverage does not include property held for sample, sale or delivery after sale.

- b) **Coverage X—Family Liability Protection** and **Coverage Y—Guest Medical Protection** are extended to cover a described office, private school or studio occupied by an **Insured person**. The occupancy of the described property shall not be considered a **business**.

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

- a) any employee other than a **residence employee**; or

- b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

8. Coverage M

Increased Coverage On Money

The limitation on money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards under **Coverage C—Personal Property Protection** is increased to the amount shown on the Policy Declarations.

9. Coverage P

Business Pursuits

Coverage X—Family Liability Protection and **Coverage Y—Guest Medical Protection** are extended to cover specified business pursuits of an **insured person**.

We do not cover:

- a) **bodily injury** or **property damage** arising out of the business pursuits of an **insured person** when the business is owned or financially controlled by the **insured person**. This also means a partnership or joint venture of which an **insured person** is a partner or member;
- b) **bodily injury** or **property damage** arising out of the rendering of or failure to render a professional service of any nature, other than teaching;
- c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
- d) **bodily injury** or **property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury** or **property damage** arises out of the maintenance or use of saddle animals, vehicles used with

saddle animals, motorized land vehicles, hovercrafts, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or

- e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction.

10. Coverage S

Increased Coverage On Securities

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property, covered under **Coverage C—Personal Property Protection**, is increased to the amount shown on the Policy Declarations.

11. Coverage SD

Satellite Dish Antennas

Coverage C—Personal Property Protection is extended to pay for sudden and accidental direct physical loss to satellite dish antennas and their systems on your residence premises, subject to the provisions of **Coverage C—Personal Property Protection**.

The amount of coverage is shown on the Policy Declarations.

12. Coverage ST

Increased Coverage On Theft Of Silverware

The limitation on theft of goldware, silverware, pewterware and platinumware under **Coverage C—Personal Property Protection** is increased to the amount shown on the Policy Declarations.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Extended Protection

Amendatory Endorsement — APC270

I. In Section I—Your Property, Coverage C—Personal Property Protection is revised as follows:

A. In Property We Cover Under Coverage C, item 1, is replaced by the following:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after you begin to move property there, personal property in use at a temporary residence when a direct physical loss we cover makes your **residence premises** uninhabitable, or to personal property in student dormitory, fraternity or sorority housing.

B. The **Limitations On Certain Personal Property** provision is replaced by the following:

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$200— Money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards.
2. \$200— Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$500— Theft of any recording or storage media while such property is away from the **residence premises**, whether or not it is used with electronic data processing equipment or in a **business**. Recording or storage media includes, but is not limited to:
 - a) tapes;
 - b) CDs, DVDs and other discs;
 - c) records;
 - d) disks;
 - e) reels;
 - f) cassettes;
 - g) cartridges; or
 - h) programs.

4. \$1,000— Trading cards, subject to a maximum amount of \$250 per card.
5. \$1,000— Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
6. \$1,000— Manuscripts, including documents stored on electronic media.
7. \$1,000— Trailers not used with watercraft.
8. \$2,000— Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
9. \$2,000— Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
10. \$2,000— Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
11. \$10,000— Motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.
12. \$3,000— Theft of firearms, their related equipment, and accessories.
13. \$5,000— Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value, subject to a maximum amount of \$1,000 per item.
14. \$2,500— Theft of goldware, silverware, pewterware and platinumware.
15. \$10,000— Theft of tools and their accessories.

II. In Section I—Your Property, **Additional Protection** is revised as follows:

A. Item 1. **Additional Living Expense** is replaced by the following:

1. **Additional Living Expense**

- a) We will pay the reasonable increase in living expenses necessary to maintain your normal standard of living when a direct physical loss we cover under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** makes your **residence premises** uninhabitable. However, additional living expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

Payment for additional living expense as a result of a covered loss under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** will be limited to the least of the following:

- 1) the time period required to repair or replace the property we cover, using due diligence and dispatch; or
 - 2) if you permanently relocate, the shortest time for your household to settle elsewhere; or
 - 3) 12 months.
- b) We will pay the reasonable and necessary increase in living expenses for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss we insure against. However, payments for increase in living expenses due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

B. Item 9. **Power Interruption** is replaced by the following:

9. **Power Interruption**

We will pay for loss to the contents of freezers and refrigerated units on the **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

This coverage does not increase the limit of liability applying to the damaged property.

III. **Building Structure Reimbursement Extended Limits**

In **Section I—Conditions, item 5., How We Pay For A Loss**, under c) Building Structure Reimbursement we will replace item 3) if, at the time of the loss, you have met the following conditions:

- A. Insure your **dwelling**, attached structures and detached **building structures** to 100% of replacement cost as determined by our estimate completed and based on the accuracy of information you furnished;
- B. Have accepted the Property Insurance Adjustment Condition, agree to accept each annual adjustment in the **Coverage A—Dwelling Protection** limit of liability, and pay any additional premium charged; and
- C. Notify us within 60 days of the start of any modifications that increase the aggregate value of your **dwelling**, attached structures and detached **building structures** at the **residence premises** by \$5,000 or more, and pay any resulting additional premium due for the increase in value.

If, at the time of a covered loss, you meet all of the conditions in A., B., and C. above, then in **Section I—Conditions, item 5., How We Pay For A Loss**, under c) Building Structure Reimbursement, item 3) is replaced with:

- 3) 120% of the Limit Of Liability applicable to the building structure(s) as shown on the Policy Declarations for Coverage A—Dwelling Protection or Coverage B—Other Structures Protection, regardless of the number of building structures and structures other than building structures involved in the loss.

If, at the time of a covered loss, you fail to meet any of the conditions in A., B., and C. above, then in Section I—Conditions, item 5., How We Pay For A Loss, under c) Building Structure Reimbursement, item 3) remains:

- 3) the Limit Of Liability applicable to the building structure(s) as shown on the Policy Declarations for Coverage A—Dwelling Protection or Coverage B—Other Structures Protection, regardless of the number of building structures and structures other than building structures involved in the loss.

IV. In Section II—Family Liability and Guest Medical Protection, under Additional Protection, item 3 is replaced by the following:

3. **Damage To Property Of Others**

At your request, we will pay up to \$1,000 each time an insured person causes property damage to someone else's property. At our option, we will pay the cost to either repair or replace the property damaged by an insured person, without deduction for depreciation.

We will not pay for property damage:

- a) to property covered under Section I of this policy;
- b) to property intentionally damaged by an insured person who has attained the age of 13;
- c) to property owned by or rented to an insured person, any tenant of an insured person, or any resident in your household; or
- d) arising out of:
 - 1) past or present business activities;
 - 2) any act or omission in connection with a premises, other than an insured premises, owned, rented or controlled by an insured person; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft, hovercraft or watercraft.

All other policy terms and conditions apply.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Scheduled Personal Property Endorsement -- APC273

WHERE COVERAGE APPLIES

WE will cover the described property anywhere in the world. HOWEVER, COVERAGE ON FINE ARTS, FIREARMS AND BUSINESS PERSONAL PROPERTY IS LIMITED TO WITHIN THE UNITED STATES OF AMERICA AND CANADA.

SPECIAL PROVISIONS AND CONDITIONS:

1. Musical Instruments: **YOU** agree that none of the musical instruments covered will be played for remuneration unless this is indicated in the schedule and an additional premium paid.
2. Silverware: This classification includes silverware, silver-platedware, goldware, gold-platedware and pewterware. IT DOES NOT INCLUDE PENS, PENCILS, FLASKS, SMOKING IMPLEMENTS OR ACCESSORIES, OR ITEMS OF JEWELRY.
3. Fine Arts: **YOU** agree that covered fine arts will be packed and unpacked by competent packers.
4. Golfer's Equipment: Coverage on golfer's equipment owned by an **INSURED PERSON** includes golf clubs, golf clothing and equipment, BUT DOES NOT INCLUDE JEWELRY, WATCHES AND EQUIPMENT FOR SALE. Coverage also applies to **YOUR** other clothing while contained in any locker at the premises where **YOU** are playing golf. GOLF BALLS ARE COVERED ONLY FOR LOSS BY FIRE OR BY BURGLARY PROVIDED, IN THE CASE OF BURGLARY, THERE ARE VISIBLE MARKS OF FORCIBLE ENTRY INTO THE BUILDING, ROOM OR LOCKER CONTAINING THE GOLF BALLS.
5. Stamp and Coin Collections: Coverage on postage stamps includes due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property an **INSURED PERSON** owns or controls. This includes the books, pages and mountings.

Coverage on rare and current coins includes medals, paper money, bank notes, tokens or money and other numismatic property an **INSURED PERSON** owns or controls. This includes albums, containers, frames, cards, and display cabinets used with the coin collections.
6. Business Personal Property: This classification includes hand tools and portable power tools owned by an **INSURED PERSON** and used in that person's **BUSINESS**. WE WILL NOT COVER THE FOLLOWING PROPERTY:
(A) SPARE PARTS, UNLESS ATTACHED TO THE COVERED PROPERTY OR SPECIFICALLY DESCRIBED IN THIS ENDORSEMENT;
(B) ELECTRICAL APPLIANCES OR DEVICES, INCLUDING WIRING, DAMAGED DUE TO ELECTRICAL INJURY DISTURBANCES, CAUSED BY ARTIFICIALLY GENERATED ELECTRICAL CURRENTS, UNLESS FIRE FOLLOWS AND THEN ONLY LOSS OR DAMAGE CAUSED BY FIRE IS COVERED.
7. DOUBLE RECOVERY: WE WILL NOT PAY FOR ANY LOSS IF AN **INSURED PERSON** HAS COLLECTED FOR THE SAME LOSS FROM OTHERS.

NEWLY ACQUIRED PROPERTY

THIS PROVISION APPLIES ONLY TO THE JEWELRY, FURS, CAMERAS AND MUSICAL INSTRUMENTS CLASSES WHEN SIMILAR PROPERTY IS ALREADY DESCRIBED AND SCHEDULED IN THIS ENDORSEMENT.

WE WILL ONLY COVER NEWLY ACQUIRED PROPERTY OF AN **INSURED PERSON** FOR ITS ACTUAL VALUE PROVIDED YOU REPORT THE NEWLY ACQUIRED PROPERTY TO US WITHIN 30 DAYS OF ACQUISITION AND PAY THE ADDITIONAL PREMIUM FROM THE DATE ACQUIRED.

COVERAGE FOR EACH CLASS OF PROPERTY TO WHICH THIS PROVISION APPLIES WILL NOT EXCEED 25% OF THE AMOUNT OF INSURANCE FOR THAT CLASS OF PROPERTY OR \$10,000, WHICHEVER IS LESS.

EXCLUSIONS—LOSSES WE DO NOT COVER

1. WE WILL NOT COVER LOSS OR DAMAGE TO THE DESCRIBED PROPERTY CAUSED BY WEAR AND TEAR, GRADUAL DETERIORATION, INSECTS, VERMIN OR INHERENT VICE.
2. WE WILL NOT COVER LOSS OR DAMAGE CAUSED BY NUCLEAR ACTION, MEANING NUCLEAR REACTION, DISCHARGE OR RADIATION OR RADIOACTIVITY, OR ANY CONSEQUENCE OF ANY OF THESE. LOSS BY NUCLEAR ACTION IS NOT CONSIDERED LOSS BY FIRE, EXPLOSION OR SMOKE. DIRECT LOSS BY FIRE RESULTING FROM NUCLEAR ACTION IS COVERED.
3. WE WILL NOT COVER LOSS OR DAMAGE CAUSED BY WAR OR WARLIKE ACTS, INCLUDING INSURRECTION, REBELLION, OR REVOLUTION.
4. If Fine Arts are covered, WE WILL NOT COVER:
 - (A) LOSS OR DAMAGE CAUSED BY ANY REPAIRING, RESTORATION OR RETOUCHING PROCESS;
 - (B) BREAKAGE OF ART GLASS WINDOWS, STATUARY, MARBLES, GLASSWARE, BRIC-A-BRAC, PORCELAINS AND SIMILAR FRAGILE ITEMS, UNLESS CAUSED BY FIRE, LIGHTNING, WINDSTORM, AIRCRAFT, THEFT OR ATTEMPTED THEFT, EARTHQUAKE, FLOOD, EXPLOSION, MALICIOUS DAMAGE, OR COLLISION, DERAILMENT OR OVERTURN OF CONVEYANCE, OR UNLESS COVERAGE FOR BREAKAGE IS INDICATED IN THE SCHEDULE AND AN ADDITIONAL PREMIUM IS PAID;
 - (C) PROPERTY ON EXHIBITION AT FAIR GROUNDS OR ON ANY NATIONAL OR INTERNATIONAL EXPOSITION PREMISES, UNLESS OTHERWISE INDICATED IN THIS ENDORSEMENT.
5. If Sports Equipment, other than golf equipment, is covered, WE WILL NOT COVER LOSS OR DAMAGE CAUSED BY:
 - (A) ANY REFINISHING, RENOVATING OR REPAIRING PROCESS; DAMPNES OR EXTREMES OF TEMPERATURE; OR, RUST FOULING OR EXPLOSION OF FIREARMS;
 - (B) BREAKAGE, MARRING, SCRATCHING, TEARING OR DENTING UNLESS CAUSED BY FIRE, THEFT OR ACCIDENTS TO CONVEYANCES; OR
 - (C) DISHONEST ACTS OF AN **INSURED PERSON'S** EMPLOYEES OR PERSONS TO WHOM THE COVERED PROPERTY MAY BE ENTRUSTED OR RENTED.
6. If Stamp or Coin Collections are covered, WE WILL NOT COVER LOSS OR DAMAGE RESULTING FROM:
 - (A) FADING, CREASING, DENTING, SCRATCHING, TEARING, THINNING, TRANSFER OF COLORS, INHERENT DEFECT, DAMPNES, EXTREMES OF TEMPERATURE, GRADUAL DEPRECIATION, OR DAMAGE SUSTAINED FROM HANDLING OR WHILE BEING ACTUALLY WORKED ON;
 - (B) MYSTERIOUS DISAPPEARANCE OF INDIVIDUAL STAMPS, COINS OR OTHER INDIVIDUAL ITEMS WE COVER UNLESS SPECIFICALLY DESCRIBED WITH A DEFINITE AMOUNT SET OPPOSITE THEIR DESCRIPTION, OR IF

- NOT SPECIFICALLY DESCRIBED, UNLESS MOUNTED IN A VOLUME, AND THE PAGE TO WHICH THEY ARE ATTACHED IS ALSO LOST;
- (C) THEFT FROM ANY UNATTENDED AUTOMOBILE EXCEPT WHILE BEING SHIPPED BY REGISTERED MAIL UNLESS COVERAGE FOR EXTENDED THEFT IS INDICATED IN THE SCHEDULE AND AN ADDITIONAL PREMIUM IS PAID;
 - (D) LOSS TO PROPERTY IN THE CUSTODY OF TRANSPORTATION COMPANIES; NOR SHIPMENTS BY MAIL UNLESS BY REGISTERED MAIL; OR
 - (E) LOSS TO ANY PROPERTY DESCRIBED IN THE SCHEDULE WHICH IS NOT AN ACTUAL PART OF A STAMP, COIN OR NUMISMATIC COLLECTION.
7. If Business Personal Property is covered, **WE WILL NOT COVER LOSS OR DAMAGE RESULTING FROM:**
- (A) FREEZING, CONTAMINATION, DAMPNES OF ATMOSPHERE, EXTREMES OF TEMPERATURES, CORROSION OR RUST;
 - (B) BREAKAGE, MARRING, SCRATCHING, CHIPPING OR DENTING, UNLESS CAUSED BY FIRE, EXPLOSION, THEFT, WINDSTORM, EARTHQUAKE, FLOOD, VANDALISM, MALICIOUS MISCHIEF, OR COLLISION, DERAILMENT OR OVERTURNING OF THE TRANSPORTING CONVEYANCE;
 - (C) DISHONEST ACTS OF AN **INSURED PERSON'S** EMPLOYEES, WHETHER IN THE SCOPE OF EMPLOYMENT OR NOT, OR ANY PERSON TO WHOM THE PROPERTY IS ENTRUSTED (EXCEPT CARRIERS FOR HIRE);
 - (D) MECHANICAL OR STRUCTURAL FAILURE OF TOOLS, OR BREAKDOWN, DEFECT OR FAILURE OF MACHINES OR POWER TOOLS;
 - (E) THEFT OF TOOLS FROM AN UNATTENDED VEHICLE UNLESS THE VEHICLE IS SECURELY CLOSED AND LOCKED AND EVIDENCE OF FORCIBLE ENTRY IS VISIBLE OR THE ENTIRE VEHICLE IS STOLEN OR UNLESS THE INSURED PROPERTY IS IN THE CUSTODY OF A COMMON CARRIER;
 - (F) ANY PROCESS OR SERVICE RESULTING IN SHRINKAGE, CHANGE IN COLOR, FINISH OR OTHER CHANGE IN THE DESCRIBED PROPERTY; OR
 - (G) DISCLOSURE OF ANY INVENTORY SHORTAGE.

HOW WE SETTLE A LOSS

1. UNLESS OTHERWISE PROVIDED IN THIS ENDORSEMENT:
 - (A) THE VALUE OF THE COVERED PROPERTY WILL BE DETERMINED AT THE TIME OF LOSS; AND
 - (B) LOSS OR DAMAGE TO COVERED PERSONAL PROPERTY WILL BE SETTLED ON AN ACTUAL CASH VALUE BASIS. THIS MEANS THERE MAY BE A DEDUCTION FOR DEPRECIATION. PAYMENT WILL NOT EXCEED THE AMOUNT NECESSARY TO REPAIR OR REPLACE THE DAMAGED ITEM(S) WITH PROPERTY OF LIKE KIND AND QUALITY, OR THE AMOUNT OF INSURANCE, WHICHEVER IS LESS.
2. Loss to covered Fine Arts will be settled as follows:
 - (A) **WE WILL PAY THE AMOUNT OF INSURANCE SHOWN FOR EACH DESCRIBED ITEM AND WE AGREE IT IS THE VALUE OF THE ITEM FOR THE PURPOSE OF LOSS SETTLEMENT.**
 - (B) IF THERE IS A LOSS TO A PAIR OR SET, **WE AGREE TO PAY THE AMOUNT OF INSURANCE FOR THE DESCRIBED PAIR OR SET. YOU AGREE TO GIVE US THE REMAINING ITEM OR ITEMS.**
3. Loss to covered Stamps and Coins will be settled as follows:
 - (A) **WE WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE ANY ONE STAMP, COIN OR OTHER INDIVIDUAL ITEM IN CASE OF LOSS OR DAMAGE TO THAT ITEM.**
 - (B) Loss to covered property described as pairs, strips, blocks, series, sheets, covers, frames or cards will be settled as follows:
 - (1) IF THERE IS A TOTAL LOSS, **WE WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE THE ITEM INVOLVED.**

- (2) IF THERE IS A PARTIAL LOSS, WE WILL PAY THE ACTUAL CASH MARKET VALUE OF THE WHOLE SET, LESS THE CASH MARKET VALUE OF THE REMAINDER AT THE TIME OF LOSS, BUT NOT MORE THAN THE AMOUNT OF INSURANCE SET OPPOSITE THE PROPERTY INVOLVED. HOWEVER, IF THE COVERED PROPERTY INVOLVED IS INSURED FOR LESS THAN THE CASH MARKET VALUE, WE WILL ONLY PAY THE PROPORTION THAT THE AMOUNT OF INSURANCE BEARS TO THE CASH MARKET VALUE.
- (C) When coins or stamps are covered on a blanket basis, WE WILL PAY THE CASH MARKET VALUE AT THE TIME OF LOSS NOT EXCEEDING \$1,000 ON ANY UNSCHEDULED NUMISMATIC PROPERTY, AND NOT MORE THAN \$250 FOR ONE STAMP, COIN OR INDIVIDUAL ITEM, OR ANY PAIR, STRIP BLOCK, SERIES, SHEET, COVER, FRAME OR CARD.
- (D) WE WILL NOT PAY FOR A GREATER PROPORTION OF ANY LOSS TO PROPERTY COVERED ON A BLANKET BASIS THAN THE TOTAL AMOUNT OF INSURANCE ON THE PROPERTY BEARS TO THE ACTUAL CASH MARKET VALUE OF THE PROPERTY AT THE TIME OF LOSS.
4. Loss to covered Business Personal Property will be settled as follows:
- (A) WE WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE ANY INDIVIDUAL HAND OR POWER TOOL IN CASE OF LOSS OR DAMAGE TO THAT ITEM.
- (B) SUBJECT TO THE AMOUNT OF INSURANCE, WE will pay for loss to property described as a pair, set or parts as follows:
- (1) WE MAY ELECT TO REPAIR OR REPLACE ANY PART TO RESTORE THE PAIR OR SET TO ITS VALUE BEFORE THE LOSS; OR PAY THE DIFFERENCE BETWEEN THE ACTUAL CASH VALUE OF THE PROPERTY BEFORE AND AFTER THE LOSS.
- (2) IN THE CASE OF A LOSS TO ANY PART OF COVERED PROPERTY, CONSISTING OF SEVERAL PARTS WHEN COMPLETE, WE WILL PAY FOR THE ACTUAL CASH VALUE OF THE PART LOST OR DAMAGED.

POLICY CONDITIONS THAT APPLY

THIS ENDORSEMENT IS SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE POLICY WHICH APPLY TO THE PERSONAL PROPERTY PROTECTION COVERAGE OTHER THAN:

1. Limits of Liability;
2. Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C—F;
3. Deductible;
4. Other Insurance; and
5. Any provisions or conditions that are inconsistent with this endorsement.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

LENDER'S LOSS PAYABLE ENDORSEMENT — APC275 (10-78)

1. Loss or damage, if any, under this policy shall be paid, as provided in this Endorsement, to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage

Endorsement attached to this contract of Insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of Insurance is hereby nullified except Contribution Clauses for the compliance with which the Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Guaranteed Renewal for Claims Endorsement — AP0308

When the Policy Declarations indicates that the Guaranteed Renewal for Claims Endorsement applies, the following provision is added to the General section of the policy:

Guaranteed Renewal for Claims

When this Guaranteed Renewal for Claims provision is part of the policy, any decision by us not to renew or continue the policy will be made without regard to the number of claims reported under the policy. However, nothing in this provision shall limit our right not to renew or continue the policy for any other legally permissible reason(s), including the type(s) of claims reported under the policy.

All other policy terms and conditions apply.

Allstate Property and Casualty Insurance Company

RENEWAL

Homeowners Policy Declarations

Summary

NAMED INSURED(S) David and Pam Gagnon 39010 90th Place Genoa City WI 53128-2402	YOUR ALLSTATE AGENT IS: Michael Koch Ins 612 S Wells, Unit F Lake Geneva WI 53147	CONTACT YOUR AGENT AT: (262) 248-0861
POLICY NUMBER 9 12 697167 10/24	POLICY PERIOD Begins on Oct. 24, 2010 at 12:01 A.M. standard time, with no fixed date of expiration	PREMIUM PERIOD Oct. 24, 2010 to Oct. 24, 2011 at 12:01 A.M. standard time
LOCATION OF PROPERTY INSURED 39010 90th Place, Genoa City, WI 53128-2402		
MORTGAGEE • WELLS FARGO BANK NA 936 ITS SUCCESSORS &/OR ASSIGNS P O Box 100515 Florence SC 29502-0515 Loan # 0254903834		

Total Premium for the Premium Period *(Your bill will be mailed separately)*

Premium for Property Insured	\$565.91
Premium for Scheduled Personal Property Coverage	\$50.00
TOTAL	\$615.91

Your premium reflects the Gold Protection package.

PROP *510004810081053004221003*



Information as of
August 10, 2010

Page 1
W1070R00

Allstate Property and Casualty Insurance Company

Policy Number: **9 12 697167 10/24** Your Agent: **Michael Koch Ins (262) 248-0861**
For Premium Period Beginning: **Oct. 24, 2010**

COVERAGE AND APPLICABLE DEDUCTIBLES

(See Policy for Applicable Terms, Conditions and Exclusions)

LIMITS OF LIABILITY

Dwelling Protection - with Building Structure Reimbursement Extended Limits	\$135,174	
• \$500 All Peril Deductible Applies		
Other Structures Protection	\$60,186	
• \$500 All Peril Deductible Applies		
Personal Property Protection - Reimbursement Provision	\$101,381	
• \$500 All Peril Deductible Applies		
Additional Living Expense	Up To 12 Months	
Family Liability Protection	\$300,000	each occurrence
Guest Medical Protection	\$1,000	each person

DISCOUNTS

Your premium reflects the following discounts on applicable coverage(s):

Protective Device (SPP)	5.00 %	Home and Auto	35.00 %
Protective Device	3.00 %	Claim Free	15.00 %

RATING INFORMATION

The dwelling is of Frame construction and is occupied by 1 family
Your dwelling is 2 mile(s) to the fire department

Allstate Property and Casualty Insurance Company

Policy Number: **9 12 697167 10/24** Your Agent: **Michael Koch Ins (262) 248-0861**
For Premium Period Beginning: **Oct. 24, 2010**

Scheduled Personal Property Coverage

Your policy includes Scheduled Personal Property Coverage. Please refer to the Scheduled Personal Property endorsement (form APC273) for terms, conditions and exclusions applicable to your Scheduled Personal Property Coverage.

PROPERTY CLASS(ES) AND APPLICABLE DEDUCTIBLES	TOTAL OF INDIVIDUAL ITEM LIMITS PER CLASS (See your APC273 for coverage limits applicable for each scheduled item)
Jewelry	\$5,265

Your Policy Documents

Your Homeowners policy consists of this Policy Declarations and the documents listed below. Please keep these together.

- Homeowners Policy form APC268
- Extended Protection Amendatory End. form APC270
- Scheduled Personal Property End. form APC273
- Wisconsin Homeowners Amendatory End. form APC242-2
- Lender's Loss Payable Endorsement form APC275
- Guaranteed Renewal for Claims form APC308

Important Payment and Coverage Information

The Property Insurance Adjustment condition applies.

Do not pay. Mortgagee has been billed.

IN WITNESS WHEREOF, **Allstate Property and Casualty Insurance Company** has caused this policy to be signed by two of its officers at Northbrook, Illinois, and if required by state law, this policy shall not be binding unless countersigned on the Policy Declarations by an authorized agent of **Allstate Property and Casualty Insurance Company**.



Frederick F. Cripe
President



Mary J. McGinn
Secretary

PROP *610004810081053004221004*



Information as of
August 10, 2010

Page 3
WIC70RBD

Allstate Property and Casualty Insurance Company Homeowners Policy

Policy: _____

Issued to: _____

Effective: _____



Allstate Property and Casualty Insurance Company
The Company Named in the Policy Declarations
A Stock Company—Home Office: Northbrook, Illinois 60062

APC268

Table of Contents

Agreements We Make With You.....	2	Fire Department Charges	11
General		Temporary Repairs After A Loss	11
Definitions Used In This Policy	2	Trees, Shrubs, Plants and Lawns	12
Insuring Agreement	4	Temperature Change	12
Conformity To State Statutes	4	Power Interruption	12
Coverage Changes	4	Arson Reward	12
Policy Transfer	4	Collapse	12
Continued Coverage After Your Death	4	Land	13
Cancellation	4	Lock Replacement	13
Misrepresentation, Fraud or Concealment	5		
What Law Will Apply	5	Losses We Do Not Cover Under Coverage A,	
Where Lawsuits May Be Brought	5	Coverage B and Coverage C	13
Action Against Us	6		
Arbitration	6	Section I Conditions	
Section I— Your Property		Deductible	16
Coverage A		Insurable Interest and Our Liability	16
Dwelling Protection		What You Must Do After A Loss	16
Property We Cover Under Coverage A	6	Our Settlement Options	17
Property We Do Not Cover Under		How We Pay For A Loss	17
Coverage A	6	Our Settlement Of Loss	19
Coverage B		Appraisal	19
Other Structures Protection		Abandoned Property	20
Property We Cover Under Coverage B	6	Permission Granted To You	20
Property We Do Not Cover Under		Our Rights To Recover Payment	20
Coverage B	7	Our Rights To Obtain Salvage	20
Losses We Cover Under		Action Against Us	20
Coverages A and B	7	Loss To A Pair Or Set	20
Coverage C		Glass Replacement	20
Personal Property Protection		No Benefit To Bailee	20
Property We Cover Under Coverage C	7	Other Insurance	20
Limitations On Certain Personal Property	7	Property Insurance Adjustment	20
Property We Do Not Cover Under		Mortgagee	21
Coverage C	8	Mold, Fungus, Wet Rot and Dry Rot	
Losses We Cover Under Coverage C	8	Remediation as a Direct Result of a Covered	
Additional Protection		Water Loss	21
Additional Living Expense	10		
Credit Card, Debit Card or Automated Teller		Section II— Family Liability and	
Machine Card, Bank Fund Transfer Card,		Guest Medical Protection	
Check Forgery and Counterfeit Money	10	Coverage X	
Debris Removal	11	Family Liability Protection	
Emergency Removal Of Property	11	Losses We Cover Under Coverage X	22
		Coverage Y	
		Guest Medical Protection	
		Losses We Cover Under Coverage Y	22
		Additional Protection	
		Claim Expense	22
		Emergency First Aid	22

Damage To Property Of Others	23
Losses We Do Not Cover Under Coverage X and Coverage Y	23

Section II Conditions

What You Must Do After An Accidental Loss.....	25
What An Injured Person Must Do — Coverage Y—Guest Medical Protection	26
Our Payment of Loss - Coverage Y— Guest Medical Protection	26
Our Limits Of Liability	26
Bankruptcy	26
Our Rights To Recover Payment— Coverage X—Family Liability Protection	26
Action Against Us.....	26
Other Insurance —Coverage X— Family Liability Protection.....	27

Section III—Optional Protection

Optional Coverages You May Buy

Coverage BC Building Codes	27
Coverage BP Increased Coverage On Business Property	27
Coverage DP Increased Coverage On Electronic Data Processing Equipment	27
Coverage F Fire Department Charges	27
Coverage G Loss Assessments	27
Coverage J Extended Coverage On Jewelry, Watches and Furs	28
Coverage K Incidental Office, Private School Or Studio	28
Coverage M Increased Coverage On Money	29
Coverage P Business Pursuits	29
Coverage S Increased Coverage On Securities.....	29
Coverage SD Satellite Dish Antennas	29
Coverage ST Increased Coverage On Theft Of Silverware	29

Agreements We Make With You

We make the following agreements with you:

General

Definitions Used In This Policy

Throughout this policy, when the following words appear in bold type, they are defined as follows:

1. **Bodily injury** — means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) Herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

In addition, **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**.
2. **Building structure** — means a structure with walls and a roof.
 3. **Business** — means:
 - a) any full- or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**.

However, the mutual exchange of home day care services is not considered a **business**;

- b) the rental or holding for rental of property by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
 - 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to roomers or boarders, provided not more than two roomers or boarders reside on the **residence premises** at any one time; or
 - 3) a portion is rented as a private garage.
- 4. **Dwelling** — means the single family **building structure** identified as the insured property on the Policy Declarations, where **you** reside and which is principally used as a private residence.
- 5. **Insured person(s)** — means **you** and, if a resident of **your** household:
 - a) any relative; and
 - b) any person under the age of 21 in **your** care.

Under **Coverage X — Family Liability Protection** and **Coverage Y — Guest Medical Protection**, **insured person** also means:

- a) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **insured person**. We do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner;
- b) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.
- 6. **Insured premises** — means:
 - a) the **residence premises**; and
 - b) under **Section II** only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds

you acquire for **your** use as a private residence while this policy is in effect;

- 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
- 3) cemetery plots or burial vaults owned by an **insured person**;
- 4) land owned by or rented to an **insured person** where a single family dwelling is being built as that person's residence;
- 5) any premises used by an **insured person** in connection with the **residence premises**;
- 6) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
- 7. **Occurrence** — means 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**.
- 8. **Property damage** — means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
- 9. **Remediation** — means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property we cover under **Coverage A — Dwelling Protection**, **Coverage B — Other Structures Protection** or **Coverage C — Personal Property Protection** damaged by a covered water loss, including payment for any reasonable increase in living expenses necessary to maintain **your** normal standard of living if mold, fungus, wet rot or dry rot makes **your residence premises** uninhabitable. **Remediation** also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.
- 10. **Residence employee** — means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes

similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.

11. **Residence premises** — means the **dwelling**, other structures and land located at the address stated on the Policy Declarations.
12. **We, us or our** — means the company named on the Policy Declarations.
13. **You or your** — means the person listed under Named Insured(s) on the Policy Declarations as the Insured and that person's resident spouse.

Insuring Agreement

In reliance on the information **you** have given **us**, **we** agree to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform **us** of any change in title, use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The Policy Period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

This policy imposes joint obligations on the Named Insured(s) listed on the Policy Declarations as the insured and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

This policy imposes joint obligations on persons defined as an **insured person**. This means that the responsibilities, acts and failures to act of a person defined as an **insured person** will be binding upon another person defined as an **insured person**.

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is

located, the provisions are amended to conform to such statutes.

Coverage Changes

When **we** broaden coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, **we** may adjust **your** coverage and premium accordingly during the premium period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death.
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

Our Right to Cancel:

We may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy

Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason by giving **you** at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk **we** originally accepted.

If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days notice. If the cancellation is for any of the other reasons, **we** will give **you** at least 30 days notice.

Our mailing the notice of cancellation to **you** will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current premium period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the premium period. **Our** mailing the notice of nonrenewal to **you** will be deemed proof of notice.

Misrepresentation, Fraud or Concealment

We may void this policy if it was obtained by misrepresentation, fraud or concealment of material facts. If **we** determine that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or **occurrence** in which any **insured person** has concealed or misrepresented any material fact or circumstance.

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. Subject to the following paragraph, the laws of the state in which the **residence premises** is located shall govern any and all claims or disputes in any way related to this policy.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy happens outside the state in which the **residence premises** is located, claims or disputes regarding that covered loss to property, or any other covered **occurrence** may be governed by the laws of the jurisdiction in which that covered loss to property, or other covered **occurrence** happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

Where Lawsuits May Be Brought

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, 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 policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, 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 the courts specified in this paragraph.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy 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 right to remove a state court lawsuit to a federal court.

Action Against Us

No one may bring an action against us unless there has been full compliance with all policy terms.

Any action against us to which neither the **Action Against Us** provision located in **Section I Conditions** nor the **Action Against Us** provision located in **Section II Conditions** applies must be commenced within one year of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

Arbitration

Any claim or dispute in any way related to this policy, by an **insured person** against us or us against an **insured 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.

Section I—Your Property

Coverage A Dwelling Protection

Property We Cover Under Coverage A:

1. **Your dwelling** including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.
3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

1. Any structure including fences or other property covered under **Coverage B—Other Structures Protection**.
2. Land.
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

Coverage B Other Structures Protection

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. Structures connected to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the **residence premises** for use in connection with structures other than **your dwelling**.

4. Wall-to-wall carpeting fastened to **building structures** on the **residence premises** other than **your dwelling**.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for **business** purposes.
2. Any structure or other property covered under **Coverage A—Dwelling Protection**.
3. Land.
4. Construction materials and supplies at the address of the **residence premises** for use in connection with the **dwelling**.
5. Satellite dish antennas and their systems, whether or not attached to **building structures**.

Losses We Cover Under Coverages A and B:

We will cover sudden and accidental direct physical loss to property described in **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection** except as limited or excluded in this policy.

Coverage C Personal Property Protection

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located away from the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**.
2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be

considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$50— Money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards.
2. \$200— Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$250— Theft of any recording or storage media while such property is away from the **residence premises**, whether or not it is used with electronic data processing equipment or in a **business**. Recording or storage media includes, but is not limited to:
 - a) tapes;
 - b) CDs, DVDs and other discs;
 - c) records;
 - d) disks;
 - e) reels;
 - f) cassettes;
 - g) cartridges; or
 - h) programs.
4. \$500— Theft of tools and their accessories.
5. \$1,000— Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value.
6. \$1,000— Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not

include electronic data processing equipment or the recording or storage media used with that equipment.

7. \$1,000 — Trading cards, subject to a maximum amount of \$250 per card.
8. \$1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
9. \$1,000 — Manuscripts, including documents stored on electronic media.
10. \$1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
11. \$1,000 — Trailers not used with watercraft.
12. \$1,000 — Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
13. \$1,500 — Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a **business**. Recording or storage media will be covered only up to:
 - a) the retail value of the media, if pre-programmed; or
 - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.
14. \$2,000 — Theft of firearms, their related equipment, and accessories.
15. \$2,500 — Motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.

16. \$2,500 — Theft of goldware, silverware, pewterware and platinumware.

Property We Do Not Cover Under Coverage C:

1. Personal property specifically described and insured by this or any other insurance.
2. Animals.
3. Motorized land vehicles, including, but not limited to, any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the disabled or used solely for the service of the **insured premises** and not licensed for use on public roads subject to **Limitations On Certain Personal Property**, item 15.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders, or tenants not related to **you**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. Satellite dish antennas and their systems.

Losses We Cover Under Coverage C:

We will cover sudden and accidental direct physical loss to the property described in **Coverage C — Personal Property Protection**, except as limited or excluded in this policy, caused by:

1. Fire or Lightning.
2. Windstorm or Hail.

We do not cover:

- a) loss to covered property inside a **building structure**, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind

- forces rain, snow, sleet, sand or dust through the damaged roof or wall;
- b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed **building structure**. However, **we** do cover canoes and rowboats on the **residence premises**.

3. Explosion.

4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles.

7. Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

9. Falling objects.

We do not cover loss to personal property inside a **building structure** unless the falling object first damages the exterior walls or roof of the **building structure**.

10. Weight of ice, snow or sleet which causes damage to personal property in a **building structure**, but only if the **building structure** is damaged due to the weight of ice, snow or sleet.

11. Increase or decrease of artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.

12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.

13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

14. Freezing of a plumbing, heating or air conditioning system or a household appliance.

We do not cover loss at the **residence premises** under perils 12), 13), and 14) caused by or resulting from freezing while the **building structure** is vacant, unoccupied or under construction unless **you** have used reasonable care to:

- a) maintain heat in the **building structure**; or
- b) shut off the water supply and drain the water from the systems and appliances.

15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **dwelling** is completed and occupied;

- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
 - d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
 - e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.
16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any **building structure** on the **residence premises**. This does not include damage to the glass.

Additional Protection

1. Additional Living Expense

- a) **We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover under **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection or Coverage C — Personal Property Protection** makes **your residence premises** uninhabitable. However, additional living expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions — Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

Payment for additional living expense as a result of a covered loss under **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection or Coverage C — Personal Property Protection** will be limited to the least of the following:

- 1) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or

- 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere; or
- 3) 12 months.

Additional Living Expense will not exceed the amount indicated on **your** Policy Declarations.

- b) **We** will pay the reasonable and necessary increase in living expenses for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss **we** insure against. However, payments for increase in living expenses due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions — Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. Credit Card, Debit Card or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money

We will pay for loss:

- a) that an **insured person** is legally required to pay for the unauthorized use of any
 - 1) credit card;
 - 2) debit or automated teller machine card;
 - 3) bank fund transfer card;
 - 4) code;
 - 5) account number;
 - 6) personal identification number; or
 - 7) other means of account access
 that can be used, alone or in conjunction with items 1) through 7) above, to obtain money, goods, services, or any other thing

of value, or that can be used to initiate a transfer of funds.

- b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
- c) to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000, regardless of the number of persons involved. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any **business** of an **insured person**;
- b) loss caused by or at the direction of an **insured person** or any other person who has been entrusted with any credit card, debit or automated teller machine card, or bank fund transfer card;
- c) loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give **us** immediate notice. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, the **insured person** must also give immediate notice to the company or bank that issued the card. Failure to comply with the terms and conditions of the card voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

When this coverage applies, **we** will defend any suit brought against an **insured person** for the enforcement of payment that an **insured person** is legally required to make as a result

of the unauthorized use of any credit card, debit or automated teller machine card, or bank fund transfer card issued to or registered in the name of an **insured person**. The defense will be at **our** expense, with counsel of **our** choice.

When this coverage applies, **we** have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment legally required to be made as a result of forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

3. **Debris Removal**

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the Limit Of Liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. **Emergency Removal Of Property**

We will pay for sudden and accidental direct physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. **Fire Department Charges**

We will pay up to \$500 for service charges made by fire departments called to protect **your** property from a loss **we** cover at the **residence premises**. No deductible applies to this protection.

6. **Temporary Repairs After A Loss**

We will reimburse **you** up to \$5,000 for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase

the limit of liability applying to the property being repaired.

7. **Trees, Shrubs, Plants and Lawns**

We will pay up to 5% of the Limit Of Liability shown on the Policy Declarations under **Coverage A — Dwelling Protection** for loss to trees, shrubs, plants and lawns at the address of the **residence premises**. We will not pay more than \$500 for any one tree, shrub, or plant including expenses incurred for removing debris. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the **residence premises**, vandalism or malicious mischief, theft or collapse of a **building structure** or any part of a **building structure**.

We will pay up to \$500 for reasonable expenses you incur for the removal of debris of trees at the address of the **residence premises** for direct physical loss caused by windstorm, hail, or weight of ice, snow or sleet. The fallen tree must have caused damage to property covered under **Coverage A — Dwelling Protection** or **Coverage B — Other Structures Protection**.

We do not cover trees, shrubs, plants, or lawns grown for **business** purposes.

This coverage does not increase the limit of liability applying to the damaged property.

8. **Temperature Change**

We will pay for loss to covered personal property in a **building structure** at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss to the **building structure**.

This coverage does not increase the limit of liability applying to the damaged property.

9. **Power Interruption**

We will pay up to \$500 for loss to the contents of freezers and refrigerated units on the

residence premises caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

This coverage does not increase the limit of liability applying to the damaged property.

10. **Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

11. **Collapse**

We will cover at the **residence premises**:

- a) the entire collapse of a covered **building structure**;
- b) the entire collapse of part of a covered **building structure**; and
- c) direct physical loss to covered property caused by a) or b) above.

For coverage to apply, the collapse of a **building structure** specified in a) or b) above must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss we cover under **Section I, Coverage C — Personal Property Protection**;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain, snow or ice which collects on a roof;
- d) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

Collapse as referenced herein means the covered **building structure** or part of the covered **building structure** has actually fallen down or fallen into pieces unexpectedly and

instantaneously. It does not include settling, cracking, shrinking, bulging, expansion, sagging, or bowing. Furthermore, collapse does not include or mean substantial structural impairment or imminent collapse.

Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, fuel oil tank, septic tank, cistern or similar system, foundation, retaining wall, bulkhead, pier, wharf or dock is not included, unless the loss is a direct result of the collapse of a **building structure** or part of a **building structure** that is a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss **we** cover under **Section I, Coverage C—Personal Property Protection**;
- b) weight of persons, animals, equipment or contents; weight of rain, snow or ice which collects on a roof;
- c) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

This coverage does not increase the limit of liability applying to the covered property.

12. Land

If a sudden and accidental direct physical loss results in both a covered loss to the **dwelling**, other than the breakage of glass or safety glazing material, and a loss of land stability, **we** will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the **dwelling** sustaining the covered loss.

The **Section I—Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C** reference to earth movement does not apply to the loss of land stability provided under this Additional Protection.

13. Lock Replacement

When a key to a lock is stolen as part of a covered theft loss, **we** will pay under **Coverage A—Dwelling Protection** the reasonable expenses **you** incur to replace or re-key exterior door locks at the **residence premises** with locks or cylinders of like kind and quality. The limit of liability under this coverage following any one theft loss is \$500.

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

Losses We Do Not Cover Under

Coverage A, Coverage B and Coverage C

- A. **We** do not cover loss to the property described in **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection** consisting of or caused by the following:

1. Freezing of:
 - a) plumbing, fire protective sprinkler systems, heating or air conditioning systems;
 - b) household appliances; or
 - c) swimming pools, hot tubs and spas within the **dwelling**, their filtration and circulation systems; or discharge, leakage or overflow from within a), b) or c) above, caused by freezing, while the **building structure** is vacant, unoccupied or being constructed unless **you** have used reasonable care to:
 - a) maintain heat in the **building structure**; or
 - b) shut off the water supply and drain the system and appliances.
2. Freezing, thawing, pressure or weight of water, snow or ice, whether driven by wind or not. This exclusion applies to fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves and docks. This exclusion also applies to swimming pools, hot tubs, spas, their filtration and circulation systems if the swimming pool, hot tub or spa is not located within a heated portion of the **dwelling**.

3. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:

- a) from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
- b) from, within or around any plumbing fixtures, including, but not limited to shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.

4. Collapse, except as specifically provided in **Section I—Additional Protection** under item 11, "Collapse."

5. Theft from **your residence premises** while **your dwelling** is under construction, or of materials and supplies for use in construction, until **your dwelling** is completed and occupied.

6. Vandalism or Malicious Mischief if **your dwelling** is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

7. a) wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
- b) mechanical breakdown;
- c) growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
- d) rust or other corrosion;
- e) contamination, including, but not limited to, the presence of toxic, noxious or hazardous gasses, chemicals, liquids, solids or other substances at the **residence premises** or in the air, land or water serving the **residence premises**;
- f) smog, smoke from the manufacturing of any controlled substance,

agricultural smudging and industrial operations;

- g) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
- h) insects, rodents, birds or domestic animals. **We** do cover the breakage of glass or safety glazing materials caused by birds; or
- i) seizure by government authority.

If any of a) through h) cause the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, household appliance or fire protective sprinkler system within **your dwelling**, **we** cover the direct physical damage caused by the water or steam. If loss to covered property is caused by water or steam not otherwise excluded, **we** will cover the cost of tearing out and replacing any part of **your dwelling** necessary to repair the system or appliance. This does not include damage to the defective system or appliance from which the water escaped.

8. Soil conditions, including, but not limited to, corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.

B. **We** do not cover loss to the property described in **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection** when:

- 1) there are two or more causes of loss to the covered property; and
- 2) the predominant cause(s) of loss is (are) excluded under items A.1 through A.8 above.

C. **We** do not cover loss to the property described in **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection** consisting of or caused by the following:

1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.

2. Water or any other substance that:
a) backs up through sewers or drains; or
b) overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

3. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 3 listed above.

4. Earth movement of any type, including, but not limited to, earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

5. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**.

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

6. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.

7. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.

8. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
a) may be reasonably expected to result from such acts; or
b) is the intended result of such acts.

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

9. Weather Conditions that contribute in any way with a cause of loss excluded under **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C** to produce a loss.

10. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
a) planning, zoning, development, surveying, siting;
b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
c) materials used in repair, construction, renovation or remodeling; or
d) maintenance

of property whether on or off the **residence premises** by any person or organization.

11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

D. **We do not cover loss to the property described in Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection when:**

- 1) there are two or more causes of loss to the covered property; and
- 2) the predominant cause(s) of loss is (are) excluded under items C.1. through C.11 above.

E. **We do not cover loss to the property described in Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection consisting of or caused by mold, fungus, wet rot, dry rot or bacteria. This includes any loss which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.**

This exclusion applies regardless of whether mold, fungus, wet rot, dry rot or bacteria arises from any other cause of loss, including but not limited to a loss involving water, water damage or discharge, which may otherwise be covered by this policy, except as specifically provided in **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.**

F. **We do not cover loss to the property described in Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:**

1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

2. War or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

Section I Conditions

1. Deductible

We will pay when a covered loss exceeds the applicable deductible shown on the Policy Declarations. We will then pay only the excess amount, unless we have indicated otherwise in this policy.

2. Insurable Interest and Our Liability

In the event of a covered loss, **we** will not pay for more than an **insured person's** insurable interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. What You Must Do After A Loss

In the event of a loss to any property that may be covered by this policy, **you** must:

- a) immediately give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, give notice to the company or bank that issued the card.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while

you reside elsewhere, and records supporting any claim for loss of rental income.

- f) as often as **we** reasonably require:
- 1) show **us** the damaged property.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the **insured person's** household or others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
- 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;
 - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
 - 4) any other insurance that may cover the loss;
 - 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
 - 6) at **our** request, the specifications of any damaged **building structure** or other structure; and
 - 7) evidence supporting any claim under the Credit Card, Debit or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money protection. State the cause and amount of loss.

We have no duty to provide coverage under this section if **you**, an **insured person**, or a representative of either fail to comply with items a) through g) above, and this failure to comply is prejudicial to **us**.

4. Our Settlement Options

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5 "How We Pay For A Loss."

Within 30 days after **we** receive **your** signed, sworn proof of loss **we** will notify **you** of the option or options **we** intend to exercise.

5. How We Pay For A Loss

Under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** and **Coverage C—Personal Property Protection**, payment for covered loss will be by one or more of the following methods:

- a) Special Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection**, without deduction for depreciation, is less than \$2,500 and if the property is not excluded from the Building Structure Reimbursement provision, or;
 - 2) the whole amount of loss for property covered under **Coverage C—Personal Property Protection**, without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.
- b) Actual Cash Value. If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the Limit Of Liability shown on the Policy Declarations for the coverage that applies to the damaged,

destroyed or stolen property, regardless of the number of items involved in the loss.

You may make claim for additional payment as described in paragraph c) and paragraph d) below, if applicable, if you repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.

- c) **Building Structure Reimbursement. Under Coverage A—Dwelling Protection and Coverage B—Other Structures Protection, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered property within 180 days of the actual cash value payment. This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a building structure damaged by a covered loss. This additional payment shall not include any amounts which may be paid or payable under Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss, and shall not be payable for any losses excluded in Section I—Your Property, under Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, section E.**

Building Structure Reimbursement will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the **building structure(s)** for equivalent construction for similar use on the same **residence premises**;
- 2) the amount actually and necessarily spent to repair or replace the damaged **building structure(s)** with equivalent construction for similar

use on the same **residence premises**; or

- 3) the Limit Of Liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A—Dwelling Protection or Coverage B—Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

If you replace the damaged **building structure(s)** at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Reimbursement described above. The amount payable under Building Structure Reimbursement described above does not include the value of any land associated with the replacement structure(s).

Building Structure Reimbursement payment will be limited to the difference between any actual cash value payment made for the covered loss to **building structures** and the smallest of 1), 2) or 3) above.

Building Structure Reimbursement will not apply to:

- 1) property covered under **Coverage C—Personal Property Protection**;
- 2) property covered under **Coverage B—Other Structures Protection** that is not a **building structure**;
- 3) wall-to-wall carpeting, fences, awnings and outdoor antennas whether or not fastened to a **building structure**; or
- 4) land.

Payment under a), b), or c) above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction,

maintenance, repair, relocation or demolition of **building structures** or other structures.

- d) **Personal Property Reimbursement.** Under **Coverage C—Personal Property Protection**, we will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the Limit Of Liability shown on the Policy Declarations for **Coverage C—Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs and collector's items;

- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss; or
- 5) motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless some other person or entity is named in the policy. **We** will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

7. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us** the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. Abandoned Property

We are not obligated to accept any property or responsibility for any property abandoned by an insured person.

9. Permission Granted To You

- a) The residence premises may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A building structure under construction is not considered vacant.
- b) You may make alterations, additions or repairs, and you may complete structures under construction.

10. Our Rights To Recover Payment

When we pay for any loss, an insured person's right to recover from anyone else becomes ours up to the amount we have paid. An insured person must protect these rights and help us enforce them. You may waive your rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of the loss.

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 no 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. An insured 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.

12. Action Against Us

No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which Section I Conditions applies, unless:

- a) there has been full compliance with all policy terms; and
- b) the action is commenced within one year after the inception of loss or damage.

13. Loss To A Pair Or Set

If there is a covered loss to a pair or set, we may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.

14. Glass Replacement

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. No Benefit To Bailee

This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.

16. Other Insurance

If both this insurance and other insurance apply to a loss, we will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

17. Property Insurance Adjustment

When the Policy Declarations indicates that the Property Insurance Adjustment Condition applies, you agree that, at each policy anniversary, we may increase the Limit of Liability shown on the Policy Declarations for Coverage A—Dwelling Protection to reflect one of the following:

- a) the rate of change in the Index identified in the * Important Payment and Coverage

Page 20 of 29

Information" section of the Policy Declarations. The limit of liability for **Coverage A—Dwelling Protection** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1000; or

b) the minimum amount of insurance coverage **we** are willing to issue for the succeeding premium period under **Coverage A—Dwelling Protection** for **your dwelling** and other property **we** cover under **Coverage A—Dwelling Protection**.

Any adjustment in the limit of liability for **Coverage A—Dwelling Protection** will result in an adjustment in the limit of liability for **Coverage B—Other Structures Protection** and **Coverage C—Personal Property Protection** in accordance with **our** manual of Rules and Rates.

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

We will not reduce the limit of liability shown on the Policy Declarations without **your** consent. **You** agree that it is **your** responsibility to ensure that each of the limits of liability shown on the Policy Declarations are appropriate for **your** insurance needs. If **you** want to increase or decrease any of the limits of liability shown on the Policy Declarations, **you** must contact **us** to request such a change.

18. Mortgagee

A covered loss will be payable to the Mortgagee(s) named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered **building structure** in the event of an increase in hazard, intentional or criminal acts of, or directed by, an **insured person**, failure by any **insured person** to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if **we** cancel this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;
- b) pay upon demand any premium due if an **insured person** fails to do so;
- c) notify **us** in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give **us** the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at **our** option, permit **us** to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgagee interest provision shall apply to any trustee or loss payee or other secured party.

19. Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss

In the event of a covered water loss under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures Protection** or **Coverage C—Personal Property Protection**, **we** will pay up to \$5,000 for mold, fungus, wet rot or dry rot remediation.

Remediation means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property **we** cover under **Coverage A—Dwelling Protection**, **Coverage B—Other Structures**

Protection or Coverage C—Personal Property Protection damaged by a covered water loss, including payment for any reasonable increase in living expenses necessary to maintain your normal standard of living if mold, fungus, wet rot or dry rot makes your residence premises uninhabitable. **Remediation** also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.

This Condition does not increase the limits of liability under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection.**

Section II—Family Liability and Guest Medical Protection

Coverage X Family Liability Protection

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, we will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising from an **occurrence** to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, we will provide a defense with counsel of our choice, even if the allegations are groundless, false or fraudulent. We are not obligated to defend any suit or pay any claim or judgment after we have exhausted our limit of liability.

Coverage Y Guest Medical Protection

Losses We Cover Under Coverage Y:

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses,

hearing aids, and pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an **occurrence** causing **bodily injury** to which this policy applies, and is covered by this part of the policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on the **insured premises** with the permission of an **insured person**; or
2. off the **insured premises**, if the **bodily injury**:
 - a) arises out of a condition on the **insured premises** or immediately adjoining ways;
 - b) is caused by the activities of an **insured person** or a **residence employee**;
 - c) is caused by an animal owned by or in the care of an **insured person**; or
 - d) is sustained by a **residence employee**.

Additional Protection

We will pay, in addition to the limits of liability:

1. Claim Expense

We will pay:

- a) all costs we incur in the settlement of any claim or the defense of any suit against an **insured person**;
- b) interest accruing on damages awarded until such time as we have paid, formally offered, or deposited in court the amount for which we are liable under this policy; interest will be paid only on damages which do not exceed our limits of liability;
- c) premiums on bonds required in any suit we defend; we will not pay bond premiums in an amount that is more than our limit of liability; we have no obligation to apply for or furnish bonds;
- d) up to \$150 per day for loss of wages and salary, when we ask you to attend trials and hearings;
- e) any other reasonable expenses incurred by an **insured person** at our request.

2. Emergency First Aid

We will pay reasonable expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

3. **Damage To Property Of Others**

At your request, we will pay up to \$500 each time an **insured person** causes **property damage** to someone else's property. At our option, we will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

We will not pay for property damage:

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in your household; or
- d) arising out of:
 - 1) past or present **business** activities;
 - 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft, hovercraft or watercraft.

Losses We Do Not Cover Under Coverage X and Coverage Y

A. Losses We Do Not Cover Under Coverage X:

1. **We do not cover bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** whenever any benefit of this coverage would accrue directly or indirectly to an **insured person**.
2. **We do not cover any property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
3. **We do not cover any bodily injury or property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting

of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

4. **We do not cover any liability an insured person** assumes arising out of any contract or agreement.
5. **We do not cover property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.
6. **We do not cover any liability imposed upon any insured 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 mold, fungus, wet rot, dry rot or bacteria.

B. Losses We Do Not Cover Under Coverage Y:

1. **We do not cover bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
2. **We do not cover bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.

C. Losses We Do Not Cover Under Coverage X and Coverage Y:

Coverage under **Coverage X—Family Liability Protection** will be excluded for **bodily injury** and **property damage** and coverage under **Coverage Y—Guest Medical Protection** will be excluded for **bodily injury** as follows:

1. **We do not cover any bodily injury or property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or

omissions of, any **insured person**. This exclusion applies even if:

- a) such **insured person** lacks the mental capacity to govern his or her conduct;
- b) such **bodily injury or property damage** is of a different kind or degree than intended or reasonably expected; or
- c) such **bodily injury or property damage** is sustained by a different person than intended or reasonably expected.

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

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

3. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

4. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:

- a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is

being used away from an **insured premises**;

- c) a motorized wheel chair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements under 40 horsepower;
- h) **bodily injury** to a **residence employee**.

5. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:

- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
- b) is a sailing vessel 26 feet or more in length;
- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

6. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of hovercrafts. This exclusion does not

apply to **bodily injury** to a **residence employee**.

7. We do not cover **bodily injury** or **property damage** arising out of:
- a) the negligent supervision by any **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, hovercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. We do not cover any **bodily injury** 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.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. We do not cover **bodily injury** or **property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.

10. We do not cover **bodily injury** or **property damage** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age who is self-employed and has no employees.

11. We do not cover **bodily injury** or **property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This

exclusion does not apply to **bodily injury** to a **residence employee**.

12. We do not cover **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

13. We do not cover **bodily injury** or **property damage** caused by war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

Section II Conditions

1. What You Must Do After An Accidental Loss

In the event of **bodily injury** or **property damage**, you must do the following:

- a) Promptly notify us or our agent stating:
 - 1) your name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an **insured person**;
 - 4) the names and addresses of any witnesses.
- b) Promptly send us any legal papers relating to the accident.
- c) At our request, an **insured person** will:
 - 1) cooperate with us and assist us in any matter concerning a claim or suit;
 - 2) help us enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - 3) attend any hearing or trial.
- d) Under the **Damage To Property Of Others** protection, give us a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show us any damaged property under that person's control.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others

at the time of the loss as provided for in this policy.

2. What An Injured Person Must Do —Coverage Y—Guest Medical Protection

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give **us** written proof of the loss. If **we** request, this must be done under oath.
- b) Give **us** written authorization to obtain copies of all medical records and reports.
- c) Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

3. Our Payment Of Loss —Coverage Y—Guest Medical Protection

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

4. Our Limits Of Liability

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under **Coverage X—Family Liability Protection** for damages resulting from one **occurrence** will not exceed the Limit Of Liability shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to the same general conditions is considered the result of one **occurrence**. **Our** total liability under **Coverage Y—Guest Medical Protection** for all medical expenses payable for **bodily injury**, to any one person, shall not exceed the "each person" Limit Of Liability shown on the Policy Declarations.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

6. Our Rights to Recover Payment —Coverage X—Family Liability Protection

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes

ours up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them.

7. Action Against Us

- a) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.
- b) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Coverage X—Family Liability Protection**, unless the obligation of an **insured person** to pay has been finally determined either by judgment against the **insured person** after actual trial, or by written agreement of the **insured person**, injured person and **us**, and the action against **us** is commenced within one year of such judgment or agreement.
- c) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Coverage Y—Guest Medical Protection**, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
- d) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Section II—Additional Protection**, unless such action is commenced within one year after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred, or within one year after the date of loss to the property if coverage is being sought under the **Damage to Property of Others** provision.
- e) No one shall have any right to make **us** a party to an action to determine the liability of an **insured person**.

8. **Other Insurance — Coverage X — Family Liability Protection**

This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III — Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

1. **Coverage BC
Building Codes**

We will pay up to 10% of the amount of insurance on the Policy Declarations under **Coverage A — Dwelling Protection** to comply with local building codes after a covered loss to the **dwelling** or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair or demolition of the **dwelling**.

2. **Coverage BP
Increased Coverage On Business Property**

The limitation on **business** property located on the **residence premises**, under **Coverage C — Personal Property Protection**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is on the **residence premises**.

3. **Coverage DP
Increased Coverage On Electronic Data Processing Equipment**

The limitation on electronic data processing equipment under **Coverage C — Personal Property Protection**, and the recording or storage media used with that equipment, is

increased to the amount shown on the Policy Declarations.

4. **Coverage F
Fire Department Charges**

The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

5. **Coverage G
Loss Assessments**

If your **residence premises** includes a **building structure** which is constructed in common with one or more similar buildings, and you are a member of, and subject to the rules of, an association governing the areas held in common by all building owners as members of the association, the **insured premises** means the **building structure** occupied exclusively by your household as a private residence, including the grounds, related structures and private approaches to them.

We will pay your share of any special assessments charged against all building owners by the association up to the Limit Of Liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) sudden and accidental direct physical loss to the property held in common by all building owners caused by a loss we cover under **Section I** of this policy; or
- b) **bodily injury** or **property damage** covered under **Section II** of this policy.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

We will pay only when the assessment levied against the **insured person**, as a result of any one loss, for **bodily injury** or **property damage** exceeds \$250 and then only for the amount of such excess. This coverage is not subject to any deductible applying to **Section I** of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to **Sections I and II** of this policy and the **Section I and II Conditions**, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

6. Coverage J

Extended Coverage On Jewelry, Watches and Furs

Coverage C—Personal Property Protection is extended to pay for sudden and accidental direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Coverage C—Personal Property Protection**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke. We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.
- d) war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

- e) failure by any **insured person** to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss we cover.

Any deductible shown on the Policy Declarations applicable to **Coverage C—Personal Property Protection**, also applies to a loss under this coverage.

7. Coverage K

Incidental Office, Private School Or Studio

- a) The limits applying to property used or intended for use in a **business** under **Coverage C—Personal Property Protection** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The **Coverage K** limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The second limit applies to property while away from the **residence premises**. These limits are not in addition to **Coverage C—Personal Property Protection, Limitations On Certain Personal Property** on property used or intended for use in a **business**. The increased coverage does not include property held for sample, sale or delivery after sale.

- b) **Coverage X—Family Liability Protection** and **Coverage Y—Guest Medical Protection** are extended to cover a described office, private school or studio occupied by an **insured person**. The occupancy of the described property shall not be considered a **business**.

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

- a) any employee other than a **residence employee**; or

- b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

8. **Coverage M**

Increased Coverage On Money

The limitation on money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards under **Coverage C—Personal Property Protection** is increased to the amount shown on the Policy Declarations.

9. **Coverage P**

Business Pursuits

Coverage X—Family Liability Protection and **Coverage Y—Guest Medical Protection** are extended to cover specified **business** pursuits of an **insured person**.

We do not cover:

- a) **bodily injury or property damage** arising out of the **business** pursuits of an **insured person** when the **business** is owned or financially controlled by the **insured person**. This also means a partnership or joint venture of which an **insured person** is a partner or member;
- b) **bodily injury or property damage** arising out of the rendering of or failure to render a professional service of any nature, other than teaching;
- c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
- d) **bodily injury or property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury or property damage** arises out of the maintenance or use of saddle animals, vehicles used with

saddle animals, motorized land vehicles, hovercrafts, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or

- e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction.

10. **Coverage S**

Increased Coverage On Securities

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property, covered under **Coverage C—Personal Property Protection**, is increased to the amount shown on the Policy Declarations.

11. **Coverage SD**

Satellite Dish Antennas

Coverage C—Personal Property Protection is extended to pay for sudden and accidental direct physical loss to satellite dish antennas and their systems on **your residence premises**, subject to the provisions of **Coverage C—Personal Property Protection**.

The amount of coverage is shown on the Policy Declarations.

12. **Coverage ST**

Increased Coverage On Theft Of Silverware

The limitation on theft of goldware, silverware, pewterware and platinumware under **Coverage C—Personal Property Protection** is increased to the amount shown on the Policy Declarations.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Wisconsin Homeowners

Amendatory Endorsement — APC242-2

This endorsement amends your Homeowners Policy and is in addition to all other amendatory endorsements which apply to this policy.

I. In the **General** section, the following changes are made:

A. The **Cancellation** provision is replaced by the following:

Cancellation

Your Right to Cancel:

You may cancel this policy by returning it to **us** or by notifying **us** in writing of the future date **you** wish to stop coverage.

Our Right to Cancel:

Allstate may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason.

When this policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts; or
- 3) there has been substantial change or increase in hazard in the risk **we** originally accepted.

If **we** cancel this policy, **we** will give **you** at least 10 days notice before the cancellation takes effect. **Our** mailing the notice of cancellation to **you** will be deemed to be proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

B. **Our Right Not to Renew or Continue** is replaced by the following:

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current premium period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 60 days before the end of the premium period. **Our** mailing notice of non-renewal to **you** will be deemed proof of notice.

Any unearned premium amounts under \$2.00 will be refunded only upon **your** request.

C. **Misrepresentation, Fraud or Concealment** is replaced by the following:

If **we** determine that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or occurrence in which any **insured person** has concealed or misrepresented any material fact or circumstance and

1. **we** rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
2. the fact misrepresented or falsely warranted contributes to the loss.

D. **Action Against Us** is replaced by the following:

No one may bring an action against us unless there has been full compliance with all policy terms.

E. The following provision is added:

Conditional Reinstatement

If **we** mail a cancellation notice because **you** did not pay the required premium when due and **you** then tender payment by check, draft, or other remittance which is not honored upon presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates coverage is void. This means that **We** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

II. In **Section I – Your Property**, the following changes are made:

A. Under **Losses We Cover Under Coverage C**, item 8 is replaced with the following:

8. **Vandalism or Malicious Mischief.**

We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 60 days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

B. In **Additional Protection – Additional Living Expense** is replaced by the following:

Additional Living Expense

We will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss **we** insure against. However, payments for increase in living expenses or **your** lost fair rental income expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions – Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.**

We will pay **your** lost fair rental income resulting from a covered loss under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection**, less charges and expenses which do not continue, when a loss we cover under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection** makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. We will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months. However, payments for **your** lost fair rental income expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

- C. In **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C**, under Section A, item 6, is replaced by the following:

6. Vandalism or Malicious Mischief if **your dwelling** is vacant or unoccupied for more than 60 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

- D. In **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C**, under Section C, item 5, the following exception is added:

This exclusion does not apply when the **residence premises** is partially destroyed but ordered destroyed by fire ordinance or similar law.

- E. In **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C**, under section C, item 8, is replaced by the following:

8. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
a) may be reasonably expected to result from such acts; or
b) is the intended result of such acts.

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

We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

- F. In **Section I Conditions**, under **How We Pay For A Loss** provision, the following is added:

We agree that in the event of a total loss we will pay the limit of liability shown on the Policy Declarations for **Coverage A—Dwelling Protection**. This limit represents the total value of the **dwelling** on the **residence premises**, including structures attached to the **dwelling**.

G. In **Section I Conditions**, the following changes are made:

1. The **Our Settlement of Loss** provision is replaced by the following:

Our Settlement of Loss

We will settle any covered loss with **you**. **We** will settle with **you** unless another payee is named in the policy. **We** will settle within 30 days after the amount of loss is finally determined. This amount may be determined by an agreement among **you**, any other payee or entity named in the policy and **us**, an appraisal award or a court judgment.

2. In **Action Against Us**, paragraph b. is deleted.

III. In **Section II – Family Liability and Guest Medical Protection**, the following changes are made:

- A. In **Losses We Do Not Cover Under Coverage X**, the second paragraph is amended as follows:

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted **our** limit of liability.

- B. In **Losses We Do Not Cover Under Coverage X and Coverage Y**, Section C, **Losses We Do Not Cover Under Coverage X and Coverage Y**, the following is added to item 1.:

We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

- C. In **Section II Conditions**, subsection (a) is replaced by the following to the **What You Must Do After An Accidental Loss** provision:

a) within 20 days following the loss, notify **us** or our agent in writing, stating:

- 1) **your** name and policy number;
- 2) the date, the place and the circumstance of the loss;
- 3) the name and address of anyone who might have a claim against an **insured person**;
- 4) the names and addresses of any witnesses.

Failure to give such notice within 20 days will not invalidate any claim made by an **insured person** if:

- 1) that person can show it was not reasonably possible to notify **us** or **our** agent within the specified time; or
- 2) that such notice was given as soon as reasonably possible.

- D. The **Action Against Us** provision is replaced by the following:

No one may bring an action against **us** unless there has been full compliance with all policy terms.

IV. In **Section II — Optional Protection**, the **Coverage J — Extended Coverage on Jewelry, Watches and Furs**, the following provision is added to the third paragraph that begins, "We do not cover loss caused by or consisting of"

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.

We will not deny payment to an insured for a claim based on property loss or damage resulting from an act, or pattern, of abuse or domestic abuse if that insured did not cooperate in or contribute to the creation of the loss or damage and if the person who committed the act or act that caused the loss or damage is criminally prosecuted for the act or acts.

Payment to the innocent insured may be limited in accordance with his or her ownership interest in the property or reduced by payments to a mortgagee or other holder of a secured interest.

All other policy terms and conditions apply.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Extended Protection

Amendatory Endorsement — APC270

I. In Section I—Your Property, Coverage C—Personal Property Protection is revised as follows:

A. In Property We Cover Under Coverage C, item 1. is replaced by the following:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there, personal property in use at a temporary residence when a direct physical loss **we** cover makes **your residence premises** uninhabitable, or to personal property in student dormitory, fraternity or sorority housing.

B. The **Limitations On Certain Personal Property** provision is replaced by the following:

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$200— Money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards.
2. \$200— Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$500— Theft of any recording or storage media while such property is away from the **residence premises**, whether or not it is used with electronic data processing equipment or in a **business**. Recording or storage media includes, but is not limited to:
 - a) tapes;
 - b) CDs, DVDs and other discs;
 - c) records;
 - d) disks;
 - e) reels;
 - f) cassettes;
 - g) cartridges; or
 - h) programs.

4. \$1,000— Trading cards, subject to a maximum amount of \$250 per card.
5. \$1,000— Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
6. \$1,000— Manuscripts, including documents stored on electronic media.
7. \$1,000— Trailers not used with watercraft.
8. \$2,000 - Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
9. \$2,000— Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
10. \$2,000— Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
11. \$10,000— Motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.
12. \$3,000— Theft of firearms, their related equipment, and accessories.
13. \$5,000— Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value, subject to a maximum amount of \$1,000 per item.
14. \$2,500— Theft of goldware, silverware, pewterware and platinumware.
15. \$10,000— Theft of tools and their accessories.

II. In Section I—Your Property, **Additional Protection** is revised as follows:

A. Item 1. **Additional Living Expense** is replaced by the following:

1. **Additional Living Expense**

- a) We will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C Personal Property Protection** makes **your residence premises** uninhabitable. However, additional living expense due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

Payment for additional living expense as a result of a covered loss under **Coverage A—Dwelling Protection, Coverage B—Other Structures Protection or Coverage C—Personal Property Protection** will be limited to the least of the following:

- 1) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere; or
 - 3) 12 months.
- b) **We** will pay the reasonable and necessary increase in living expenses for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a loss **we** insure against. However, payments for increase in living expenses due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I, Conditions—Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

B. Item 9. **Power Interruption** is replaced by the following:

9. **Power Interruption**

We will pay for loss to the contents of freezers and refrigerated units on the **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

This coverage does not increase the limit of liability applying to the damaged property.

III. **Building Structure Reimbursement Extended Limits**

In **Section I—Conditions**, item 5., **How We Pay For A Loss**, under c) Building Structure Reimbursement **we** will replace item 3) if, at the time of the loss, **you** have met the following conditions:

- A. Insure **your dwelling**, attached structures and detached **building structures** to 100% of replacement cost as determined by **our** estimate completed and based on the accuracy of information **you** furnished;
- B. Have accepted the Property Insurance Adjustment Condition, agree to accept each annual adjustment in the **Coverage A—Dwelling Protection** limit of liability, and pay any additional premium charged; and
- C. Notify **us** within 60 days of the start of any modifications that increase the aggregate value of **your dwelling**, attached structures and detached **building structures** at the **residence premises** by \$5,000 or more, and pay any resulting additional premium due for the increase in value.

If, at the time of a covered loss, **you** meet all of the conditions in A., B., and C. above, then in **Section I—Conditions**, item 5., **How We Pay For A Loss**, under c) Building Structure Reimbursement, item 3) is replaced with:

- 3) 120% of the Limit Of Liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

If, at the time of a covered loss, **you** fail to meet any of the conditions in A., B., and C. above, then in **Section I—Conditions**, item 5., **How We Pay For A Loss**, under c) Building Structure Reimbursement, item 3) remains:

- 3) the Limit Of Liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

IV. In **Section II—Family Liability and Guest Medical Protection**, under **Additional Protection**, item 3 is replaced by the following:

3. **Damage To Property Of Others**

At **your** request, **we** will pay up to \$1,000 each time an **insured person** causes **property damage** to someone else's property. At **our** option, **we** will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

We will not pay for **property damage**:

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in **your** household; or
- d) arising out of:
 - 1) past or present **business** activities;
 - 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft, hovercraft or watercraft.

All other policy terms and conditions apply.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Scheduled Personal Property Endorsement — APC273

WHERE COVERAGE APPLIES

WE will cover the described property anywhere in the world. HOWEVER, COVERAGE ON FINE ARTS, FIREARMS AND BUSINESS PERSONAL PROPERTY IS LIMITED TO WITHIN THE UNITED STATES OF AMERICA AND CANADA.

SPECIAL PROVISIONS AND CONDITIONS:

1. Musical Instruments: **YOU** agree that none of the musical instruments covered will be played for remuneration unless this is indicated in the schedule and an additional premium paid.
2. Silverware: This classification includes silverware, silver-platedware, goldware, gold-platedware and pewterware. IT DOES NOT INCLUDE PENS, PENCILS, FLASKS, SMOKING IMPLEMENTS OR ACCESSORIES, OR ITEMS OF JEWELRY.
3. Fine Arts: **YOU** agree that covered fine arts will be packed and unpacked by competent packers.
4. Golfer's Equipment: Coverage on golfer's equipment owned by an **INSURED PERSON** includes golf clubs, golf clothing and equipment, BUT DOES NOT INCLUDE JEWELRY, WATCHES AND EQUIPMENT FOR SALE. Coverage also applies to **YOUR** other clothing while contained in any locker at the premises where **YOU** are playing golf. GOLF BALLS ARE COVERED ONLY FOR LOSS BY FIRE OR BY BURGLARY PROVIDED, IN THE CASE OF BURGLARY, THERE ARE VISIBLE MARKS OF FORCIBLE ENTRY INTO THE BUILDING, ROOM OR LOCKER CONTAINING THE GOLF BALLS.
5. Stamp and Coin Collections: Coverage on postage stamps includes due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property an **INSURED PERSON** owns or controls. This includes the books, pages and mountings.

Coverage on rare and current coins includes medals, paper money, bank notes, tokens or money and other numismatic property an **INSURED PERSON** owns or controls. This includes albums, containers, frames, cards, and display cabinets used with the coin collections.
6. Business Personal Property: This classification includes hand tools and portable power tools owned by an **INSURED PERSON** and used in that person's **BUSINESS**. WE WILL NOT COVER THE FOLLOWING PROPERTY:
 - (A) SPARE PARTS, UNLESS ATTACHED TO THE COVERED PROPERTY OR SPECIFICALLY DESCRIBED IN THIS ENDORSEMENT;
 - (B) ELECTRICAL APPLIANCES OR DEVICES, INCLUDING WIRING, DAMAGED DUE TO ELECTRICAL INJURY DISTURBANCES, CAUSED BY ARTIFICIALLY GENERATED ELECTRICAL CURRENTS, UNLESS FIRE FOLLOWS AND THEN ONLY LOSS OR DAMAGE CAUSED BY FIRE IS COVERED.
7. DOUBLE RECOVERY: WE WILL NOT PAY FOR ANY LOSS IF AN **INSURED PERSON** HAS COLLECTED FOR THE SAME LOSS FROM OTHERS.

NEWLY ACQUIRED PROPERTY

THIS PROVISION APPLIES ONLY TO THE JEWELRY, FURS, CAMERAS AND MUSICAL INSTRUMENTS CLASSES WHEN SIMILAR PROPERTY IS ALREADY DESCRIBED AND SCHEDULED IN THIS ENDORSEMENT.

WE WILL ONLY COVER NEWLY ACQUIRED PROPERTY OF AN **INSURED PERSON** FOR ITS ACTUAL VALUE PROVIDED **YOU** REPORT THE NEWLY ACQUIRED PROPERTY TO **US** WITHIN 30 DAYS OF ACQUISITION AND PAY THE ADDITIONAL PREMIUM FROM THE DATE ACQUIRED.

COVERAGE FOR EACH CLASS OF PROPERTY TO WHICH THIS PROVISION APPLIES WILL NOT EXCEED 25% OF THE AMOUNT OF INSURANCE FOR THAT CLASS OF PROPERTY OR \$10,000, WHICHEVER IS LESS.

EXCLUSIONS—LOSSES WE DO NOT COVER

1. **WE** WILL NOT COVER LOSS OR DAMAGE TO THE DESCRIBED PROPERTY CAUSED BY WEAR AND TEAR, GRADUAL DETERIORATION, INSECTS, VERMIN OR INHERENT VICE.
2. **WE** WILL NOT COVER LOSS OR DAMAGE CAUSED BY NUCLEAR ACTION, MEANING NUCLEAR REACTION, DISCHARGE OR RADIATION OR RADIOACTIVITY, OR ANY CONSEQUENCE OF ANY OF THESE. LOSS BY NUCLEAR ACTION IS NOT CONSIDERED LOSS BY FIRE, EXPLOSION OR SMOKE. DIRECT LOSS BY FIRE RESULTING FROM NUCLEAR ACTION IS COVERED.
3. **WE** WILL NOT COVER LOSS OR DAMAGE CAUSED BY WAR OR WARLIKE ACTS, INCLUDING INSURRECTION, REBELLION, OR REVOLUTION.
4. If Fine Arts are covered, **WE** WILL NOT COVER:
 - (A) LOSS OR DAMAGE CAUSED BY ANY REPAIRING, RESTORATION OR RETOUCHING PROCESS;
 - (B) BREAKAGE OF ART GLASS WINDOWS, STATUARY, MARBLES, GLASSWARE, BRIC-A-BRAC, PORCELAINS AND SIMILAR FRAGILE ITEMS, UNLESS CAUSED BY FIRE, LIGHTNING, WINDSTORM, AIRCRAFT, THEFT OR ATTEMPTED THEFT, EARTHQUAKE, FLOOD, EXPLOSION, MALICIOUS DAMAGE, OR COLLISION, DERAILMENT OR OVERTURN OF CONVEYANCE, OR UNLESS COVERAGE FOR BREAKAGE IS INDICATED IN THE SCHEDULE AND AN ADDITIONAL PREMIUM IS PAID;
 - (C) PROPERTY ON EXHIBITION AT FAIR GROUNDS OR ON ANY NATIONAL OR INTERNATIONAL EXPOSITION PREMISES, UNLESS OTHERWISE INDICATED IN THIS ENDORSEMENT.
5. If Sports Equipment, other than golf equipment, is covered, **WE** WILL NOT COVER LOSS OR DAMAGE CAUSED BY:
 - (A) ANY REFINISHING, RENOVATING OR REPAIRING PROCESS; DAMPNES OR EXTREMES OF TEMPERATURE; OR, RUST FOULING OR EXPLOSION OF FIREARMS;
 - (B) BREAKAGE, MARRING, SCRATCHING, TEARING OR DENTING UNLESS CAUSED BY FIRE, THEFT OR ACCIDENTS TO CONVEYANCES; OR
 - (C) DISHONEST ACTS OF AN **INSURED PERSON'S** EMPLOYEES OR PERSONS TO WHOM THE COVERED PROPERTY MAY BE ENTRUSTED OR RENTED.
6. If Stamp or Coin Collections are covered, **WE** WILL NOT COVER LOSS OR DAMAGE RESULTING FROM:
 - (A) FADING, CREASING, DENTING, SCRATCHING, TEARING, THINNING, TRANSFER OF COLORS, INHERENT DEFECT, DAMPNES, EXTREMES OF TEMPERATURE, GRADUAL DEPRECIATION, OR DAMAGE SUSTAINED FROM HANDLING OR WHILE BEING ACTUALLY WORKED ON;
 - (B) MYSTERIOUS DISAPPEARANCE OF INDIVIDUAL STAMPS, COINS OR OTHER INDIVIDUAL ITEMS **WE** COVER UNLESS SPECIFICALLY DESCRIBED WITH A DEFINITE AMOUNT SET OPPOSITE THEIR DESCRIPTION, OR IF

NOT SPECIFICALLY DESCRIBED, UNLESS MOUNTED IN A VOLUME, AND THE PAGE TO WHICH THEY ARE ATTACHED IS ALSO LOST;

- (C) THEFT FROM ANY UNATTENDED AUTOMOBILE EXCEPT WHILE BEING SHIPPED BY REGISTERED MAIL UNLESS COVERAGE FOR EXTENDED THEFT IS INDICATED IN THE SCHEDULE AND AN ADDITIONAL PREMIUM IS PAID;
- (D) LOSS TO PROPERTY IN THE CUSTODY OF TRANSPORTATION COMPANIES; NOR SHIPMENTS BY MAIL UNLESS BY REGISTERED MAIL; OR
- (E) LOSS TO ANY PROPERTY DESCRIBED IN THE SCHEDULE WHICH IS NOT AN ACTUAL PART OF A STAMP, COIN OR NUMISMATIC COLLECTION.

7. If Business Personal Property is covered, **WE** WILL NOT COVER LOSS OR DAMAGE RESULTING FROM:

- (A) FREEZING, CONTAMINATION, DAMPNESS OF ATMOSPHERE, EXTREMES OF TEMPERATURES, CORROSION OR RUST;
- (B) BREAKAGE, MARRING, SCRATCHING, CHIPPING OR DENTING, UNLESS CAUSED BY FIRE, EXPLOSION, THEFT, WINDSTORM, EARTHQUAKE, FLOOD, VANDALISM, MALICIOUS MISCHIEF, OR COLLISION, DERAILMENT OR OVERTURNING OF THE TRANSPORTING CONVEYANCE;
- (C) DISHONEST ACTS OF AN **INSURED PERSON'S** EMPLOYEES, WHETHER IN THE SCOPE OF EMPLOYMENT OR NOT, OR ANY PERSON TO WHOM THE PROPERTY IS ENTRUSTED (EXCEPT CARRIERS FOR HIRE);
- (D) MECHANICAL OR STRUCTURAL FAILURE OF TOOLS, OR BREAKDOWN, DEFECT OR FAILURE OF MACHINES OR POWER TOOLS;
- (E) THEFT OF TOOLS FROM AN UNATTENDED VEHICLE UNLESS THE VEHICLE IS SECURELY CLOSED AND LOCKED AND EVIDENCE OF FORCIBLE ENTRY IS VISIBLE OR THE ENTIRE VEHICLE IS STOLEN OR UNLESS THE INSURED PROPERTY IS IN THE CUSTODY OF A COMMON CARRIER;
- (F) ANY PROCESS OR SERVICE RESULTING IN SHRINKAGE, CHANGE IN COLOR, FINISH OR OTHER CHANGE IN THE DESCRIBED PROPERTY; OR
- (G) DISCLOSURE OF ANY INVENTORY SHORTAGE.

HOW WE SETTLE A LOSS

1. UNLESS OTHERWISE PROVIDED IN THIS ENDORSEMENT:

- (A) THE VALUE OF THE COVERED PROPERTY WILL BE DETERMINED AT THE TIME OF LOSS; AND
- (B) LOSS OR DAMAGE TO COVERED PERSONAL PROPERTY WILL BE SETTLED ON AN ACTUAL CASH VALUE BASIS. THIS MEANS THERE MAY BE A DEDUCTION FOR DEPRECIATION. PAYMENT WILL NOT EXCEED THE AMOUNT NECESSARY TO REPAIR OR REPLACE THE DAMAGED ITEM(S) WITH PROPERTY OF LIKE KIND AND QUALITY, OR THE AMOUNT OF INSURANCE, WHICHEVER IS LESS.

2. Loss to covered Fine Arts will be settled as follows:

- (A) **WE** WILL PAY THE AMOUNT OF INSURANCE SHOWN FOR EACH DESCRIBED ITEM AND **WE** AGREE IT IS THE VALUE OF THE ITEM FOR THE PURPOSE OF LOSS SETTLEMENT.
- (B) IF THERE IS A LOSS TO A PAIR OR SET, **WE** AGREE TO PAY THE AMOUNT OF INSURANCE FOR THE DESCRIBED PAIR OR SET. **YOU** AGREE TO GIVE **US** THE REMAINING ITEM OR ITEMS.

3. Loss to covered Stamps and Coins will be settled as follows:

- (A) **WE** WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE ANY ONE STAMP, COIN OR OTHER INDIVIDUAL ITEM IN CASE OF LOSS OR DAMAGE TO THAT ITEM.
- (B) Loss to covered property described as pairs, strips, blocks, series, sheets, covers, frames or cards will be settled as follows:
 - (1) IF THERE IS A TOTAL LOSS, **WE** WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE THE ITEM INVOLVED.

- (2) IF THERE IS A PARTIAL LOSS, **WE** WILL PAY THE ACTUAL CASH MARKET VALUE OF THE WHOLE SET, LESS THE CASH MARKET VALUE OF THE REMAINDER AT THE TIME OF LOSS, BUT NOT MORE THAN THE AMOUNT OF INSURANCE SET OPPOSITE THE PROPERTY INVOLVED. HOWEVER, IF THE COVERED PROPERTY INVOLVED IS INSURED FOR LESS THAN THE CASH MARKET VALUE, **WE** WILL ONLY PAY THE PROPORTION THAT THE AMOUNT OF INSURANCE BEARS TO THE CASH MARKET VALUE.
 - (C) When coins or stamps are covered on a blanket basis, **WE** WILL PAY THE CASH MARKET VALUE AT THE TIME OF LOSS NOT EXCEEDING \$1,000 ON ANY UNSCHEDULED NUMISMATIC PROPERTY, AND NOT MORE THAN \$250 FOR ONE STAMP, COIN OR INDIVIDUAL ITEM, OR ANY PAIR, STRIP BLOCK, SERIES, SHEET, COVER, FRAME OR CARD.
 - (D) **WE** WILL NOT PAY FOR A GREATER PROPORTION OF ANY LOSS TO PROPERTY COVERED ON A BLANKET BASIS THAN THE TOTAL AMOUNT OF INSURANCE ON THE PROPERTY BEARS TO THE ACTUAL CASH MARKET VALUE OF THE PROPERTY AT THE TIME OF LOSS.
4. Loss to covered Business Personal Property will be settled as follows:
- (A) **WE** WILL PAY UP TO BUT NOT EXCEEDING THE AMOUNT OF INSURANCE SET OPPOSITE ANY INDIVIDUAL HAND OR POWER TOOL IN CASE OF LOSS OR DAMAGE TO THAT ITEM.
 - (B) SUBJECT TO THE AMOUNT OF INSURANCE, **WE** will pay for loss to property described as a pair, set or parts as follows:
 - (1) **WE** MAY ELECT TO REPAIR OR REPLACE ANY PART TO RESTORE THE PAIR OR SET TO ITS VALUE BEFORE THE LOSS; OR PAY THE DIFFERENCE BETWEEN THE ACTUAL CASH VALUE OF THE PROPERTY BEFORE AND AFTER THE LOSS.
 - (2) IN THE CASE OF A LOSS TO ANY PART OF COVERED PROPERTY, CONSISTING OF SEVERAL PARTS WHEN COMPLETE, **WE** WILL PAY FOR THE ACTUAL CASH VALUE OF THE PART LOST OR DAMAGED.

POLICY CONDITIONS THAT APPLY

THIS ENDORSEMENT IS SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE POLICY WHICH APPLY TO THE PERSONAL PROPERTY PROTECTION COVERAGE OTHER THAN:

- 1. Limits of Liability;
- 2. Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, Sections C—F;
- 3. Deductible;
- 4. Other Insurance; and
- 5. Any provisions or conditions that are inconsistent with this endorsement.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

LENDER'S LOSS PAYABLE ENDORSEMENT — APC275 (10-78)

1. Loss or damage, if any, under this policy shall be paid, as provided in this Endorsement, to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage

Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Guaranteed Renewal for Claims Endorsement -- APC308

When the Policy Declarations indicates that the Guaranteed Renewal for Claims Endorsement applies, the following provision is added to the **General** section of the policy:

Guaranteed Renewal for Claims

When this Guaranteed Renewal for Claims provision is part of the policy, any decision by **us** not to renew or continue the policy will be made without regard to the number of claims reported under the policy. However, nothing in this provision shall limit **our** right not to renew or continue the policy for any other legally permissible reason(s), including the type(s) of claims reported under the policy.

All other policy terms and conditions apply.