

COMMON PROVISIONS FORM

Your policy includes:

- The Declarations
- The Coverage Form
- This Common Provisions Form
- Any additional applicable endorsements

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Words shown in *italics* are defined in the Glossary.

The word “provisions” refers to all or part of the text of this insurance contract, including agreements, conditions, exclusions, limits, limitations, and all other terms.

The meanings of other words and phrases not specifically defined in the glossary are to be found in their relevant conventional definition based on consideration of the context in which they are used in this policy.



SECTION I A • MAIN PROPERTY COVERAGES

The following applies when a limit of liability is shown in the Declarations.

COVERAGE A • YOUR DWELLING

We cover the following property on the *residence premises*:

- A. Your dwelling and structures attached to it.
- B. Building materials and supplies on or at the *residence premises* for use as part of the dwelling or other related structures covered by this policy.

A dwelling means the applicable dwelling structure described in Part A of the definition of *insured premises*, or other structure designated by *us* as a dwelling under this policy.

COVERAGE B • OTHER RELATED STRUCTURES

We cover the following property on the *residence premises*:

- A. Private structures related to use of the covered dwelling but not attached to it. A connection only by means of a fence, lattice, utility line, or the like is not attachment.
- B. Driveways, fences, patios, pavements, and other related permanent construction.

COVERAGE C • PERSONAL PROPERTY

We cover the following property:

- A. Personal property owned or used by an *insured*, anywhere in the world.

But, property usually located at another residence is covered for no more than 10% of the general limit shown in the Declarations for Coverage C. If *you* move *your* household to a new home, this limit does not apply until 45 days after *you* first move any property there.

- B. At *your* request, personal property owned by others (that is, not *insureds* or other residents of the *residence premises*) while temporarily at the *residence premises*. This also applies to such property owned by *your* guests or *residence employees* temporarily at any other residence, while occupied by *you*. But, Item B applies only:
 - If the coverage beneficiary complies with the loss settlement conditions in this policy.
 - As excess insurance, if the loss is payable by others.

Certain items of personal property are subject to special limits. These limits are shown in the applicable coverage form. But, these limits do not increase the general limit for Coverage C.

COVERAGE D • LOSS OF USE

A. Increased Expenses and Loss of Rental Income

We cover the following increased expenses and loss of rental income:

1. The necessary and reasonable increase in living expenses that *you* incur to maintain *your* customary standard of living, when that part of the *residence premises* in which *you* reside is made incapable of being occupied by a property loss *we* cover under this policy.
2. The loss of rental income that *you* incur when that part of the *residence premises* that *you* are renting to others or customarily hold for rental to others, as permitted by this policy, is made incapable of being occupied by a property loss *we* cover under this policy.

If the *residence premises* is part of a multiple occupancy building, these coverages also apply when, because of a property loss (*we* would cover under this policy if it were *your* property) to another part of the building, the *residence premises* is made incapable of being occupied.

Also, coverage applies, for up to 14 consecutive days from the first day of loss, when occupancy of the *residence premises* is prohibited by civil authorities because of a property loss (*we* would cover under this policy if it were *your* property) to another local premises.

B. Coverage Condition

The amounts otherwise payable for increased expenses or income loss are offset by any savings in any usual expenses that diminish or cease during the coverage period. For example: the reduction or elimination of utility or heating expenses.

C. Coverage Period

We pay for covered increased expenses and rental loss incurred during the shorter period of time required, with diligence, for *you* to either:

- Repair or replace the damaged property.
- Relocate *your* household.

But this period is not limited by expiration of this policy.

SECTION I B • SUPPLEMENTAL COVERAGES

These coverages do not extend or modify any provisions of this policy except to the extent specifically described in the following items.

Unless otherwise stated, the limits shown for the following are part of, and not in addition to, the limits shown in the Declarations.

1. ADDITIONAL PROPERTY COVERAGES

A. Consequent Loss Coverage

Coverage C is extended to cover the consequent damage to covered property resulting from covered loss to cooling, heating, power, or refrigeration equipment located on the *residence premises*.

B. Lawns and Decorative Plants, Shrubs, and Trees on the Residence Premises Coverage

Coverage is provided, up to the limits shown in the applicable coverage form, for loss to lawns and decorative outdoor plants, shrubs, and trees caused by fire or lightning, aircraft, explosion, riot or civil commotion, vandalism, theft, or vehicles not owned or operated by an occupant of the *residence premises* — to the extent that such causes of loss are covered by this policy. This includes the cost to remove debris of the covered item.

We do not cover property grown or used for business purposes. Coverage applies only to such items acquired or installed at your expense.

C. Water Damage Expense Coverage

When the covered causes of loss include water damage, *we* cover the expenses that *you* incur to repair damage to a building that arise out of efforts necessary to get at and repair the appliance or equipment causing such damage. In such cases, *we* also cover the related, necessary, concurrent costs that *you* incur to repair or replace those parts of the appliance or equipment causing such damage. Water damage expense coverage does not apply if such expenses are payable by others.

2. COLLAPSE COVERAGE

Coverage is extended to cover the collapse of a building or any structural part of a building that ensues only as a consequence of the following:

- A. Any cause of loss provided for Coverage C. Under this coverage, these causes of loss apply to both covered buildings and personal property.
- B. Hidden decay.
- C. Hidden insect or vermin damage.
- D. Weight of contents, equipment, animals, or people.
- E. Weight of rain that collects on a roof.
- F. Use of defective material or methods in construction or repair if the collapse occurs during the construction or repair.

For items B through F only, unless the loss is a direct result of the collapse of a building, *we* do not pay for loss to awnings, bulkheads, cesspools, docks, drains, fences, flues, foundations, patios, paved areas, piers, retaining walls, septic tanks, swimming pools, underground pipes, or wharves.

Collapse does not include bulging, cracking, expanding, settling, or shrinking.

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

3. COMPUTERS, COMPUTER MEDIA, AND COMPUTER SOFTWARE COVERAGE

A. Computers while on the *residence premises* are covered under the general limit for Coverage C. But, loss to computers while off the *residence premises* is subject to the limit shown in the applicable coverage form.

B. Coverage C is extended to cover loss to *computer software* and *computer media*, up to the limit shown in the applicable coverage form. Coverage applies only to such property customarily kept on the *residence premises*, or while temporarily at another residence occupied by an *insured*.

But, coverage is not provided for:

1. *Computer software* or *computer media* that cannot be replaced with equivalent property in the current retail market. But, up to 10% of the limit may be applied to cover extra expenses incurred to replace such property.
2. Loss for damage caused by defect, machine error, programming error, or virus.
3. *Computer data* or for the restoration of lost or damaged *computer data*.

The limit is an additional amount of insurance.

4. CREDIT CARD, FORGERY, AND COUNTERFEIT MONEY COVERAGE

A. Coverage C is extended, up to the limit shown in the applicable coverage form, to financial loss by an *insured*:

1. Because of legal obligations to pay for the unauthorized use of credit or debit (A.T.M.) cards issued or registered in the name of the *insured*.
2. Because of the alteration or forgery of checks, drafts, notes, or other negotiable instruments.
3. Because of the passing to the *insured* of counterfeit United States or Canadian paper *money*.

At *our* option, under Items 1 and 2, *we* will provide a defense, with counsel of *our* choice, in a suit against an *insured* in connection with the obligations of the *insured*.

- B.** Coverage does not apply to financial loss caused by:
1. A resident of *your* household or family member.
 2. Any person entrusted with such items.
 3. *Business* activities of an *insured*.

C. All occurrences involving the acts of any one person, or in which any one person is implicated, are a single consolidated financial loss with respect to the limit shown in the applicable coverage form.

D. No deductible applies.
The limit is an additional amount of insurance.

5. DEBRIS REMOVAL COVERAGE

A. Coverage is provided for necessary reasonable expenses incurred to remove debris of a property loss covered by this policy. If the applicable limit is used up in any one *occurrence*, then *we* provide an additional amount of insurance determined by applying the factor shown in the applicable coverage form to the limit of liability shown in the Declarations.

B. This coverage does not apply to lawns and decorative plants, shrubs, and trees. But, coverage is provided for the expenses, not otherwise covered by this policy, that *you* incur to remove any fallen tree or tree limb that causes damage to other covered property. These expenses are covered to the extent of:

1. The specific cost to clear the covered property of such debris.
2. Any other additional cost of removal of such debris. But, *our* aggregate limit for all such additional costs in any one *occurrence* is the limit shown in the applicable coverage form. This extension applies only if the tree or tree limb is felled by fire or lightning, aircraft, explosion, riot or civil commotion, theft, vandalism, vehicles not owned or operated by an occupant of the *residence premises*, wind, or weight of ice, sleet, or snow — to the extent such causes of loss are covered by this policy.

C. *We* do not cover the cost to remove volcanic ash, dust, or particulate matter that does not cause direct physical damage to covered property.

6. EMERGENCY REMOVAL COVERAGE

Coverage is provided for fortuitous direct physical loss to covered property moved from the *residence premises* when such property is in danger of loss by a covered cause of loss described in the applicable coverage form. This extension applies for a period up to 30 consecutive days from the date such removal begins.

7. FIRE DEPARTMENT SERVICE CHARGE COVERAGE
Coverage is provided, up to the limit shown in the applicable coverage form, for *your* contractual liability for service charges when a fire department is called to protect covered property from direct physical loss covered by this policy. No deductible applies.

The limit is an additional amount of insurance.

8. LOSS ASSESSMENT COVERAGE

Coverage is provided, up to the limit shown in the applicable coverage form, for *your* share of any assessments charged collectively against all members by the association, community, or corporation of property owners due to *your* ownership or occupancy of the *residence premises*. Coverage applies only when such assessment is made necessary by a loss to the property owned collectively by all members by a cause of loss not otherwise excluded in this policy.

We do not cover assessments charged directly or indirectly by any governmental body.

We cover no more than \$1,000 of any assessment that results: from a deductible in the insurance purchased by the association, community, or corporation of property owners; or arises out of the absence of insurance.

A \$200 deductible applies. If coverage for earthquake is provided by this policy, the earthquake deductible applies to such loss under this coverage.

The limit is an additional amount of insurance.

9. PORTABLE ELECTRONIC EQUIPMENT, CASSETTE TAPES, COMPACT DISKS, AND OTHER MEDIA COVERAGE

A. Coverage is provided, up to the limit shown in the applicable coverage form, for loss to:

1. Portable electronic equipment while being temporarily powered by an aircraft, motorized land vehicle or watercraft.
2. Cassette tapes, compact disks, and other media while being used with such equipment.

B. But, coverage is not provided for:

1. Any equipment that is permanently installed in an aircraft, motorized land vehicle, or watercraft.
2. Any equipment that is removable from a housing unit which is permanently installed in an aircraft, motorized land vehicle, or watercraft.
3. Any equipment that is designed to be solely operated from the electrical system in an aircraft, motorized land vehicle, or watercraft.
4. Any equipment designed or used to detect, jam, or locate radar or any other speed measurement devices.

The limit is an additional amount of insurance.

10. WORK INTERRUPTION COVERAGE

Coverage is provided, up to the limit shown in the applicable coverage form, for loss of *your* customary wages incurred because of a property loss (*we* would cover under this policy if it were *your* property) to *your* place of employment that causes a temporary shutdown in operations.

We do not cover such loss:

- A. If *you* own or financially control the *business* or are a partner in a partnership owning or financially controlling the *business*.
- B. If *you* are not a regular full or part time employee of the *business*.
- C. If the interruption is less than 10 working days.

D. In excess of 80% of the net wages *you* would otherwise usually be paid.

E. If the *business* closes permanently or if *you* are permanently laid off.

This coverage is excess over any other amounts paid or payable to *you* for such loss from any public or private insurance, *your* employer, or any other source.

The limit is an additional amount of insurance.

SPECIAL CONDITION

Supplemental Coverages 3, 4, 9, and 10 apply only if Coverage C applies under this policy **and** the named *insured* customarily resides at the *residence premises*.

SECTION I C • PROPERTY NOT COVERED

We do not cover the following property except to the extent otherwise specifically provided for in this policy.

1. ALL COVERAGES

- A. Earthworks and land, including land on which any structure is located.
- B. Growing crops; lawns; plants, shrubs, or trees, unless not intended for use outdoors and entirely within a fully enclosed structure at the *residence premises* at the time of loss.

See Supplemental Coverage 1.B for limited coverage.

2. COVERAGE B

- A. Structures used for *business*, even if use is occasional or partial.
- B. Structures used or designed as dwellings, regardless of use.
- C. Structures designed specifically for farming use, even if not, at the time of loss, used in farming *business*. For example: barns, poultry houses, silos, and similar structures.
- D. Structures rented or held for rental to others, unless rented solely for use as a private garage, even if rental is occasional or partial.

3. COVERAGE C

- A. Loss to:
 - 1. Aircraft, motorized land vehicles, and watercraft, including their accessories, equipment, furnishings, motors, and parts. But, see applicable coverage form for special watercraft limit.
 - 2. Any device designed to be powered through the electrical systems of aircraft, motorized land vehicles, or watercraft. This includes, but is not limited to:
 - (a) Any equipment that is permanently installed in an aircraft, motorized land vehicle, or watercraft.

(b) Any equipment that is removable from a housing unit that is permanently installed in such aircraft, motorized land vehicle, or watercraft.

(c) Any equipment that is designed to be solely operated from the electrical system in an aircraft, motorized land vehicle, or watercraft.

See Supplemental Coverage 9.A.1 for limited coverage.

3. Equipment designed or used to detect, jam, or locate radar or any other speed measurement devices.

4. Cassette tapes, compact disks, and other media for use in the aircraft, motorized land vehicle, or watercraft.

See Supplemental Coverage 9.A.2 for limited coverage.

This exclusion does not apply to land vehicles not subject to motor vehicle registration, designed to assist the handicapped, or used solely to service the *residence premises*.

B. *Business* property held for sale or delivery after sale.

C. Computers, *computer media*, and *computer software*. See Supplemental Coverage 3 for limited coverage.

D. Creatures of any sort.

E. Credit and debit (A.T.M.) cards. See Supplemental Coverage 4 for limited coverage.

F. Farm property.

G. Property that is specifically described and *insured*, either in this policy or by any other insurance.

SECTION I D • LOSSES NOT INSURED

We do not provide insurance under Section I for any sort of damage or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following — even if loss otherwise covered contributes to such concurrently or in any sequence.

1. BUILDING LAW EXCLUSION

The enforcement of any codes, ordinances, or laws, regulating construction, debris removal, demolition, maintenance, or repair, other than those pertaining to safety glazing.

2. EARTH MOVEMENT, EARTHQUAKE, FLOODING, AND VOLCANIC ACTIVITY EXCLUSION (See Note – Page 6)

A. Earth movement (including but not limited to earth rising, sinking, shifting, subsiding, or vibrating; landslide; mudflow) aggravated by or resulting from any natural or human-made causes; earthquake; volcanic activity other than the effusion of dust or other airborne particles or the flow of lava.

B. Floods, flooding, overflow of streams or other bodies of water, surface water, tidal water, waves, or their spray, aggravated by or resulting from any natural or human-made causes.

But, if loss resulting from fire, explosion, glass breakage, or theft, to the extent coverage is specifically described in the applicable coverage form ensues, *we* insure such ensuing loss.

3. ELECTRICAL DAMAGE EXCLUSION

Damage to electrical or electronic items (including computers, TV tubes, transistors, solid state assemblies, similar items, or components) caused by an increase or decrease in artificially generated electrical currents (such as brownouts, power surges, or spikes).

4. FREEZING OF APPLIANCES OR OTHER EQUIPMENT EXCLUSION

Leakage or overflow from air conditioning, heating, plumbing, or other appliances or equipment, or damage to such appliances or equipment caused by freezing that occurs while the building is unoccupied, vacant, or under construction. To the extent that coverage is provided by the applicable coverage form, this exclusion is waived if necessary and ongoing care is exercised to maintain heat in the building, or such appliances or equipment are drained and the water supply shut off.

5. INTENTIONAL LOSS EXCLUSION

Acts committed by, or at the direction of, any *insured* with the intent to cause a loss.

6. LOSS OF USE OR VALUE EXCLUSION

Payment for loss in value because *you* cannot sell or use property. But, see Section I A - Main Property Coverage D for limited coverage.

7. POWER, HEATING, OR COOLING FAILURE EXCLUSION (See Note – Page 6)

Power, heating, or cooling failure; change in temperature or humidity; or loss of utility services.

But, if loss otherwise insured by this policy ensues, *we* insure such ensuing loss.

8. THEFT EXCLUSION

A. Theft committed: by any *insured*; by *your* tenants, their employees, or any other residents in that part of the *residence premises* occupied by such persons.

B. Theft from any part of the *residence premises* rented to others of furs, jewelry, *money*, *securities*, or *silverware*.

C. Theft in or to a dwelling under construction of building materials or supplies used in its construction, until the dwelling is completed and occupied.

D. Theft away from the *residence premises*:

- Of property at another residence occupied or owned by, or rented to, any *insured* except while the *insured* is temporarily residing there.
- Of a camper, trailer, or watercraft, including accessories, equipment, motors, or parts.

9. VANDALISM EXCLUSION

A. Vandalism, including any glass breakage, that occurs or is discovered after the *residence premises* is vacant 30 consecutive days or more.

B. Vandalism committed: by any *insured*; by *your* tenants, or any other residents to that part of the *residence premises* occupied by such persons.

10. WATER DAMAGE EXCLUSION (See Note – Page 6)

A. Underground, subsurface or surface water that exerts pressure on or flows, seeps or leaks through doors, driveways, floors, foundations, sidewalks, walls, windows, or other openings.

B. Water that backs up through sewers or drains; overflow of sump; or the discharge of sewers or water mains originating off the *residence premises*.

But, if loss resulting from fire, explosion, glass breakage, or theft, to the extent coverage is specifically described in the applicable coverage form ensues, *we* insure such ensuing loss.

11. WEAR, TEAR, AND OTHER SPECIFIED CAUSES OF LOSS EXCLUSION (See Note - Page 6)

- A. Wear and tear; decay or deterioration.
- B. Contamination or pollution including, but not limited to:
 - 1. The discharge, dispersal, emission, escape, migration, release or seepage of *pollutants*.
 - 2. The costs associated with enforcement of any governmental directive, law, or ordinance that requires *you* or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutants*.
- C. Rust or corrosion.
- D. Birds, domestic animals, insects, raccoons, rodents, or vermin.
- E. Dry or wet rot; bacterium, fungus, mildew, mold, spores, or other natural growth.
- F. Inherent vice (a customary characteristic of the property such as that of wood to rot; gasoline to burn), latent defect (an original condition or fault leading to loss), or mechanical breakdown.
- G. Buckling, bulging, contracting, cracking, expanding, settling, shrinking or sinking of ceilings, driveways, floors, foundations, patios, pavements, pools, roofs, steps, walkways, or walls.
- H. Continuous or repeated leakage or seepage resulting from an unremedied condition.
- I. Marring or scratching.
- J. Smog, smoke, or vapor from agricultural or industrial activities.
- K. Weather conditions that contribute in any way with a cause, condition, or event otherwise excluded by this policy to produce a loss.
- L. Failure of any person, group, organization, or governmental body to act or decide; faulty, inadequate, or defective decisions of the following that contribute to produce a loss to all or part of any property whether on or off the *residence premises*:
 - 1. Development, planning, surveying, siting, or zoning.
 - 2. Design, specifications, workmanship, construction, repair, renovation, remodeling, grading, or compaction.
 - 3. Materials used in construction, repair, renovation, or remodeling.

But, if loss otherwise insured under this policy and specifically described in the applicable coverage form ensues, *we* insure such ensuing loss.

AND WE DO NOT COVER

12. FALLING OBJECTS EXCLUSION

Damage to the interior of any structure, or to property within such structure, caused by a falling object, unless the object first penetrates the roof or exterior walls of the structure.

13. STORMS AND THE ELEMENTS EXCLUSION

A. Damage to a camper, trailer, or watercraft, including accessories, equipment, motors, or parts, caused by wind or hail, if not entirely within a fully enclosed structure at time of loss.

B. Damage to (1) the interior of a building or, (2) property within a building, damaged by dust, rain, sleet, or snow, unless the exterior of the building first sustains damage by a cause of loss described in the applicable coverage form that allows these elements to penetrate the building.

14. WEIGHT OF ICE, SLEET, OR SNOW, AND RELATED DAMAGE, AND COLLAPSE EXCLUSION

Damage to a bulkhead, dock, drain, driveway, fence, flue, foundation, patio, pavement, pier, pool, retaining wall, or wharf caused by:

A. Freezing, thawing, pressure or weight of ice, sleet, or snow.

B. Collapse, other than collapse of a building or any structural parts of a building.

NOTE: *We* do not insure damage or loss directly or indirectly, wholly or partially, aggravated by or resulting from any of the above, other than ensuing loss as described.

SECTION I E • CONDITIONS

1. DUTIES WHEN A LOSS OCCURS

You, other *insureds*, and other coverage beneficiaries must do all of the following:

A. Report the Loss

Give immediate written notice to *us* of any loss. Also, immediately notify the police in case of theft, vandalism, or other violation of law. As soon as possible, give *us* a description of how, when, and where the loss occurred.

B. Protect Property

Protect property from a covered loss or further damage. For example: taking exposed property indoors, covering openings or windows, or making temporary repairs. *We* cover reasonable necessary expenses that *you* incur for such **temporary** repairs or safeguards.

But, it is *your* obligation, as soon as feasible after *you*, or those *you* authorize to act on *your* behalf, become aware of any condition under *your* control that could lead to loss while this policy is in force, to undertake all reasonable construction, maintenance or repair necessary to protect property from such covered loss. Listing of all such conditions is not feasible, but examples would be to repair a leaking roof or repair a sagging foundation. Any construction, maintenance, or repairs are done **at your expense**.

Any additional or subsequent loss resulting from *your* neglect of this duty is **not** covered by this policy, and *you* must either rely on other insurance or absorb such loss *yourself*.

C. Cooperation on the Loss

As often as *we* may reasonably request or require:

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination and inspection.
2. Produce for examination and copying:
 - (a) The inventory described in D below, and
 - (b) All relevant affidavits, books of account, bills, checks, contracts, deeds, documents, evidence of ownership, financial records, invoices, leases, liens, receipts, records, tax returns, vouchers, other sources of information, or facsimiles acceptable to *us*.
3. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, *we* reserve the right to examine and receive statements from each person separately and out of the presence of the others. *We* also reserve the right to video record any examination.

4. Otherwise cooperate with *us* in the investigation and settlement of the claim.

D. Inventory

At *our* request, prepare and sign an inventory of all damaged and undamaged personal property showing in detail: age; description; quantity; *actual cash value*; and if covered, replacement cost; source; and amount of loss claimed.

To the extent possible, set the damaged property aside and put property in best possible order for *our* examination.

E. Statement of Loss

Submit to *us* a statement about the loss that includes all information reasonably required by *us* (including, but not limited to that described in C. 2 and D) to determine: coverage; *our* liability for the loss and the amount and scope of loss; and specifications of any damaged structures. The statement is also to include detailed repair estimates.

F. Proof of Loss

If required, submit to *us* within 60 days after *our* request a signed, sworn proof of loss. This is to include all information reasonably required by *us*, including that described in E, and all knowledge available to *you*, and other *insureds*, about all the following:

1. The time and cause of loss.
2. *Your* interest and that of all others in the property involved, including a description of all encumbrances on such property.
3. All other insurance policies that may apply to the loss.
4. Any changes in occupancy, title, or use of the property during the policy term.
5. Receipts for any additional living expenses incurred and records that support the fair rental value loss.
6. Evidence or affidavit that supports a claim under the Credit Card, Forgery, or Counterfeit *Money* Coverage stating the amount and cause of loss.

Failure to comply with this or any other condition can alter or void *our* obligations under this policy with respect to the claim or suit.

2. HOW LOSSES ARE SETTLED

A. Limit of Liability per Loss Occurrence

Our maximum liability is the amount that is the least of the following:

1. The replacement cost or *actual cash value* of the property, at the time of loss, whichever applies to the loss, not exceeding the lesser of (a) or (b):

(a) The reasonable cost required, with diligence, to:

- Repair the property with equivalent materials, bringing such to the same general condition as existed just prior to the loss, or
- Replace the property with substantially identical property.

These costs are also not to exceed that for repair or replacement made at the location of the *residence premises* and made for the same use.

(b) The amount spent for repair or replacement.

2. The limits shown in the Declarations, the applicable coverage form, or any endorsements that apply to the loss. The inclusion of special limits in the coverage form or elsewhere in this policy or the inclusion of more than one item within any provision does not increase or otherwise modify any of the limits shown in this policy.
3. The insurable interest of the *insured*, or any interest named in this policy, at the time of loss.

B. Types of Settlement

1. Replacement Coverage

(a) Loss settlement under Coverages A and B is on a replacement basis, providing the Coverage A limit shown in the Declarations is not less than 80% of the full replacement cost value of the dwelling at the time of loss. *We* do not include the following in determining compliance with the 80% requirement:

- Underground drains, flues, pipes, and wiring.
- Excavations, foundations, piers, or supports that are below the undersurface of the (lowest) basement floor. If there is no basement, then supports below ground inside the foundation are not included in the determination.

(b) *We* are not liable for payment on a replacement basis until the repair or replacement is completed by *you* or by *us*, unless the total cost for full repair or replacement is less than \$2,000. *You* may submit a claim on an *actual cash value* basis and then, no later than 180 days following settlement on an *actual cash*

value basis (or *our* offer of such if *you* decline settlement), make further claim on repair or replacement. Repair or replacement is to be completed by the time *you* make such claim.

(c) This coverage applies only to buildings, and does not include awnings, carpets, home appliances, or outdoor antennas or equipment, even if part of a building.

2. Actual Cash Value Coverage

Any loss not eligible for settlement on a replacement coverage basis is settled on the *actual cash value* basis of the property at the time of loss. *You* have the option to settle any loss on an *actual cash value* basis.

C. Deductible

We are liable for loss in any *occurrence* only when in excess of the deductible amount shown in the Declarations; and, then, only up to the amount of loss less the deductible.

D. Loss to a Portion of a Pair, Set of Articles, or Component Parts

1. Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless; because of such loss, the remainder is of no use, or repair or replacement is not feasible.

2. In case *we* pay for the total loss, *you* are required to give *us* the remainder of such property at *our* request.

E. Our Options in Settling Losses

1. *We* may pay for the loss in money.

2. *We* may repair or replace all or any part of the property as provided for by this policy, or take such property at a mutually agreed value. *We* may give notice of *our* intent to do so at any time, but not later than 30 days after *our* acceptance of *our* liability for the loss.

3. *We* may settle the claim with *you*, any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of others, *we* have the right to adjust the loss with the owners of the property. Satisfaction of their claim is also satisfaction of *your* claim as to such property.

If legal action is taken in a claim against *you*, *we* have the right to conduct and control a defense at *our* expense without increasing *our* liability.

F. Appraisal

If *you* and *we* do not agree on the amount of the loss or values, either one can require that the amount of loss or values be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each party is to then notify the other of the appraiser selected.

The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within 15 days, *you* or *we* may petition a judge of a Court of Record (located in the state of the *residence premises*) to select an umpire.

The appraisers are to set the amount of the loss or value. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons sets the amount of loss or value.

Each appraiser is paid by the party selecting that appraiser. Other expenses of the appraisal and compensation of the umpire are paid equally by *you* and *us*.

If *we* agree to an appraisal, *we* specifically retain *our* right to deny the claim.

3. SCOPE OF COVERED LOSS

Loss includes solely fortuitous direct physical damage or destruction, including direct physical damage or disappearance caused by theft to the extent that such is covered by this policy. Certain indirect (that is, consequential) damage or destruction or loss of use may also be covered.

The covered causes of loss are described in the coverage form attached to this policy.

4. OTHER CONDITIONS

A. Increase in Hazard and Related Conditions

This insurance is suspended while the hazards *we* undertook to insure are increased by means within *your* control or of those *you* designate to have control of the premises. Lawful building alteration, construction, maintenance, or repair, unless changing the use of premises, is not an increase in hazard. Any loss otherwise covered by this policy, is **not** covered during such suspension.

The hazards *we* insure are the use of the *residence premises* solely as a private residence; or other incidental uses specifically described and permitted by this policy. All such uses are subject to the continued use and maintenance of protective safeguards for which a premium reduction is provided by this policy, and the normal conditions of use usual to such occupancy.

B. Mortgagee Agreement

1. Mortgagees named in this policy are covered for loss to the extent of their interest and in order of precedence of the mortgages. This condition applies to those mortgagees, trustees or loss payees named in this policy that comply with the following:
 - Without delay, notify *us* of any change in ownership or occupancy, foreclosure proceeding, or increased hazard known to the mortgagee.
 - Pay, on *our* demand, any required premium because the *insured* fails to do so.
 - Furnish proof of loss within 60 days after *our* request because the *insured* fails to do so.
 - Give *us* the mortgagee's rights of recovery against anyone liable for the loss. This is not to impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
 - Permit *us*, after a loss, to satisfy the mortgage requirements and receive a full assignment of the mortgage and all collateral *securities* to the debt.
2. *We* agree to provide this insurance to protect the mortgagee's interest in covered property even if *we* deny *your* claim.
3. Cancellation may be made by *us* in accordance with the cancellation provisions described in the mandatory endorsement for *your* state.
4. These provisions apply to a loss payee named in this policy. The term "mortgagee" includes "trustee".

These provisions also may apply to a secured party named in this policy. The term "mortgage" is replaced by "security agreement" and the term "mortgagee" is replaced by "secured party".

C. No Benefit to Bailee

This insurance does not inure to the benefit of any carrier or any others having custody of *your* property for a fee or other payment. An assignment or grant of coverage to such carriers or persons has no standing under this policy.

D. Other Insurance — Additional Condition

If *you* have any other valid insurance applicable to property covered by this policy, but not covering a cause of loss covered by this policy, *we* will pay such loss in the same way as if such other insurance did cover the loss. See General Condition 6.

E. Recovery of Covered Property

In the event *we* make a payment for loss and a subsequent recovery is made of any of the property, *you* may choose to keep the property *you* have recovered or receive the property that *we* have recovered. *Our* liability will be reduced accordingly and payment will be adjusted for the amount that *you* receive for the loss to such property. *You* must compensate *us* for the amount *we* previously paid.

If *you* do not choose this option, the recovered property becomes *our* property. If *you* have such property, *you* are required to give *us* those items *we* request.

F. When Loss Becomes Payable — Payment to Other Parties

Loss becomes payable 30 days after completion and acceptance by *us* of a written agreement between the parties; or after an award is filed with *us* as provided by this policy. *Our* payment does not reduce the amount of insurance provided by this policy.

With respect to any mortgagee or secured party named in this policy, governmental entity, or others with contractual, legal, or statutory rights in a loss payable under this policy, *we* may make payment jointly to all interested parties at *our* option. But *we* need not pay any loss assignee, unless they receive a full assignment of the loss from *you*.

G. Abandonment of Property

Abandonment of property to *us* is prohibited.

SECTION II A • MAIN LIABILITY COVERAGE — MDL 2

The following applies when a limit of liability is shown in the Declarations.

1. COVERAGE E • PERSONAL LIABILITY TO OTHERS

We will pay for the benefit of *insureds*, up to *our* limits of liability shown in the Declarations, those sums that *insureds* become legally obligated to pay as damages because of *bodily injury* or *property damage* that occurs during the policy term and is caused by an *occurrence* covered by this policy.

2. COVERAGE F • MEDICAL PAYMENTS TO OTHERS

A. *We* will pay reasonable necessary medical expenses incurred within three years from the date of a covered accident by persons who require medical services because of *bodily injury* covered under this policy. Medical expenses means expenses for: necessary ambulance, dental, funeral, hospital, medical, professional nursing, surgical or x-ray services; prosthetic devices; drugs and medical supplies. The accident must be sustained as follows:

1. On an *insured premises*, by persons there with permission of an *insured*.
2. Away from an *insured premises*, but only if such accident:
 - Arises out of a condition at the *insured premises*.
 - Is caused by an *insured*, or by a person while performing duties as a *residence employee* of an *insured*.
 - Is caused by animals owned by, or in the care of, an *insured*.

B. The injured persons, and those acting on their behalf, are to provide all information and cooperation reasonably required by *us* in connection with the claim. This may include: submission of written proof (under oath, if required), submission to physical examination by physicians of *our* choice, and authorization for *us* to obtain medical records.

SECTION II B • SUPPLEMENTAL COVERAGES

The following coverages do not extend or modify any provisions of this policy except to the extent specifically described.

1. DAMAGE TO A NONOWNED PREMISES COVERAGE

Coverage E is extended to include *property damage* to a nonowned premises occupied by, rented to, or in the care of *insureds* (under Part A) caused by explosion, fire, or smoke.

2. DAMAGE TO PROPERTY OF OTHERS COVERAGE

Coverage E is extended to include, up to the limit shown in the applicable coverage form, damage to property of others (that is, not *insureds* or other residents of an *insured premises*) caused by an *insured*, regardless of the *insured's* legal liability. But, *we* do not cover damage:

- A. Caused intentionally by any *insured* older than age 12.
- B. Arising out of the following:
 1. *Business* of any *insured* or anyone else.
 2. Locations not insured under this policy.
 3. Maintenance, ownership, or use of aircraft, motorized vehicles, or watercraft.
- C. To property owned by, or in the care of, *your* tenants or residents of *your* household.

3. DEFENSE COVERAGE

- A. *We* will defend, with counsel of *our* choice, suits against *insureds* seeking damages for *bodily injury* and *property damage* covered by this insurance. *We* have no duty to investigate any claim, defend or provide for a defense for any *insured*:
 1. In connection with either suits seeking damages not covered by this policy or allegations within a suit that are not covered by this policy, or
 2. When the applicable limit of liability is used up in payment of judgments or settlements.

We may investigate and settle any claim or suit as *we* deem reasonable. Suit includes alternative dispute resolution proceedings that an *insured* either must submit to, or may choose to submit to, but only if done with *our* prior written consent.
- B. *We* assume at *our* expense the following costs and expenses in a suit defended by *us*:
 1. All costs incurred by *us*.
 2. The interest that accrues after entry of a judgment, but only until that time when *we* pay, offer to pay, or deposit in court that part of the judgment within *our* limit of liability.
 3. The prejudgment interest awarded against any *insured* on the part of the judgment *we* pay. But, if *we* offer to pay *our* applicable limit of liability shown in the Declarations, *we* will not pay any prejudgment interest that is based on the period of time that follows *our* offer.

4. Costs taxed against the *insured*.

5. Costs of appeal bonds or bonds to release attachments, for that amount of the bond within *our* limit of liability. *We* need not furnish or secure such bonds.
6. The reasonable expenses incurred by the *insured* at *our* request, as well as any earnings (up to \$100 per day) lost because of absence from work at *our* request.

These costs are not subject to the limits of liability shown in the Declarations.

4. FIRST AID EXPENSE COVERAGE

We will pay emergency medical expenses incurred by *insureds* in securing aid for others (that is, not *insureds* under this policy) in connection with *bodily injury* not excluded by this policy.

5. INCIDENTAL BUSINESS AND RELATED ACTIVITIES COVERAGE

Coverage E is extended to include the following activities of an *insured*:

- A. Activities, other than child care, that may relate to *business* of the *insured* but are not done for *business* and are otherwise covered by this policy.
- B. *Business* activities of a student less than 21 years of age.
- C. Cashier, clerical, or sales activities other than those involving demonstration, installation, or servicing. But not if the *insured* owns or operates the *business*.
- D. Rental of the *insured premises* customarily occupied by *you*:
 1. On an occasional basis for use solely as a residence.
 2. In part, for use solely as a residence with no more than 2 lodgers per family unit.
 3. In part, for use as an office, private garage, school, or studio.

But, *we* do not cover *bodily injury* or *property damage* arising out of any such activities:

- In connection with Supplemental Coverages 1 and 6.
- Involving injury to a fellow worker arising out of and in the course of work.

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6. INCIDENTAL CONTRACTUAL LIABILITY COVERAGE

Coverage E is extended to include *your* liability to pay damages, otherwise covered by this policy, in connection with written contracts made prior to the *occurrence* from which liability arises for:

- A. Liability of others assumed by *you*.
- B. Maintenance, ownership, or use of an *insured premises*.
But, *we* do not cover any liability for loss assessments; or damage caused by explosion, fire, or smoke.

7. INCIDENTAL MOTORIZED LAND VEHICLE AND TRAILER COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the following motorized land vehicles or trailers:

- A. Golf carts while being used to play golf at a golf course.
- B. Vehicles designed for recreational use off public roads (other than golf carts) that are not subject to motor vehicle registration, and are either:
 - Not owned by an *insured*.
 - On the *insured premises* at the time of the *occurrence*.
- C. Vehicles not subject to motor vehicle registration requirements:
 - Designed for assisting the handicapped.
 - In dead storage on the *insured premises*.
 - Used solely to service the *insured premises*.
- D. Boat, camp, home, or utility trailers if not attached to, carried on, or towed by, a motorized land vehicle (other than those described in Items A, B, or C above).

8. INCIDENTAL WATERCRAFT LIABILITY COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the following:

- A. Sailing vessels, with or without auxiliary power, that are less than 26 feet in length.
- B. Watercraft designed to be, and operated as, manually propelled.
- C. Watercraft while ashore at an *insured premises*.

D. Watercraft rented to an *insured* with inboard or inboard-outdrive motor power of less than 50 total rated horsepower.

E. Watercraft not owned by or rented to any *insured* if the *occurrence* arises out of the direct act of any *insured*.

F. Watercraft powered by one or more outboard motors, as follows:

- Outboard motors not wholly or partially owned by or leased to any *insured*.
- Outboard motors owned by or leased to an *insured* that are less than 26 total rated horsepower for all motors combined.
- Outboard motors owned by or leased to an *insured* that are more than 25 total rated horsepower. But, these must be either acquired during the current policy term; or acquired prior to the current policy term and insured under this policy within 60 days after acquisition.

9. LOSS ASSESSMENT COVERAGE

Coverage is provided, up to the limit shown in the applicable coverage form, for *your* share (because of *your* ownership or occupancy of the *residence premises*) of any loss assessment charged collectively against all members, by the association, community, or corporation of property owners. Coverage applies only when such assessment is made necessary by:

- A. Any *occurrence* to which Section II of this policy would apply; or
- B. Liability of directors, officers, or trustees, acting in their capacity as such, if:
 - Elected by the members of the corporation or association of property owners, and
 - Serving without deriving income for exercising such duties.

We do not cover loss assessments charged directly or indirectly by any governmental body.

We cover no more than \$1,000 of any assessment that results from a deductible in the insurance purchased by the association, community, or corporation of property owners; or arises out of the absence of insurance.

A \$200 deductible applies.

SECTION II C • CONDITIONS

1. DUTIES OF INSUREDS — WHAT TO DO IN CASE OF ACCIDENT, CLAIM, OR OCCURRENCE

Insureds must do the following things:

- A. Immediately notify *us* or *our* agent of the circumstances relating to the claim or any incident that may result in a claim, with all necessary information. For example: who *you* are, the time, place, and circumstances of the

occurrence; the nature of the claim; the names and addresses of injured persons and witnesses.

- B. Immediately send *us* all bills, documents, notices, papers, and summonses related to any medical expense, claim or suit brought against any *insured*.

- C. Cooperate with *us* in matters relevant to the claim or suit. Assist *us* in the following: conducting suits, attending hearings and trials and giving evidence; enforcing the *insured's* rights of contribution or indemnity against others; making settlements, or obtaining the records, information, or attendance of witnesses.
- D. Refrain from voluntarily making payments, assuming obligations, or incurring expenses unless *we* provide specific written authorization. Otherwise, any such undertakings will be at the *insured's* own expense and *we* will not pay for them. This does not apply to first aid expense coverage.

Failure to comply with this or any other condition can alter or void *our* obligation under this policy with respect to the claim or suit.

2. LIMITS OF LIABILITY AND RELATED CONDITIONS

A. Coverage E

Our maximum total liability for all damages resulting from an *occurrence* is the limit of liability shown in the Declarations. This limit applies regardless of the number of accidents, claimants, events, *insureds*, or suits.

Our maximum aggregate total liability for all damages for all *occurrences* during the policy term is the aggregate limit shown in the Declarations. If no aggregate limit is shown in the Declarations, an aggregate limit is not applicable.

If an aggregate limit does apply and is reduced or exhausted, *you* may buy additional insurance under this policy covering other nonrelated *occurrences* during the remainder of the policy term.

B. Coverage F

Our maximum total liability for all medical expenses payable to one person as the result of an accident is the limit of liability shown in the Declarations.

Our payment to the injured person, or those rendering services, reduces *our* liability for the injury. *Our* payment is not an admission of liability by *us* or any *insured*.

C. Coverages E and F

Except with regard to *our* maximum total liability in any one *occurrence* or for all *occurrences*, this insurance applies separately to each *insured*.

Bankruptcy of the *insured* does not relieve *us* of *our* obligations in this policy.

D. Two or More Policies

If this policy and any other policy or coverage form issued to *you* by *us*, or by any company affiliated with *us*, apply to the same *occurrence*, accident or injury, *our* maximum limit of liability under all of the policies and coverage forms shall not exceed the highest applicable limit of liability provided under any one policy or coverage form. In no event will any limit of liability of this policy be excess over or added to the limit of any other such policy or coverage form.

This condition does not apply to any policy or coverage form issued by *us*, or by any company affiliated with *us*, as an umbrella / excess liability policy and which specifically applies as excess insurance over this policy.

SECTION II D • LIABILITY NOT INSURED

We do not provide insurance under Section II for any sort of damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following — even if an occurrence otherwise covered contributes to such concurrently or in any sequence.

1. AIRCRAFT, MOTOR VEHICLES, AND WATERCRAFT EXCLUSION

We do not cover *bodily injury* or *property damage* arising out of:

- A. The maintenance, operation, ownership, or use (including loading or unloading) of any aircraft, motor vehicle, or watercraft owned or operated by, or rented or loaned to, any *insured*.
- B. The entrustment to others, whether or not under any form of supervision, of any aircraft, motor vehicle, or watercraft.
- C. The statutory vicarious liability of parents for acts of minors using an aircraft, motor vehicle, or watercraft.

Motor vehicles include self-propelled land vehicles along with their equipment, implements, parts, semitrailers or trailers. Aircraft does not include a model hobby craft unless used or designed to carry cargo or persons.

But, *we* do cover *bodily injury* to a person while performing duties as a *residence employee*.

See Supplemental Coverages 7 and 8 for limited coverage.

2. BUSINESS AND RELATED ACTIVITIES EXCLUSION

We do not cover *bodily injury* or *property damage* arising out of:

- A. *Business* activities of any *insured*.
- B. Rental or holding for rental, wholly or partially, of any premises by any *insured*.

See Supplemental Coverage 5.D for limited coverage.

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3. CONTRACTS AND AGREEMENTS EXCLUSION

We do not cover liability assumed under any sort of contract or agreement.

See Supplemental Coverage 6 for limited coverage.

4. ENDANGERMENT OR HARM EXCLUSION

We do not cover bodily injury or property damage, whether or not expected or intended by any insured, that is a consequence of an insured's wilfully harmful act or knowing endangerment.

5. INJURY TO SPECIFIED PERSONS EXCLUSION

We do not cover bodily injury to:

- A. Any insured under Part A of the definition of *insureds*.
- B. Anyone eligible to receive benefits under a disability, occupational disease, workers' compensation, or similar law where such benefits are required to be provided by, or voluntarily provided by, an *insured*.

The following apply only to Coverage F - Medical Payments to Others:

- C. Anyone, other than a *residence employee*, that regularly resides at any residence owned by or regularly rented to *you*.
- D. Any *residence employees* off the *insured premises*, except while performing such duties.
- E. Anyone paid for the *bodily injury* by others.

6. LOCATIONS NOT INSURED EXCLUSION

We do not cover bodily injury or property damage arising out of any premises owned, rented, or controlled by you, other than an insured premises covered by this policy. But, we do cover bodily injury to a residence employee while performing such duties at other premises.

7. NONOWNED PROPERTY EXCLUSION

We do not cover property damage to property in the care of, occupied or used by, or rented to, any insured.

See Supplemental Coverage 1 for limited coverage.

8. OWNED PROPERTY EXCLUSION

We do not cover property damage to property owned by any insured.

9. PROFESSIONAL EXCLUSION

We do not cover bodily injury or property damage arising out of the rendering of or failure to render any sort of professional service.

END OF FORM MDL 2

NOTE: If form MDL 1 is listed in the Declarations, the provisions of form MDL 2 are replaced by the provisions of form MDL 1.

SECTIONS I AND II • OTHER LOSS AND LIABILITY NOT INSURED

We provide no insurance for any sort of damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following — even if loss or an occurrence otherwise covered contributes to such concurrently or in any sequence.

GOVERNMENTAL AND LEGAL ACTION EXCLUSION

- A. Any act or condition of war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against such acts or conditions.
- B. Confiscation, loss, or seizure by civil or military authorities under customs, drug enforcement, or quarantine regulations or law authorizing such acts; loss to property that is contraband or in the course of illegal transportation or trade.
- C. Damage or destruction of property ordered by civil or military authorities, other than immediate acts of destruction for the purpose of preventing the spread of fire, provided the fire originates from a cause of loss covered by this policy.
- D. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*; statutory fines or liability; exemplary or punitive damages.
- E. Knowing violation of, or noncompliance with, governmental regulations.

NUCLEAR LOSS AND NUCLEAR LIABILITY EXCLUSION

- A. Any nuclear event, *occurrence*, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination, whether in whole or in part caused by any of these or any other contributing or concurrent cause.

With regard to Section I of this policy, loss by one of the above is not fire, explosion, smoke or any other covered cause of loss. But, if these result in fire, otherwise covered, we do cover such ensuing direct fire loss, but not any other physical loss, otherwise covered by this policy.
- B. The explosive, radioactive, toxic, or other harmful properties of nuclear or radioactive materials as defined by law.

SECTIONS I AND II • GENERAL CONDITIONS

The following conditions apply to the entire policy unless otherwise stated. These conditions may be modified or supplemented by provisions that apply to specific coverages.

1. ACTION OR SUIT AGAINST *US* CONDITION

The conditions for bringing an action or suit against *us* are described in the state mandatory endorsement.

2. ASSIGNMENT OF *YOUR* INTEREST CONDITION

No assignment of this policy or an interest in this policy, is binding on *us* without *our* written consent.

But, if *you* die, this insurance applies to:

A. *Your* legal representative, while acting within the scope of the representative's duties.

B. Those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION AND NONRENEWAL CONDITION

A. *Your* Right to Cancel

You may cancel this policy by surrendering this policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. A minimum earned premium may apply.

B. *Our* Right to Cancel or Nonrenew

Our rights to cancel or nonrenew this insurance are described in the state mandatory endorsement.

4. CONCEALMENT, MISREPRESENTATION, OR FRAUD CONDITION

This policy is void if, either before or after a loss, *occurrence*, or claim, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance, including information *we* relied on in issuing this contract.

But, if *we* specifically choose not to declare this policy void, *we* do not provide insurance in this policy to, or for the benefit of, any such *insureds*.

5. LIBERALIZATION CONDITION

This policy is automatically extended to include (for *your* benefit) provisions approved during the policy period or 45 days prior to its inception that would broaden coverage under this policy. But, this applies only if such are not subject to additional premium charge or are not concurrent with restrictions in coverage.

6. OTHER INSURANCE OR MULTIPLE COVERAGE CONDITION

A. Section II

This insurance is excess insurance over other collectible insurance. This does not apply to insurance written specifically to cover as excess over the limits of liability shown in the Declarations, such as an excess of loss or umbrella type policy.

B. Sections I and II

With regard to other insurance on the same terms contained in this policy or where *we* otherwise are a primary insurer, *we* will pay as follows:

1. If all such other insurers provide for contributions by equal shares, then *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the company's applicable limit of liability is used up, whichever comes first.

2. If any other insurer does not provide for equal shares, *we* will pay no greater proportion of the amount of obligation than the limit of liability shown in the Declarations bears to the total amount of insurance covering the loss or damage.

In the event that more than one coverage under this policy covers the same loss, *we* are liable only up to the amount of loss subject to the applicable limits.

7. STATUTORY REQUIREMENT CONDITION

The terms of this policy are amended to conform to statute.

8. SUBROGATION — RECOVERY FROM OTHERS CONDITION

If *we* make any payment under this policy, *we* are entitled to the rights any *insured* has of recovery against others up to the amount of *our* payment. The *insured* must do whatever *we* require to secure such rights. *We* are not required to pay the loss if any *insured* has impaired such rights after the loss.

9. POLICY PERIOD CONDITION

The time of inception and termination is 12:01 A.M. Standard Time at the described premises. This insurance applies only to a loss or *occurrence* during the policy term.

10. APPLICATION OF COVERAGE CONDITION

Insurance is provided only when a limit is shown for that coverage in the Declarations. All coverages are subject to the provisions described in this policy.

11. WAIVER OR CHANGE OF PROVISIONS CONDITION

The terms of this policy may not be waived or changed except in writing, signed by *our* agent and attached to this policy. The exercise of *our* rights under this policy is not an act of waiver. This policy contains all related agreements between *you* and *us*.

SECTIONS I AND II • GLOSSARY

Those words shown in *italics* are defined for the purposes of this insurance to mean the following:

Actual Cash Value

Means the cost to repair, replace, or reconstruct the property, whichever is less, subject to deduction for depreciation. But consideration may also be given by *us* in *our* determination of such to: age, condition, deterioration, economic value, market value, obsolescence (both structural and functional), original cost, use, and other related circumstances.

Bodily Injury

Means bodily harm, disease, or sickness, and any resulting required care, death and loss of services. But, this does not include any such that arise out of the acquisition or transmission of any communicable disease.

Business

Includes any occupation, profession, trade, or commercial activities, including child care, undertaken for a fee or other payment.

Computer Data

Means the records and information stored on *computer media* or in a computer.

Computer Media

Means the material on which records and *computer data* are recorded and stored. Examples of such material include floppy disks, disk packs, tapes, and computer disks.

Computer Software

Means the programs containing facts, concepts, or instructions.

Insured

Part A

Means:

You and the following, if residents of *your* household:

1. *Your* spouse.
2. *Your* or *your* spouse's relatives.
3. Anyone under the age of 19 in *your* care or the care of a resident relative.

Your legal representative (if *you* die) is insured with respect to property covered by this policy at the time of death and liability arising out of such property. An *insured* at the time of *your* death remains an *insured* while remaining a resident of the *residence premises*.

Part B (Section II)

Means also:

1. With respect to animals or watercraft owned by an *insured*:
Any organization or person legally held responsible for them, but not those in possession of such animals or watercraft without the *insured's* consent or in their *business*.

2. With respect to covered vehicles:

- Persons while performing duties as an employee of an *insured* as described in Part A, but not those employed in connection with any *business*.
- Other persons using the vehicle on the *insured premises with your* permission.

Insured Premises

Part A

Means one of the following, at the described location, as shown in the Declarations.

1. The 1 to 4 family house *you* own or the 1/2 of a 2 family house *you* own and any related structures and grounds exclusively used by *your* household.
2. That part of a row house or townhouse *you* own and any related structures and grounds exclusively used by *your* household.
3. The 1 or 2 family mobilehome *you* own or the 1/2 of a 2 family mobilehome *you* own and any related structures and grounds exclusively used by *your* household.
4. Those parts of the building exclusively used by *your* household, when *you* reside in an apartment or similar rented premises, condominium or cooperative unit; or a family unit in a multi-family unit owned by *you* and *you* are covered by form MHO 4.

All of the above are covered when used solely as a private residence or as otherwise permitted by this policy. "Exclusive use" includes use by others of those portions of such premises otherwise normally occupied by *you* or *your* household, while rented by *you* to others **and** such rental is permitted by this policy.

Part B

Means also:

1. Access ways and grounds immediately adjoining the premises described in Part A and that are used in connection with such premises.
2. Cemetery lots or burial vaults of an *insured*.
3. Other premises used by *you* in connection with the premises described in Part A.
4. That part of other premises including, as applicable, related structures, grounds, and ways used by *your* household as a residence. But, only if specifically described in the Declarations or newly acquired by *you* during the current policy period.
5. That part of other premises:
 - Not owned by an *insured* but where the *insured* is temporarily residing.
 - Occasionally rented to an *insured* for private (non-business) use.

6. Vacant land, owned by, or rented to, an *insured*. Or land owned by, or rented to, an *insured* on which a 1 or 2 family dwelling is being constructed as a private residence for an *insured*. But, this does not include farm land.

Money

Includes *money*, and also includes: bank notes; bearer bonds; checks; drafts; gold or silver, not in the form of jewelry; lottery tickets; numismatic items.

Occurrence

Means an accident, including continuous or repeated exposure to the same harmful conditions, that results during the policy term in *bodily injury* or *property damage*.

Pollutants

Pollutants means any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alkalis, chemicals, fumes, smoke, soot, vapors, and waste, including materials to be reclaimed, reconditioned, or recycled.

Property Damage

Means physical damage to, destruction of, or loss of use of tangible property resulting from a covered *occurrence*.

Residence Employee

Means an employee of an *insured*:

- That performs duties that relate to care and use of the *insured premises*, including domestic or household duties.
- That performs similar duties elsewhere.

But, coverage is not provided while performing duties in connection with any *insured's business*.

Residence Premises

Means that applicable *insured premises* described in Part A of the definition of *insured premises*, and shown as the *residence premises* in the Declarations.

Securities

Includes *securities*, other than bearer bonds; and also includes: accounts; deeds; documents; manuscripts; notes, other than bank notes; stamps; tickets of any sort, other than lottery tickets.

Silverware

Includes *silverware*, and also includes: silverplated ware, gold ware, goldplated ware, and pewterware, but does not include flasks, jewelry, pencils, pens, or smoking articles.

You and Your

Means the *insured* named in this policy.

We, Us, and Our

Means the insurance company named in this policy.