

HOMEOWNERS' INSURANCE POLICY

For information regarding this policy, please contact your Shelter Insurance Agent.

TO OUR CUSTOMERS – PLEASE NOTE

Please read this policy carefully. If you have questions, contact your Shelter Agent for answers. No agent can know your exact coverage needs or budget considerations, so it is your responsibility to examine the policy and make sure it provides the types of coverage you need in the amounts you requested.

If you suffer a loss, please read this policy again so that you will be reminded of your rights and obligations. **It is very important for you to recognize that this insurance policy is a legally binding contract. If any insured fails to perform an obligation required by this policy, the coverage which it might otherwise provide could be lost.**



HO-3
(01-07)

SHELTER INSURANCE COMPANIES

Home Office: Columbia, MO 65218-0001

**THE INDEX
WHERE YOU CAN FIND IT**

Declarations - Your Name, Location of Your Residence, Policy Period, Limits of Liability and Deductibles

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**HOMEOWNERS' INSURANCE POLICY
SPECIAL COVERAGE FORM 3
AGREEMENT**

We agree to insure **you** according to all the terms of this policy,

- (1) in reliance on **your** statements in the Application and in any Application for Change, both of which are made a part of this policy, and
- (2) based on **our** receipt of **your** payment of the premium.

When **we** receive **your** premium, this policy provides the types of insurance, in the limited amount, shown in the **Declarations**. If any premium payment is by check, no insurance is provided if the bank does not honor the check.

DEFINITIONS USED THROUGHOUT THIS POLICY

In this policy, the words shown in bold type have the meanings stated below unless a different meaning is stated in a particular coverage or endorsement. Words in bold type that are derived from a defined word have the same root meaning. The plural version of a defined word has the same meaning as the singular if it is bolded. If any of these same words are used but not printed in bold type, they have the meaning given them by their common usage as set out in commonly used dictionaries.

1. **Accident** means an action or occurrence, or a series of actions or occurrences, that:
 - (a) started abruptly,
 - (b) during the policy period, and
 - (c) directly resulted in **bodily injury** or **property damage**.

If an action or occurrence that started abruptly continues over a period of time and ultimately results in **bodily injury** or **property damage** that cannot be definitely attributed to any one specific action or occurrence, all such **bodily injury** or **property damage** is, under this policy definition, only one **accident**. If a series of abrupt actions or occurrences ultimately results in **bodily injury** or **property damage** that cannot be definitely attributed to any one specific action or occurrence, all such actions and occurrences, under this policy definition, constitute only one **accident**.

Accident does not mean:

- (a) an action or occurrence that any **insured** intended to result in **bodily injury**, or **property damage**, of any type;

- (b) an action or occurrence that is intended by any **insured**, if a reasonable **individual** would expect it to result in **bodily injury**, or **property damage**, of any type; or
- (c) an intentional action by any **person** that does not immediately result in **bodily injury** or **property damage**, but ultimately does result in such because of its repetition or the repetition of similar actions.

2. **Accidental direct physical loss** means loss of possession of, or actual physical damage to, a part of the covered property which is caused by an **accident**. It does not include:
 - (a) consequential economic damage resulting from such physical damage to that part or to the covered property as a whole,
 - (b) consequential economic damage resulting from the inability to restore full monetary value to that part or to the covered property as a whole because of the fact that it has sustained physical damage,
 - (c) consequential economic damage resulting from the loss of use of that part or the covered property as a whole,

- (d) consequential economic damage resulting from the inability to match the parts which are **repaired** or **replaced** with undamaged adjacent parts, or
- (e) any diminution of the pre-loss value of the covered property after the **repair** or **replacement** of its parts.
3. **Actual cash value** means **total restoration cost** less **depreciation**. If the law of the state in which this policy is issued limits the factors which may be considered in determining the **actual cash value**, only the factors allowed by such law will be considered.
4. **Bodily injury** means:
- (a) a physical injury;
 - (b) a sickness or disease of the body;
 - (c) the physical pain and physical suffering which directly results from (a) or (b), above; and
 - (d) a death which directly results from (a) or (b), above.
- Bodily injury** does not mean:
- (a) a mental injury;
 - (b) a sickness or disease of the mind;
 - (c) mental anguish; or
 - (d) emotional distress;
- unless such mental or emotional condition is diagnosed by a medical doctor and directly results from **bodily injury** to the **individual** on whose behalf the **claim** is made.
5. **Business** means any activity for which the **person** engaged in that activity receives compensation of any kind, or reasonably expects to receive compensation of any kind. **Business** does not mean:
- (a) the occasional sale of **personal property** at the **residence premises** unless that property was raised, grown, or acquired, for the purpose of selling it;
 - (b) the occasional **rental** or **leasing**, or the holding for **rental** or **leasing**, of the **dwelling** on the **residence premises** in which **you reside**, for use as a **dwelling**;
- (c) the **rental** or **leasing**, or the holding for **rental** or **leasing**, of a part of the **dwelling** on the **residence premises** in which **you reside**, for use as a **dwelling**, unless the **rental** or **lease** is to three or more roomers or boarders;
 - (d) a part-time activity, engaged in by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student.
6. **Claim** means a request by any **person** for benefits under this policy as a result of any one **accident**. It includes lawsuits, requests for the payment of money and requests that **we** take any action, or extend any coverage, provided for by this policy.
7. **Compensation Law** means any law under which benefits are paid to a **person** as compensation for the effects of **bodily injury**, without regard to fault, because of that **person's** status as an employee or beneficiary. It includes, but is not limited to, workers' compensation laws, disability laws, the Federal Employers' Liability Act and the Jones Act.
8. **Custom farming** means the maintenance or use of **premises**, other than **insured premises**, for the production of **farm products** and includes all operations reasonably necessary for such production that are performed:
- (a) at the request of the **owner** or **renter** of those **premises**; and
 - (b) in exchange for compensation in the form of money or goods.
- Custom farming** does not mean operations performed as part of an exchange of **farming** services so long as no other compensation is paid.
9. **Declarations** means the part of this policy titled "Homeowner's Insurance Policy Declarations". It sets out many of the individual facts related to **your** policy including the dates, types, and amounts, of the various coverages.
10. **Decorative fixture** means wall covering, floor covering, paint, and molding which is attached to the interior of:

- (a) **your dwelling** at the **residence premises**;
or
 - (b) other structures which are permanently attached to the **residence premises**, but not attached to **your dwelling**. If a structure is connected to the **dwelling** by only a utility line or fence, it will not be considered attached to the **dwelling** for purposes of this definition.
11. **Deductible** means an amount of money deducted from the total amount of all losses covered under Section I of this policy, unless the specific coverage under which a loss is covered says otherwise. The amount of **your deductible** is shown in the **Declarations** or in the specific policy provision under which a loss is covered.
12. **Depreciation** means an amount of money that is deducted from the amount **we** actually pay. That amount is based on the decrease in the value of the property since it was new. It applies to any part that must be **repaired** or **replaced** to allow for the **repair** or **replacement** of a damaged part, whether or not that part itself is damaged. The condition, age, extent of use, and obsolescence of the part, and the property as a whole, will be considered in determining **depreciation**. **Depreciation** also applies to the labor and applicable sales tax necessary to complete covered **repairs** and **replacements**. **We** will calculate the percentage by which the materials necessary to the **replacement** have decreased in value, based on the factors stated above, and apply that same percentage when calculating the **depreciation** applicable to the labor and sales tax.
13. **Domestic appliance** means a device operated by mechanical power, fuel, or electric current, which is customarily used inside a **dwelling**. **Domestic appliance** does not include permanently installed:
- (a) heating systems;
 - (b) cooling systems;
 - (c) water heating systems; or
 - (d) water softeners.
14. **Dwell** means to live in a location with, or without, the intent to make that place one's **residence**.
15. **Dwelling** means the structure in which one **dwells**.
16. **Farming** means the **ownership**, maintenance or use of **premises** for the production of **farm products** and includes all operations reasonably necessary for such production. **Farming** does not include the sale of **farm products**. **Farming** does not include **custom farming**.
17. **Farm products** means:
- (a) crops grown, raised, or kept, for the purpose of commercial sale; and
 - (b) livestock grown, raised, or kept, for the purpose of commercial sale.
18. **General contractors' overhead and profit** means any amount of money included in, or added to, the estimated, or actual, cost of restoring damaged property, to compensate a contractor for something other than:
- (a) the materials actually installed in, or on, the damaged property, or
 - (b) the labor and equipment necessary to install such materials.
19. **Individual** means a human being.
20. **Insured** means:
- (a) **You**;
 - (b) **relatives**;
 - (c) any other **individual** under the age of 21 **residing** in **your** household who is in **your** care or the care of a **relative**;
 - (d) with respect to any vehicle covered by this policy, any employee of a **person** listed in (a), (b) or (c) above, while in the course and scope of such employment; and
 - (e) any **person** legally responsible for animals or watercraft covered by this policy and **owned** by a **person** listed in (a), (b) or (c) above. But **we** will cover that **person** only with respect to activities directly related to those animals or watercraft. **Insured** does not mean:
 - (1) any **person** using or having custody of an animal or watercraft in the course of any **business**; or

- (2) any **person** having custody of an animal or watercraft without permission of the **owner** of that animal or watercraft.
21. **Insured premises** means:
- (a) the **residence premises**;
 - (b) any one or two family **dwelling you** acquire during the term of this policy, if **you** intend to **reside** there during the term of this policy;
 - (c) the part of any other **premises** where **you dwell** if it is shown in the **Declarations**;
 - (d) the part of any **premises** that are not **owned** by any **insured**, if an **insured** is temporarily using it as a **dwelling**;
 - (e) the part of any structures or **premises**, not owned by any **insured**, which an **insured** occasionally **rents** for non-**business** purposes;
 - (f) unimproved **premises owned** by, controlled by, or **rented** to, an **insured**, but this does not include **premises**, any part of which are used for **farming** or **custom farming**;
 - (g) cemetery plots, or burial vaults, **owned** by an **insured**;
 - (h) land on which a single or two family **dwelling** is being built for an **insured**, if the land is **owned** by, or **rented** to, the same **insured**; or
 - (i) any structures used by **you** for storage of non-**business** items usually kept on the **residence premises**, and any **premises** to which those structures are attached.
22. **Judgment interest** means interest on any judgment provided for by the law of the state in which the judgment is entered, whether it accrues before or after a judgment.
23. **Land motor vehicle** means:
- (a) a **motorized vehicle** originally designed primarily for travel on **public roadways**;
 - (b) a **motorized vehicle** that is licensed for **use** on **public roadways**; or
 - (c) a vehicle attached to, or carried on, another vehicle that meets the definition set out in (a) or (b), above.
24. **Lease** means a right to possess and use real property or **personal property** for a period of thirty or more consecutive days based upon a written agreement with the **owner** of that property.
25. **Market value** means the price that the damaged part of the covered property would have brought immediately before the loss, if offered for sale by a reasonable **person** who is willing, but not obliged, to sell it, and bought by a reasonable **person** who is desirous of purchasing it, but who is not compelled to do so.
26. **Motorized vehicle** means any type of vehicle capable of transporting one or more people that has ever been powered by an internal combustion engine regardless of the type of fuel used in that engine. This definition applies even if an engine is no longer used to power the vehicle. This definition applies to all vehicles whether they are designed to operate on land, water, or in the air.
27. **Named insured** means any **persons** listed in the **Declarations** under the heading “**Named Insured**” and does not include **persons** listed under other headings unless they are also listed under the heading “**Named Insured**”.
28. **Own** means that the **person** referred to holds the legally recognized title to, or is a **leaseholder** of, an item of real property or **personal property**, irrespective of the fact that there may be other **owners**. This definition is not changed by the patterns of usage of the property.
29. **Owner** means any **person** who is a legally recognized titleholder or **leaseholder** of an item of real property or **personal property**, irrespective of the fact that there may be other titleholders or **leaseholders**. An **owner’s** status as such is not changed by the patterns of usage of the property.
30. **Person** means an **individual**, a corporation, or an entity, which has separate legal existence under the laws of the state in which this policy is issued.

31. **Personal property** means items that are not permanently attached to **premises**. It includes buildings on the **residence premises** that are not permanently attached to the **residence premises**. If an item or structure is attached to something only by a utility line it will not be considered permanently attached to it.
32. **Premises** means real estate. It includes land and any improvements permanently attached to the land. For purposes of this policy, all real estate conveyed by one deed granting title to that land will be considered the same **premises**. Lands conveyed by separate deeds will be considered separate **premises**.
33. **Property damage** means physical injury to or destruction of tangible property and includes damages for the loss of its use.
34. **Public roadway** means a roadway maintained by a governmental entity or agency including its adjacent right of ways. The fact that the general public has access to a roadway does not itself make that roadway a **public roadway**.
35. **Punitive damages** means a monetary award imposed to punish a wrongdoer and to deter others from similar conduct. It includes exemplary damages. It also includes any damages, or penalties, based upon any legal theory that requires proof of the same standard of conduct necessary to support an award of **punitive damages** or exemplary damages, under the law of the state in which they are awarded.
36. **Recreational motor vehicle** means a **motorized vehicle** that:
- (a) was not originally designed primarily for travel on **public roadways**, or
 - (b) is not currently licensed for use on **public roadways**.
- Recreational motor vehicle** does not mean:
- (a) a vehicle used, or designed to be used, in competition with other vehicles,
 - (b) a vehicle used solely to service the **residence premises**, or
 - (c) a vehicle originally designed to assist the physically handicapped, or
- (d) a lawnmower used solely to mow grass.
37. **Relative** means an **individual** related to **you** by blood, marriage, or adoption, who is primarily a **resident** of, and actually living in, **your** household. It includes **your** unmarried and unemancipated child away at school.
38. **Rent** means a right to possess and use real property or **personal property** for a period of less than thirty consecutive days based upon a written agreement with the **owner** of that property.
39. **Repair** means restoration by the use of labor only on the damaged part of the covered property in order to restore its form and function. Restoration of pre-**accident** value is not included in the definition of **repair**.
40. **Replace** means the installation or provision of materials or parts to, or in place of, the damaged part of the covered property. It includes the installation or provision materials or parts to, or in place of, any undamaged parts that must be **replaced** to allow for **replacement** of the damaged part. It also includes the labor necessary to accomplish such installation. Restoration of pre-**accident** value is not included in the definition of **replace**.
41. **Reside** means to live in a location with the intent to make that place, and no other, one's permanent home. If the parents of a minor child do not **reside** with one another, **we** will consider the child a **resident** of both their households if that child regularly spends time in each of their **residences**.
42. **Residence employee** means an employee of an **insured** whose duties entail the maintenance or use of the **residence premises**, or who performs similar duties elsewhere but not in connection with an **insured's business**.
43. **Residence premises** means:
- (a) any one or two family **dwelling** situated on the **premises** described in the **Declarations** if:
 - (1) **you own that dwelling**; and

(2) **you** presently **reside** in that **dwelling**, have **resided** there in the last thirty days, or will **reside** there within thirty days of the inception date of this policy;
or

(b) a one or two family **dwelling** referred to in the **Declarations** as the “secondary residence premises”, if **you own** that **dwelling** at the time of a loss.

That **dwelling**, the grounds, and other structures at the same **premises**, are included in this definition.

44. **Restoration cost** means the amount of money it will, or did, cost to restore the form and function of the damaged part of covered property by:

(a) **replacing** it; or

(b) **repairing** it,

whichever is less expensive.

Restoration cost can be based on a combination of (a) and (b) above, if some parts of the covered property are **replaced** and other parts are **repaired**. **Restoration cost** includes:

(a) the cost of construction techniques commonly used by the building trades in the geographical area of the covered property; and

(b) the cost of materials and parts, comparable in quality to the damaged materials and parts, to the extent those are available in the geographical area of the covered property.

Restoration cost does not include:

(a) consequential economic damage resulting from physical damage to the part or the covered property as a whole,

(b) consequential economic damage resulting from the inability to restore full monetary value to the part or the covered property as a whole because it has sustained physical damage,

(c) consequential economic damage resulting from the loss of use of the part or the covered property as a whole,

(d) consequential economic damage resulting from the inability to match the parts that are **repaired** or **replaced** with undamaged adjacent parts, except as provided in the insuring agreement with respect to **decorative fixtures**,

(e) any diminution of the pre-loss value of the covered property after the **repair** or **replacement** of its parts,

(f) the cost of **replacing** or **repairing** materials or parts that are unavailable in the geographic area of the covered property with those of like quality,

(g) the cost of using the services of tradesmen or craftsmen who do not regularly offer their services in the geographic area of the covered property, or

(h) **general contractors’ overhead and profit**.

45. **Total restoration cost** means the **restoration cost** of all of the damaged parts of the covered property that were damaged in one **accident**.

46. **Unoccupied** means that people were not **residing** in the **residence premises** at the time of the loss.

47. **Vacant** means that **you** have ceased to **dwell** there and that the **dwelling** is devoid of all **personal property** except those items that **you** intend to permanently leave at that location.

48. **War** means armed conflict whether or not officially declared. It includes civil war, insurrection, rebellion, revolution, or any act or condition incident to any of those events.

49. **We, us** and **our** mean the Company providing this insurance.

50. **You** means any **person** listed as a **named insured** in the **Declarations** and, if that **person** is an **individual**, his or her spouse.

GENERAL AGREEMENTS APPLICABLE TO ENTIRE POLICY

1. WHAT TO DO IN CASE OF **BODILY INJURY OR PROPERTY DAMAGE**

In the event of an **accident** covered under this policy, the **insured** must promptly take all of the following actions:

- (a) Notify **us** or **our** agent as soon as possible. The notice must give:
 - (1) **your** name and policy number;
 - (2) the time, place and circumstances of the **accident**; and
 - (3) the names and addresses of all injured **individuals** and witnesses.
- (b) Cooperate with **us**, and assist **us** in any matter relating to a **claim**.
- (c) Send **us** all correspondence and all legal papers that relate to any **claim**, made by anyone, against **us** or against the **person** seeking such coverage.
- (d) Authorize **us** to obtain any other records that may be relevant to the **claim** or may reasonably be expected to aid **our** investigators in determining the facts relevant to the **claim**.
- (e) Provide **us** with a list of the damaged property if a loss covered under Damage to Property of Others occurs. The **insured** must also exhibit the damaged property to **us** if it is within the **insured's** control.
- (f) Provide any written proofs of loss **we** require.
- (g) Answer, under oath, any questions posed by **us**, and sign a written transcript of such questions and answers.

If such **claim** is based upon **bodily injury**, the **person** making such **claim** must also:

- (h) submit to physical examinations, at **our** expense, by doctors **we** select as often as **we** may reasonably require;
- (i) authorize **us** to obtain relevant medical records of the **individual** whose **bodily injury** is the basis for such **claim**.

The **insured** must not, except at his or her own cost, voluntarily make any payment, assume any obligation, or incur any expenses related to the **bodily injury** or **property damage**.

2. ASSIGNMENT

Except as provided in Coverage F of this policy, **you** may not assign any of **your** rights and interests under this policy, unless **we** consent to such assignment, in writing and endorse that change on this policy. Such endorsement will then become a part of this policy.

3. COVERAGE IN THE EVENT OF **YOUR** DEATH

If **you** die, the provisions of this policy will apply to:

- (a) any surviving member of **your** household who was covered under this policy at the time of **your** death, but only while that **individual** is a **resident** of, and actually living in, the **dwelling** on the **insured premises**;
- (b) **your** legal representative while acting within that capacity; and
- (c) any **person** having proper custody of insured property until a legal representative is appointed.

However, in order to obtain this coverage, any of the people listed in (a), (b) and (c), above, must notify **us** of **your** death. Coverage under this provision will be provided for a maximum of thirty days after **your** death, and will terminate if the policy lapses.

4. NOTICE TO **US**

Any notice required by this policy may be given by, or on behalf of, the **insured** to **our** authorized agent within this state. If that notice contains sufficient information for **us** to identify the **insured**, **we** will consider it notice to **us**.

5. LEGAL ACTION AGAINST **US**

Any **person** who makes a **claim** or seeks coverage under this policy agrees not to institute any legal action against **us** unless that **person**

has fully complied with all the terms of this policy. Any legal action seeking a payment or a determination of coverage under this policy or its binder must be brought in the state in which the **residence premises** are located. This policy and its binder are to be interpreted in accordance with the laws of the state in which the **residence premises** are located.

6. CANCELLATION

Cancellation of this policy will be handled in accordance with the state specific endorsement attached to this policy.

7. REFUSAL TO RENEW

Refusal to renew this policy will be handled in accordance with the state specific endorsement attached to this policy.

8. CONCEALMENT OR FRAUD

This entire policy is void as to all **insureds** if any **insured** has:

- (a) intentionally concealed, or misrepresented, any material fact or circumstance relating to the purchase of this policy;
- (b) negligently misrepresented any material fact or circumstance related to the purchase of this policy;
- (c) intentionally concealed or misrepresented any material fact related to any **claim** made under this policy; or
- (d) acted fraudulently, or made false statements, relating to any **claim** made under this policy.

9. CHANGES TO THE POLICY

This policy includes the printed policy form, its endorsements, the application related to it, any applications for changes to it, and the **Declarations**. Those documents constitute all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by written endorsement issued by **us**. If a premium adjustment is necessary **we** will make the adjustment as of the effective date of the change. If **we** change this particular policy form so the insurance it provides is broadened without extra

premium, this policy will be broadened as of the date **we** make that change effective in **your** state, and the broader form will apply to **your claims** after that date.

10. **YOUR OBLIGATION TO NOTIFY US OF YOUR CHANGES**

The premium charged for this policy is based in large part on information **you** provided to **us**. If that information is incomplete or inaccurate, or if it changes during the policy period, **you** must inform **us** of that, if it relates to any of the following:

- (a) a change in **your residence**;
- (b) a change in the number or types of **businesses** operated on the **insured premises**;
- (c) a change in the **ownership** or management of any **business** operated on the **insured premises**;
- (d) a change in the number of occupants, who are not **relatives**, residing at the **insured premises**;
- (e) an addition or upgrade in the **insured premises**; or
- (f) a change in the number or types of animals kept on the **insured premises**.

11. **OUR RIGHT TO INSPECT PREMISES**

We have the right to inspect any **premises** covered by this policy as often as may be reasonable during the term of this policy. **You** agree to allow **us** to come onto those **premises** and into any buildings on those **premises**.

12. **OUR RIGHT TO RECOVER PAYMENT**

In the event **we** make any payment under this policy, **we** will be subrogated to all rights of recovery, based upon the same damages that an **insured**, or any other **person** receiving the payment, may have against any **person** liable for those damages.

Any **insured**, or other **person** who receives payment under this policy, agrees to execute and deliver legal instruments to **us**, and to take any reasonable actions necessary to secure **our** rights if **we** ask.

Any **insured**, or other **person** who receives payment under this policy, agrees to cooperate with **us** in enforcing **our** rights of recovery acquired under this section and to do nothing to prejudice **our** rights.

This does not apply to the coverages headed "Medical Payments to Others" and "Damage to Property Of Others".

13. POLICY COVERAGE PERIOD

This policy applies only to losses, **bodily injury** or **property damage** that occur during the policy period.

14. OTHER INSURANCE

If this policy and any other insurance, issued by **us**, or by any other company, applies to the same loss, this policy will apply as follows.

(a) With respect to all coverages contained in Section I, the insurance provided by this policy will be prorated, based upon the applicable limits of each policy, up to the highest limit provided by any one policy. This does not apply if a mortgagee, or trustee under a deed of trust, has duplicate coverage because of the ten-day notice provision contained in the section related to mortgagees and trustees. In that instance, the provisions of that section respecting the priority of coverages will control.

(b) With respect to all coverages contained in Section II, the insurance provided by this policy will apply only as excess insurance, and will then apply only in the amount by which its limits exceed the limits of all such other policies.

15. OTHER SOURCES OF COMPENSATION FOR THE LOSS

(a) If an **insured** is entitled to receive full compensation for a loss covered by this policy from another source, this policy will not apply to such loss.

(b) If an **insured** is entitled to receive partial compensation for a loss covered by this policy from another source, this policy will apply only to the amount of the loss for which the **insured** is not entitled to compensation from that source.

16. CONFORMITY TO APPLICABLE LAWS

If the terms of this policy conflict with the laws of any state that are applicable to a covered loss, the conflicting terms are amended to conform to such laws.

17. EFFECT OF POLICY ACCEPTANCE

By acceptance of this policy, **you** agree that the statements in the **Declarations** and in any Application or Application for Change accepted by **us**, are offered as an inducement to **us** to issue, continue, or renew this policy, and are **your** agreements or representations. They are not warranties.

18. CONTINUOUS RENEWAL

Subject to **our** consent and subject to the premiums, rules and forms then in effect for **us**, this policy may be continued in force by payment of the required continuation premium for each successive policy term. Such continuation premium must be paid to **us** before the expiration of the then current policy term and if not paid the policy shall terminate. With respect to any mortgagee (or trustee) named in the **Declarations**, this insurance will continue in force as to only the interest of the mortgagee (or trustee) for 10 days after written notice of termination to the mortgagee (or trustee), and shall then terminate.

SECTION I - PROPERTY PROTECTION

COVERAGE A - DWELLING

INSURING AGREEMENTS

1. **We** cover **accidental direct physical loss** to the following property, except for those perils and losses excluded under the heading “Exclusions Applicable To Coverages A & B”.
 - (a) **Your dwelling**, including building structures attached to it, at the **residence premises**, but only if that **dwelling** is used principally as a private **residence**. If a building structure is connected to the **dwelling** by only a utility line or fence, it will not be considered attached to the **dwelling** for purposes of this coverage.
 - (b) Attached outdoor equipment used to service the **residence premises** while located on the **residence premises** or temporarily elsewhere.
 - (c) Construction material at the **residence premises** that **you** intended to have permanently attached to **your dwelling** located on the **residence premises**, if that material has been at the **residence premises** for ninety days or less.
 - (d) Outdoor antennas and reception dishes (including their lead in wires), towers, and masts, if they are located on the **insured premises** and were functional immediately prior to the covered loss. The limit of **our** liability for this coverage is \$200. This amount includes the cost of damaged parts and the labor necessary to repair the damage.
2. **We** cover **accidental direct physical loss** to **decorative fixtures** and, with respect to **decorative fixtures** only, if consequential economic damage will result from the inability to match parts that are **repaired** or **replaced** with undamaged adjacent parts, **we** will **repair** or **replace** those undamaged adjacent parts to the extent necessary to prevent that economic damage.

3. **We** cover the reasonable cost **you** incur for temporary **repairs** or **replacement** of **your** property to protect it or other property from eminent losses that would be covered by this policy.

COVERAGE B - OTHER STRUCTURES

INSURING AGREEMENTS

1. **We** cover **accidental direct physical loss** to other structures that are permanently attached to the **residence premises** but not attached to **your dwelling**, except for those perils and losses excluded under the heading “Exclusions Applicable To Coverages A & B”. If a structure is connected to the **dwelling** by only a utility line or fence, it will not be considered attached to the **dwelling** for purposes of this coverage. This coverage does not extend to:
 - (a) structures used to any extent for **business**;
 - (b) outdoor radio equipment; or
 - (c) outdoor television equipment.
2. **We** cover **accidental direct physical loss** to **decorative fixtures** located in any structure covered under paragraph 1. above; and, with respect to those **decorative fixtures** only, if consequential economic damage will result from the inability to match parts that are **repaired** or **replaced** with undamaged adjacent parts, **we** will **repair** or **replace** those undamaged adjacent parts to the extent necessary to prevent that economic damage.
3. **We** cover **accidental direct physical loss** to construction material at the **residence premises** that **you** intended to have permanently attached to other structures covered in paragraph 1. of Coverage B, if that material has been at the **residence premises** for ninety days or less.
4. **We** cover the reasonable cost **you** incur for temporary **repairs** or **replacement** of parts of **your** covered property to protect it or other property from eminent losses that would be covered by this policy.

5. **We** cover **accidental direct physical loss** to fences on the **residence premises** under this coverage only, whether they are attached to **your dwelling** or not. This coverage does not extend to a fence used to any extent for **business** irrespective of the fact that it may also be used for non-**business** purposes.

EXCLUSIONS APPLICABLE TO COVERAGES A & B

We do not cover any loss or damage if it would not have occurred in the absence of any event or condition listed below. That loss or damage is excluded from coverage regardless of:

- (a) the proximate cause of that event or condition;
 - (b) the fact that other events or conditions, which are not excluded, caused the loss or damage;
 - (c) the fact that other events or conditions, which are not excluded, contributed to the loss or damage;
 - (d) the sequence of the events or conditions that caused the loss or damage;
 - (e) whether the events and conditions that caused the loss or damage occurred suddenly or gradually;
 - (f) whether the loss or damage is isolated or widespread; or
 - (g) whether the loss or damage arises from natural forces, external forces, or a combination of such forces.
1. Enforcement of any ordinance or law regulating the construction, use, repair or demolition of a building or other structure. This exclusion includes the increased costs incurred to comply with an ordinance or law. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire, if that fire is caused by a peril **we** insure against.
 2. Movement of materials that support, or surround, a structure. **We** do not cover damage to any structure including, but not limited to: a) patios, b) pavement, c) foundations, d) walls, e)

floors, f) roofs, g) ceilings, or h) slabs, if that damage is caused by the sinking, rising, shifting, expanding, or contracting, of earth or any other supporting, or surrounding, material. This exclusion applies to earthquakes, volcanic explosions, lava flow, landslides, mudflow, mudslides, sinking of ground, subsidence, erosion, movement resulting from improper construction or compaction, improper site selection, or any other force. **We** do not cover any cost required to replace, rebuild, stabilize, or otherwise restore, the supporting, or surrounding, material. **We** do not cover the cost of any repair technique designed to compensate for, or prevent, the instability of supporting, or surrounding, material. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these causes if that loss is caused by theft, fire, or explosion.

3. (a) Water, or water borne contaminants or materials, that flows on, or under, the surface of the ground; waves; tidal waters; or overflow of a stream or any body of water. **We** do not cover spray from any of these, whether or not driven by wind.
- (b) Water, or water borne contaminants or materials, that escapes from a pool or water system, unless the portion of that pool or water system from which the water escapes is physically located within a building that is permanently attached to the **residence premises**.
- (c) Water, or water borne contaminants or materials, that overflows from sewers, drains, or pumps, if that overflow is caused by the inadequacy of the sewer, drain, or pump system, or by an obstruction of such that is located off of the **residence premises**.
- (d) Water, or water borne contaminants or materials, below the surface of the ground, that exerts pressure on, or flows, seeps, or leaks, through any part of a building or other structure, sidewalk, driveway or pool.

(e) Condensation of water vapor.

We do cover **accidental direct physical loss** that occurs subsequent to any of the events or conditions listed in 3(a), 3(b), 3(c), 3(d) and 3(e), above, if that loss is caused by theft, fire or explosion.

4. Power, heating, or cooling failure or interruption, unless it results from **accidental direct physical loss** to power, heating or cooling equipment located on the **residence premises** and that loss is caused by a peril **we** insure against. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events if that loss is caused by theft, fire, or explosion.
5. Neglect of an **insured** to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril **we** insure against.
6. **War**.
7. Nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.
8. An intentional act by, or at the direction of, any **insured** that a reasonable **individual** would expect to cause the loss for which the **claim** is made.
9. Any event causing a loss to piers, bulkheads, wharves and docks and anything attached to them.
10. Wear and tear; marring or scratching; deterioration; inherent vice; latent defect; mechanical breakdown; leakage of any chemical or petroleum product from a storage container; rust; mold; mildew; fungus; spores; wet or dry rot; contamination; smog, smoke, or soot from agricultural smudging or industrial operations; continuous or repeated exposure to smoke or soot; birds, rodents, squirrels, raccoons, opossums, vermin, insects, or domestic animals. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events or conditions if that loss is caused by fire or explosion. **We** do cover **accidental direct physical loss** caused by mold, mildew, fungus

or spores, if the original cause of the mold, mildew, fungus or spores was itself a covered loss. **We** will apply this exclusion to **accidental direct physical loss** to the property, or part of the property, which was actually damaged by the excluded cause or event. **We** will waive this exclusion as it applies to **accidental direct physical loss** to other covered property if that loss was:

- (a) caused by the **accidental** discharge or overflow of water or steam from within a plumbing system, heating system, cooling system, fire protection sprinkler system, water heater, water softener, or **domestic appliance**, and
- (b) the point at which the water or steam was discharged, or from which it overflowed, is physically located within a structure permanently attached to the **residence premises**.

Our limited waiver of this exclusion, stated just above, does not constitute a waiver of exclusion 11, below.

11. Continuous or repeated seepage or leakage of water or steam over a period of fourteen days or more. If this exclusion applies, no part of the loss is covered even though it may have occurred prior to the fourteenth day of the seepage or leakage. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events or conditions if that loss is caused by fire or explosion.
12. Theft from in or around a **dwelling** or other structure that is undergoing construction, repairs or renovations, unless that **dwelling** is occupied by an **insured** during such construction, repairs or renovations.
13. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, swimming pool, foundation or retaining wall. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events or conditions if that loss is caused by fire or explosion.

14. Vandalism, malicious mischief, or breakage of glass and safety glazing materials:

- (a) if the **residence premises** has been **vacant** for more than 30 consecutive days immediately preceding the date on which the loss occurred. For purposes of this exclusion **we** will not treat a building that is undergoing construction, repairs or renovations as being **vacant**; or
- (b) to that part of the **residence premises rented** or **leased** to others.

We do cover **accidental direct physical loss** that occurs subsequent to any of these events if that loss is caused by fire or explosion.

15. Freezing of plumbing, heating systems, cooling systems, water heaters, water softeners, or **domestic appliances** while any building in which such system or appliance is located is **vacant, unoccupied**, under construction, being remodeled or renovated, unless **you** take precautions to:

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

We do cover **accidental direct physical loss** that occurs subsequent to any of these events if that loss is caused by fire or explosion.

16. Freezing of hot tubs, spas or whirlpools attached to the **residence premises** unless **you** use reasonable care to prevent such units from freezing.

17. Illegal activities of any **insured**.

18. Dishonesty of any **insured**.

19. Any defect, inadequacy, fault, unsoundness or weakness in:

- (a) material used for construction or repair;
- (b) site preparation including planning, zoning, surveying, grading, compaction and placement;
- (c) workmanship, design or engineering specifications; or
- (d) maintenance of land, structures, improvements and similar property on or off of the **residence premises**;

if such defect, inadequacy, fault, unsoundness or weakness existed before the **accident** that resulted in the loss. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events or conditions if that loss is caused by fire or explosion.

20. The action, lack of action, decision, or lack of decision, of any group, organization, or governmental body, or of any **person** on their behalf. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire, if that fire is caused by a peril **we** insure against. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events or conditions if that loss is caused by fire or explosion.

21. The conduct of any group, organization, or governmental body, or of any **person** on their behalf, regardless of whether the conduct is negligent, wrongful, intentional, or without fault. **We** do cover **accidental direct physical loss** which occurs subsequent to any of these events if that loss is caused by fire or explosion.

COVERAGE C-PERSONAL PROPERTY INSURING AGREEMENT

We cover **accidental direct physical loss** to:

1. **personal property owned** or used by the **insured**; and,
2. **personal property you** do not own if:
 - (a) it is located at the **residence premises** at the time of the loss;
 - (b) **you** have been at the **residence premises** during the 45 days immediately preceding the loss; and
 - (c) **you** ask **us** to provide this coverage for that property.

These coverages apply only if the loss is caused by one or more of the following perils, and it is not excluded elsewhere in this coverage:

1. Fire or lightning.
This peril does not include loss caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.

2. Wind or hail.
This peril does not include loss:
 - (a) to property in a building, caused by wind, rain, snow, sand, sleet or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the wind, rain, snow, sand, sleet or dust enters; or
 - (b) to watercraft and their trailers, furnishings, equipment, and motors, unless they are:
 - (1) located inside a fully enclosed building at the time of the loss; or
 - (2) non-motorized boats or canoes, owned by **you** and are on the **residence premises** at the time of the loss.
3. Explosion.
This peril does not include loss caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.
4. Riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicular collision. However, this peril does not apply if the only collision is between the **personal property** and the vehicle in which it is being transported.
7. Smoke or soot. This peril does not apply to losses:
 - (a) caused by smoke or soot from agricultural smudging or industrial operations;
 - (b) caused by continuous or repeated exposure to smoke or soot; or
 - (c) caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.
8. Vandalism or malicious mischief.
 - (a) This peril does not apply to vandalism or malicious mischief:
 - (1) committed by, or at the direction of, any **insured**, or the husband, wife or child of any **insured**;
 - (2) committed in or around a **dwelling** that is undergoing construction, repairs or renovations, unless that **dwelling** is occupied by an **insured** during such construction, repairs or renovations;
 - (3) This peril does not apply to vandalism or malicious mischief committed by any **person** who is **renting** or **leasing** a part of the **residence premises**;
 - (4) This peril does not apply to vandalism or malicious mischief to **personal property** located in areas of the **residence premises rented** or **leased** to others;
 - (5) This peril does not apply, away from the **residence premises**, to vandalism or malicious mischief of:
 - (1) **personal property** while at any other **premises owned, rented** or occupied by an **insured** except while an **insured** is temporarily using that **premises** as a **dwelling**. Property of an **insured** who is a student is covered at a **dwelling** away from home if the student has been at that **dwelling** at any time during the 45 days immediately before the loss;
 - (2) watercraft and their equipment; and
 - (3) trailers.
9. Theft or attempted theft.
 - (a) This peril does not apply to theft:
 - (1) committed by, or at the direction of, any **insured**, or the husband, wife or child of any **insured**;
 - (2) from in or around a building that is undergoing construction, repairs or renovations, unless that building is at the location where **you** presently **reside**;
 - (3) of a precious or semi-precious stone from its setting;
 - (4) of any credit card or loss by forgery or alteration of any check, draft, promissory note, bill of exchange, or similar written promise, order, or direction to pay a sum

of money. There may be limited coverage for some of these items under the section headed "Additional Coverages Under Section I"; or

- (5) that results from a voluntary parting with title or possession of any property by the **insured** or others to whom the **insured** has entrusted the property. This exclusion applies even if such parting of title or possession was induced by a fraudulent scheme, trick, device or false pretense.
- (b) This peril does not apply to theft of the following, when a part of the **residence premises is rented or leased** to others:
 - (1) money, bank notes, bullion, coins and medals and other numismatic property and precious metals including platinum, gold and silver, but not goldware or silverware;
 - (2) securities, manuscripts, accounts, deeds, evidences of debt, letters of credit, notes, passports, tickets, stamps and other philatelic property;
 - (3) jewelry, watches, precious and semi-precious stones and furs, including any article containing fur if that fur accounts for its principal value; or
 - (4) any **personal property**, if the theft is committed by any **person renting or leasing** a part of the **residence premises**.
- (c) This peril does not apply, away from the **residence premises**, to theft of:
 - (1) property while at any other **premises owned, rented** or occupied by an **insured** except while an **insured** is temporarily using that **premises** as a **dwelling**. Property of an **insured** who is a student is covered at a **dwelling** away from home if the student has been at that **dwelling** at any time during the 45 days immediately before the loss;
 - (2) watercraft and their equipment; and

(3) trailers.

10. Breakage of Glass

We cover damage to **personal property** caused by breakage of glass constituting a part of any building on the **insured premises**, however **we** do not cover loss or damage to the glass itself under this coverage.

11. Volcanic Eruption

This peril does not apply to loss caused by earthquake or land shock waves or tremors that occur before, during, or after a volcanic eruption. All eruptions that occur within a period of 72 hours will be considered one volcanic eruption.

12. Falling of objects

This peril does not apply to loss to the property that fell, nor does it apply to other property within a building unless, while it is falling, the object first damages the exterior of a building.

13. Weight of ice, snow or sleet that damages property in the building.

14. Collapse of any part of a building.

This peril does not apply to settling, cracking, shrinkage, bulging or expansion.

15. Cracking, burning, bulging or tearing apart, of a heating or air conditioning system, automatic fire protection sprinkler system or a potable water heating appliance. This peril does not apply to loss that is caused by or results from freezing.

16. Discharge or overflow of water or steam from within a plumbing system, heating system, cooling system, fire protection sprinkler system, water heater, water softener, or **domestic appliance**, if the point from which the water or steam was discharged or overflowed is physically located within a structure permanently attached to the **residence premises**.

This peril does not apply to loss:

- (a) to the system or appliance from which the water or steam escapes;
- (b) caused by or resulting from freezing;
- (c) to property at a building **vacant** for more than 30 consecutive days immediately before the loss;
- (d) caused by water leaking from an aquarium;

- (e) caused by water leaking from a water bed;
- (f) caused by water or steam from a hot tub or spa; or
- (g) caused by continuous or repeated seepage or leaking over a period of fourteen days or more and if this exclusion applies, no part of the loss is covered even though it may have occurred prior to the fourteenth day of the seepage or leakage.

17. Freezing of a plumbing, heating and air conditioning system, automatic fire protection sprinkler system, or appliance.

This peril does not apply to any loss occurring while the building is **vacant, unoccupied**, under construction, remodeling or renovation, unless **you** use reasonable care to:

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

This peril does not apply to losses to any appliance, hot tub, spa, whirlpool or equipment located out of doors unless **you** use reasonable care to prevent such units from freezing.

LIMITATION OF LIABILITY BASED ON LOCATION OF PERSONAL PROPERTY

We cover **personal property owned**, or used by an **insured** anywhere in the world. However, this coverage is limited to 10% of the limits of liability for Coverage C - **Personal Property**, stated in the **Declarations** for any loss to **personal property** that is away from the **premises** described in the **Declarations** for more than thirty consecutive days. **Personal property** placed for safekeeping with a bank, trust company, safe deposit company, or a commercial storage facility available to the general public, will be considered to be on the **residence premises**.

SPECIAL LIMITS ON CERTAIN ITEMS OF PERSONAL PROPERTY

The special limits stated below apply to the corresponding groups of **personal property** and, if a specific peril is set out in the list below, these limits apply only to losses caused by that peril. These limits do not increase the total amount of insurance for **Personal Property** Coverage stated in the **Declarations**. The limit of insurance for each grouping of **personal**

property is the maximum **we** will pay in any one twelve month period for all property included in the group.

Limit of Insurance	Personal Property Group
1. \$ 200	Money, bank notes, bullion, coins and medals and other numismatic property.
2. \$1000	Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, passports, tickets, stamps and other philatelic property.
3. \$1000	Watercraft, including their trailers, furnishings, equipment & outboard motors.
4. \$1000	Trailers not used to transport watercraft.
5. \$1000	Theft of jewelry, watches, precious and semi-precious stones and precious metals including platinum, gold and silver, and furs, including any article containing fur if that fur accounts for its principal value.
6. \$1000	Manuscripts.
7. \$5000	Theft of silverware and goldware.
8. \$2000	Theft of guns and related equipment.
9. \$2000	Theft of archery equipment.
10. \$1000	Grave Markers (whether or not attached to realty).
11. \$2500	Business property, on the residence premises if not related to a business conducted on the residence premises .
12. \$ 250	Business property away from the residence premises .
13. \$1000	Recreational motor vehicles .
14. \$1000	Personal property you do not own .
15. \$ 500	Audio tapes, video tapes, audio discs, video discs, and all other electronic media while located away from the residence premises .
16. \$1000	Collector cards.
17. \$1000	Comic books.
18. \$ 500	Parts and accessories for motorized vehicles that are not permanently attached to a motorized vehicle. This limitation does not apply to parts and accessories for vehicles used solely to service the residence premises .

EXCLUSIONS APPLICABLE TO COVERAGE C

We do not cover any loss or damage if it would not have occurred in the absence of any event or condition listed below. That loss or damage is excluded from coverage regardless of:

- (a) the proximate cause of that event or condition;
 - (b) the fact that other events or conditions, which are not excluded, caused the loss or damage;
 - (c) the fact that other events or conditions, which are not excluded, contributed to the loss or damage;
 - (d) the sequence of the events or conditions that caused the loss or damage;
 - (e) whether the events and conditions that caused the loss or damage occurred suddenly or gradually;
 - (f) whether the loss or damage is isolated or widespread; or
 - (g) whether the loss or damage arises from natural forces, external forces, or a combination of such forces.
1. Enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire if that fire is caused by a peril **we** insure against.
 2. Movement of materials that support, or surround, a structure. **We** do not cover losses resulting from damage to any structure including, but not limited to: a) patios, b) pavement, c) foundations, d) walls, e) floors, f) roofs, g) ceilings, or h) slabs, caused by the sinking, rising, shifting, expanding, or contracting, of earth or any other supporting, or surrounding, material. This exclusion applies to losses resulting from earthquakes, volcanic explosions, lava flow, landslides, mudflow, mudslides, sinking of ground, subsidence, erosion, movement resulting from improper construction or compaction, site selection, or
- any other force. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these causes if that loss is caused by theft, fire, or explosion.
3.
 - (a) Water, or water borne contaminants or materials, that flows on, or under, the surface of the ground; waves; tidal waters; or overflow of a stream or any body of water. **We** do not cover spray from any of these, whether or not driven by wind.
 - (b) Water, or water borne contaminants or materials, that escapes from a pool or water system, unless the portion of that pool or water system from which the water escapes is physically located within a building that is permanently attached to the **residence premises**.
 - (c) Water, or water borne contaminants or materials, that overflows from sewers, drains, or pumps, if that overflow is caused by the inadequacy of the sewer, drain, or pump system, or by an obstruction of such that is located off of the **residence premises**.
 - (d) Water, or water borne contaminants or materials, below the surface of the ground, that exerts pressure on, or flows, seeps, or leaks, through any part of a building or other structure, sidewalk, driveway or pool.
 - (e) Condensation of water vapor.

We do cover **accidental direct physical loss** that occurs subsequent to any of the events or conditions listed in 3(a), 3(b), 3(c), 3(d) and 3(e), above, if that loss is caused by theft, fire or explosion.
 4. Power, heating, or cooling failure or interruption, unless it results from **accidental direct physical loss** to power, heating or cooling equipment located on the **residence premises** and that loss is caused by a peril **we** insure against. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events if that loss is caused by theft, fire, or explosion.

5. Neglect of an **insured** to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril **we** insure against.
6. **War**.
7. Nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.
8. An intentional act by, or at the direction of, any **insured** that a reasonable **individual** would expect to cause the loss for which the **claim** is made.
9. Any event causing loss to outdoor radio and television equipment except as provided in Coverage A.
10. Any event causing loss to piers, bulkheads, wharves and docks and anything attached to them.
11. **Business** activities of any **insured**.
12. Any defect, inadequacy, fault, unsoundness or weakness in:
 - (a) material used for construction or repair;
 - (b) site preparation including planning, zoning, surveying, grading, compaction and placement;
 - (c) workmanship, design or engineering specifications; or
 - (d) maintenance of land, structures, improvements and similar property on or off of the **residence premises**;
 if such defect, inadequacy, fault, unsoundness or weakness existed before the **accident** that resulted in the loss.
13. Illegal activities of any **insured**.
14. Dishonesty of any **insured**.

We do not cover any peril or loss listed above even if the loss is caused in part by:

- (a) the action, lack of action or decision of any **person**, group, organization or governmental body, or
- (b) the conduct of any **person**, group, organization or governmental body,

regardless of whether that conduct is negligent, wrongful, intentional or without fault;

We do cover **accidental direct physical loss** that occurs subsequent to the events or conditions listed in (a) and (b), above, if that loss is caused by fire or explosion.

EXCLUSIONS OF CERTAIN CATEGORIES OF **PERSONAL PROPERTY**

We do not cover the following items of **personal property**.

1. Animals.
2. Vehicles that are, or at any time were, motorized and all parts and accessories attached to them, unless those vehicles are:
 - (a) used primarily to service the **residence premises**;
 - (b) originally designed to assist the physically handicapped; or
 - (c) **recreational motor vehicles**.
3. Aircraft, except model airplanes that are not used or designed for transporting cargo or people.
4. Parts and accessories for aircraft.
5. **Personal property** of roomers or boarders who are not related to an **insured**.
6. **Personal property** of tenants.
7. **Business personal property**:
 - (a) relating to a **business** conducted on the **residence premises**; or
 - (b) books of account, drawings or other paper records; or
 - (c) electronic data processing tapes, wires, records, disc or other software media containing **business** data.
8. **Personal property rented**, or held for **rental**, to others by an **insured**. However, **we** do cover that property while on the part of the **residence premises** used exclusively by an **insured**, or by a **person renting** or **leasing** that portion of the **residence premises**.
9. Electronic devices that may be operated by the electrical system of aircraft, watercraft, **land motor vehicles** or **recreational motor vehicles**

if they are permanently installed in or upon an aircraft, watercraft, **land motor vehicle** or **recreational motor vehicle**. Antennas, wires and brackets for these devices, are not covered while in or upon an aircraft, watercraft, **land motor vehicle** or **recreational motor vehicle**.

10. Film, tape, discs, drums, cells and all other magnetic recording or storage media for electronic data processing. However, **we** do cover such media in unexposed or blank form.
11. Electronic data, digital data, or optical data, stored on any media. This exclusion applies to all forms of such data including, but not limited to, music and photographs. However, **we** do cover commercial data processing software if it is commonly available on the retail market at the time of the loss.
12. **Personal property** specifically, or categorically, insured by any other insurance.
13. **Personal property** specifically, or categorically, listed in any endorsement to this policy except to the extent stated in that endorsement.

COVERAGE D-ADDITIONAL LIVING EXPENSE AND LOSS OF RENTS

INSURING AGREEMENT

If **your residence premises** sustains a covered loss that exceeds the applicable **deductible** and, as a direct result of that loss, **your residence premises** is uninhabitable, **we** will pay the increase in **your** living expense reasonably necessary to maintain **your** normal standard of living for the shortest time reasonably necessary:

1. to **repair** or **replace** the damaged property, or
2. for **you** to permanently relocate.

We will also pay for **your** loss of income resulting from a covered loss while the part of the **residence premises you rented** or **leased** before the loss is uninhabitable. From that payment **we** will deduct any charges and expenses that do not continue during that time. **We** will pay **you** for this loss of income only for the time reasonably needed to make the **rented** or **leased** part of the **residence premises** habitable.

We will not pay for loss or expense due to the cancellation of any **rental** or **lease** agreement.

If a peril **we** insure against causes civil authorities to prohibit occupancy of the **residence premises**, **we** will pay:

1. the reasonable additional living expenses **you** incur for up to two weeks from the day **you** vacate the **residence premises**, and
2. any loss of income **you** incur for a part of the **residence premises** that was actually **rented** or **leased** for up to two weeks from the date **your** tenant vacates the **residence premises**.

The periods of time set out in this section of the policy will not be shortened by the expiration of the policy.

No **deductible** applies to these coverages.

ADDITIONAL COVERAGES UNDER SECTION I

Unless the specific coverage indicates that no **deductible** applies, **we** will pay only for loss to the covered property minus the **deductible**.

1. Hauling Away Of Damaged Property

We will pay the reasonable expenses **you** incur to have the following items hauled away from the **residence premises**:

- (a) the remains of property damaged by a peril **we** insure it against;
- (b) the remains of property that is not covered by this policy but which was damaged by wind, lightning, or explosion, if:
 - (1) it caused **accidental direct physical loss** to covered property; and
 - (2) this coverage is not provided elsewhere in this policy;
- (c) ash, dust or particles from a volcanic eruption that caused **accidental direct physical loss** to a building or property within a building.

Any amounts paid under this coverage will reduce the limits applicable to the covered

property. However, if damage to covered property plus the cost of the debris removal covered by this section is more than the limit of **our** liability applicable to that covered property, **we** will pay up to an additional 5% of the limit of the applicable coverage for debris removal under this section.

No coverage is provided under this section for the removal of trees, shrubs, plants, and lawns. Coverage for those items, if any, is provided under a specific heading elsewhere in this policy.

No coverage is provided under this section for the fees or expenses **you** incur for tearing off, or tearing out, the remains of covered property. Coverage for those items, if any, is a part of the **restoration cost** associated with the specific loss.

2. Fire Department Charges

We will pay up to \$500 for **your** liability under an agreement for service charges made by a fire department when called to protect **your** covered property from a peril **we** insure against. This payment is in addition to the amount of insurance applying to the loss. No **deductible** applies to this coverage.

3. Damage To Covered Property During Emergency Removal

We will pay for covered property damaged in any way while being removed from, or returned to, a premise to protect that covered property from a peril **we** insure against, if that peril is imminent. This coverage is limited to a 30 day period from date of removal. Any amounts paid under this coverage will reduce the limits applicable to the covered property.

4. Losses To Trees, Shrubs, Plants, and Lawns

We will pay for loss to trees, shrubs, plants, and lawns, at the **residence premises** if they are within 200 feet of **your dwelling** and are not grown for **business** purposes. This coverage applies only if the damage to them is caused by any of the following perils: fire, lightning, explosion, riot, civil commotion, aircraft,

vandalism, malicious mischief, theft, or vehicles that are not **owned**, or operated, by an **individual** who, at the time of the loss, was living at the **residence premises**.

Our maximum limit of liability for all coverages provided in this section is 5% of the limit of insurance under the Dwelling Coverage, but it will be paid in addition to that limit. Subject to that maximum limit of liability, **we** will pay no more than:

- (a) \$500 in any 12 month period for damage to any one covered tree, shrub, or plant; and
- (b) \$2500 in any 12 month period for damage to a covered lawn.

5. Hauling Away Of Damaged Trees, Shrubs, Plants, and Lawns

We will pay the reasonable expenses **you** incur to have the remains of trees, shrubs, plants, and lawns, which are covered under the previous section, hauled away from the **residence premises**.

We will pay the reasonable expenses **you** incur, up to an aggregate of \$500, to have the remains of trees that are damaged by wind hauled away from the **residence premises**, if those trees:

- (a) are within 200 feet of **your dwelling**; and
- (b) damaged property covered by this policy when they fell.

6. Credit Card, Charge Plate, Fund Transfer Card, Check Forgery and Counterfeit Money Coverages

We will pay an amount not to exceed \$1000 for any one loss involving one or more of the following coverages. All loss resulting from a series of acts committed by any one **person**, or in which any one **person** is concerned or implicated, is considered to be one loss. No **deductible** applies to these coverages.

(a) Credit Card, Charge Plate and Fund Transfer Card Coverage

If an **insured** is legally required to pay for the unauthorized use of a credit card, charge plate, or card used for deposit, withdrawal

or transfer of funds, issued to the **insured**, **we** will cover the loss. If a **claim** is made or suit is brought against the **insured** for liability under this coverage, **we** will defend the **insured**. **We** will use **our** lawyers and bear the expense. **We** may investigate any **claim** or settle any suit as **we** think appropriate. **We** will not defend after **we** have paid an amount equal to the limit of **our** liability.

We do not cover:

- (1) use of the credit card, charge plate or card used for deposit, withdrawal or transfer of funds by a **resident of your** household;
- (2) use by someone to whom an **insured** has given the credit card, charge plate or card used for deposit, withdrawal or transfer of funds; or
- (3) any use unless the **insured** has met all the terms under which the card or plate was issued.

(b) Check Forgery Coverage

We cover loss to any **insured** caused by forgery or alteration of a check. This includes all negotiable instruments. If a **claim** is made or suit is brought against the **insured** for liability under this coverage, **we** will defend the **insured**. **We** will use **our** lawyers and bear the expense. **We** may at **our** option and at **our** expense, defend the **insured** or that **person's** bank against a suit to enforce payment under this coverage. **We** may investigate any **claim** or settle any suit as **we** think appropriate. **We** will not defend after **we** have paid an amount equal to the limit of **our** liability.

(c) Counterfeit Money Coverage

We cover loss sustained by an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency. However, **we** will not pay more than \$50 for counterfeit United States or Canadian paper currency accepted in any

one transaction or, regardless of any other provision, more than \$100 in the aggregate.

7. Refrigerated Food Products

We will pay up to \$500 in the aggregate for loss to the contents of all freezer and refrigerator units on the **insured premises**. The contents must be **owned by you**. The loss must be caused by change in temperature due to a verifiable interruption of electrical service from generating or transmission equipment outside the structure in which the freezer or refrigerator is located. Any amounts paid under this coverage will reduce the limits applicable to the covered property. No **deductible** applies to this coverage.

SPECIAL PROVISIONS AND CONDITIONS RELATING TO SECTION I

1. What To Do In Case Of Loss

If a covered loss occurs, the **insured** must take all of the following actions if applicable to that loss:

- (a) Give **us** immediate notice and, in case of theft or suspected theft, **you** must also notify the police immediately.
- (b) Protect the property from further damage. Make necessary and reasonable temporary repairs to protect the property, and keep records of the cost of those repairs.
- (c) Send to **us**, within 60 days after its receipt by **you**, a proof of loss signed and sworn to by the **insured**, including:
 - (1) the time and cause of loss;
 - (2) the reason for the loss;
 - (3) the interest of **insureds** and all others in the property;
 - (4) the total value of the property immediately before and after the loss;
 - (5) all encumbrances on the property;
 - (6) other policies covering the loss;
 - (7) changes in title, use, occupancy or possession of the property;
 - (8) a list (schedule) of **personal property** damaged or destroyed including all facts known to **you** regarding:

- (i) its quantity,
 - (ii) its description,
 - (iii) from whom it was obtained,
 - (iv) the date it was obtained or purchased,
 - (v) whether it was purchased new or used,
 - (vi) the amount of its purchase price,
 - (vii) the current **replacement** cost,
 - (viii) the cost to **repair** it,
 - (ix) the amount of **your** loss; and
- (9) if required, any plans and specifications of any damaged building or fixtures;
- (d) Show the damaged property to **us** or **our** representative prior to its **replacement** or **repair**, as often as **we** may reasonably require.
- (e) Submit to examinations under oath by any **person** named by **us**, out of the presence of any other **individual** other than a licensed attorney and sign the transcript of the examinations.
- (f) Produce for examination, and permit **us** to copy, records pertaining to any loss of **rental** or **lease** income, all books of account, bills, invoices, receipts and other vouchers that **we** may reasonably require.
- (g) Produce receipts for any increased costs **you** incur to maintain **your** standard of living while **you dwell** elsewhere.
- (h) Authorize **us**, in writing, to obtain any other records that may be relevant to the **claim** or may reasonably be expected to aid **our** investigators in determining the facts relevant to the **claim**.
2. Insurable Interest
We will not pay more than the insurable interest an **insured** has in the covered property at the time of loss.
3. Abandoned Property
We are not obliged to accept abandoned property.
4. Loss to a Pair or Set
We may, at **our** option:
- (a) **repair** or **replace** any part of a pair or set to restore the pair or set to its **market value** before the loss; or
 - (b) pay the amount by which the **market value** of the pair or set has diminished because of the loss of, or damage to, the part.
5. Loss Payable Clause
We will adjust any loss with **you**, and make any payment due to **you**. However, if another **person** is named in the **Declarations** as a “loss payee”, **we** will include the name of that **person** on any settlement check or draft and deliver it to **you** or such loss payee, at **our** option.
6. Mortgagees and Trustees Under Deeds of Trust
We will adjust any loss with **you**, and make any payment due to **you**. However, if another **person** is named in the **Declarations** as a “mortgagee”, or “trustee” under a trust deed, **we** will pay any amount due to that mortgagee or trustee to the extent of its interests. If the name of more than one such **person** appears, **we** will pay them in the order of precedence of their mortgages or trust deeds. This provision does not apply to contracts for deed or any similar method of sale in which **ownership** of the property does not pass to the **insured** until all payments on the purchase loan are made.
Any payment due to a mortgagee or trustee under this provision will not be invalidated by:
- (a) any act or neglect of the mortgagor or **owner** of the insured property;
 - (b) any foreclosure or other proceedings or notice of sale relating to the property;
 - (c) any change in the title or **ownership** of the property; or
 - (d) the occupation of the **premises** for purposes more hazardous than are permitted by this policy.
- If the mortgagor or **owner** neglects to pay any premium due under this policy, the mortgagee or trustee must pay it, immediately upon **our** demand.

Any mortgagee or trustee must notify **us** of any change of:

- (a) **ownership**;
- (b) occupancy; or
- (c) increased risk of a loss to the insured property;

of which it has knowledge within ten days of its acquisition of that knowledge. The mortgagee or trustee must also pay the additional premium for such increased risk of loss for the balance of the term of this policy. Failure to provide such notice or make such payment will result in an immediate loss of coverage to the mortgagee or trustee.

We may cancel this policy at any time as provided by its terms, however if **we** do so, it will continue in force as to benefits due the mortgagee or trustee for 10 days after notice is mailed to the mortgagee or trustee of such cancellation. At the end of those 10 days all benefits under this policy will end. This provision does not apply to loss payees.

If another policy of insurance provides coverages similar to those provided in Section I of this policy, the benefits provided under this policy will apply as excess only over those provided by such other policy. In that instance, benefits will be payable under this policy only to the extent the limits of the coverage provided under this policy exceed the limits provided by the other policy.

If **we** pay the mortgagee or trustee any sum for loss under this policy, and **we** contend that **we** had no obligation to pay the mortgagor or **owner**, **we** will be subrogated to all of the rights of the party to whom such payment is made to the extent of such payment. **Our** interest will extend to all securities held as collateral for the mortgage debt. Any mortgagee or trustee so paid agrees to sign whatever documents and take whatever actions **we** may reasonably request to

enforce **our** rights under this provision. **Our** subrogation rights will not be enforced in such a way as to impair the right of the mortgagee or trustee to recover the full amount due under the mortgage.

If **we** pay the mortgagee or trustee any sum for loss under this policy, and **we** contend that **we** had no obligation to pay the mortgagor or **owner**, **we** may, at **our** option, pay the mortgagee or trustee the entire principal sum of the loan, with interest accrued to the date of payment and, if **we** do so, that **person** agrees to make a full assignment and transfer of the mortgage or trust deed and all other securities applicable to the loan to **us**.

7. Suit Against Us

Any lawsuit seeking coverage or benefits under Section I of this policy must be brought within one year after the loss or damage occurs, unless the law of the state in which this policy was issued prohibits this contractual limitation period. This period is extended by the number of days between the date of **your** loss and the date **we** deny the **claim** in whole or in part.

8. No Benefit to Bailee

This insurance will not, in any way, benefit any **person** who may be caring for or handling property for a fee.

9. Recovered Property

If **you** recover any lost or stolen property for which **we** have made a payment under this policy, **you** agree to notify **us** of that fact within ten days of its recovery. If **you** want to keep the property **you** may do so if **you** return the entire amount **we** paid **you** because of its loss. If **you** do not want to keep the property, **you** agree to allow **us** to take it, if **we** chose to do so. In that event the property will become **our** property.

If **we** recover any lost or stolen property for which **we** have made a payment under this policy, **we** agree to notify **you** of that fact within ten days of its recovery. If **you** want the property

you may take it if **you** return the entire amount **we** paid **you** because of its loss. If **you** do not want the property, **you** agree to allow **us** to keep it, if **we** chose to do so. In that event the property will become **our** property.

10. Payments Under This Section Of The Policy

Before **we** make any payments under Section I of this policy,

- (a) **we** must receive **your** completed proof of loss;
- (b) **you** must comply with all conditions of this policy; and
- (c) the amount of the loss must have been established by either:
 - (1) an agreement between **you** and **us**, or
 - (2) a final judgment of a court of law.

When these steps are completed, **we** will make any payments due for a covered loss within 30 days.

11. Appraisal

Any appraisal that becomes necessary under the terms of this policy will be handled in accordance with the state specific endorsement attached to this policy.

HOW LOSSES UNDER SECTION I ARE SETTLED

(A) These provisions apply to all losses settled under paragraphs (B), (C), (D), and (E), below:

- (1) If the **total restoration cost** of all covered property damaged in one **accident** is less than one thousand dollars, **we** will pay **you** the **total restoration cost**.
- (2) The amount of **your deductible** will be deducted from all losses covered under Section I of this policy, unless the specific coverage under which the loss is covered says otherwise. A single **deductible** applies to all covered losses caused by any one **accident**.
- (3) If **we** cannot agree with **you** as to the **total restoration cost, restoration cost, market value** or **actual cash value**, and agreement is required under this policy in order to conclude a **claim**, the **total restoration**

cost, restoration cost, market value or **actual cash value**, whichever may apply to the specific **claim**, will be determined in accordance with the appraisal section of the state specific endorsement attached to this policy.

(B) This provision applies to covered losses to all **personal property**:

- (1) When **we** agree with **you** as to the **market value** of the damaged part of those items, **we** will, at **our** option, do one of the following:
 - (a) pay the **market value** of the damaged part of the covered property;
 - (b) pay the **restoration cost** of the damaged part of the covered property;
 - (c) pay to **replace** the damaged part of the covered property, in kind; or
 - (d) pay the limit of coverage stated in this policy as applicable to the item, including any special limits, or limits based on the location of the item.
- (2) All payments made under this provision will be applied against the limits of Coverage C.
- (3) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.

(C) This provision applies to covered losses to structures that are not buildings:

- (1) When **we** agree with **you** as to the **restoration cost** of the damaged part of those items, **we** will, at **our** option, do one of the following:
 - (a) pay the **actual cash value** of the damaged part of the covered property;
 - (b) pay to **replace** the damaged part of the covered property, in kind; or
 - (c) pay the limit of coverage stated in this policy as applicable to the item.
- (2) All payments made under this provision will be applied against the limits of Coverage B.

- (3) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.
- (D) This provision applies to covered losses to the following items if they are permanently attached to the **residence premises**: (i) antennas, (ii) awnings, (iii) floor surfacing materials, and (iv) **domestic appliances**:
- (1) When **we** agree with **you** as to the **restoration cost** of the damaged part of those items, **we** will, at **our** option, do one of the following:
- pay the **actual cash value** of the damaged part of the covered property;
 - replace** the damaged part of the covered property, in kind; or
 - pay the limit of coverage stated in this policy as applicable to the item.
- (2) All payments made under this provision will be applied against the limits of Coverage A, or B, whichever may apply to the specific loss.
- (3) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.
- (E) This provision applies to covered losses to all items that are not included in sections (B), (C), or (D), above:
- (1) **We** will estimate the **total restoration cost** of the damaged part of those items. Based on that estimate, **we** will estimate the **actual cash value** of the damaged part of those items and will, at **our** option, do one of the following:
- pay the estimated **restoration cost** of the damaged part of the covered property;
 - pay the estimated **actual cash value** of the damaged part of the covered property;
 - pay to **replace** the damaged part of the covered property, in kind; or
 - pay the limit of coverage stated in this policy as applicable to the item.
- (2) No further payment will be made unless, within one year of the date of the loss:
- all the **repairs** and **replacements** necessary to restore the form and function of the damaged part of the covered property have actually been completed; and
 - the **total restoration cost** is agreed upon by **you** and **us**.
- We** will then pay **you**:
- the difference between the amount **we** have already paid **you** and the **restoration cost** of that particular part, plus
 - any reasonable and necessary charges **you** actually incurred for **general contractors' overhead and profit**; or
 - if the amount **we** have already paid **you** plus the amounts payable under (c) and (d), immediately above, total more than the limit of liability shown in the **Declarations** applicable to the particular loss, **we** will pay **you** the difference between the amount **we** have already paid **you** and that limit of liability.
- (3) All payments made under this provision will be applied against the limits of Coverage A or B, whichever may apply to the specific loss.
- (4) If **we** pay to **replace** an item under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.

SECTION II - PERSONAL LIABILITY AND MEDICAL PAYMENT PROTECTION

COVERAGE E - PERSONAL LIABILITY

INSURING AGREEMENT

Subject to the limit of **our** liability stated in this section, **we** will pay on behalf of an **insured**, all sums that such **insured** becomes legally obligated to pay as damages, if those damages result from an **accident**.

OUR RIGHT TO INVESTIGATE AND SETTLE CLAIMS

We may investigate and settle any **claim** as **we** think appropriate.

LIMITS OF LIABILITY

Regardless of the number of **insureds**, **persons** injured, **claims** made, or locations shown, **our** liability is limited to the limits of liability stated in the **Declarations** under the heading "Personal Liability (Bodily Injury & Property Damage) Each Occurrence". That amount is the limit of **our** liability for all damages resulting from any one **accident**.

With respect to **claims** arising out of the use of watercraft not **owned** by an **insured**, **our** liability is limited to \$100,000 per **accident** regardless of the number of **insureds**, **persons** injured, or **claims** made, regardless of the limits of liability stated in the **Declarations** under the heading "Personal Liability (Bodily Injury & Property Damage) Each Occurrence".

EXCLUSIONS

We do not cover:

1. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, operation, use, or entrustment of:
 - (a) Aircraft other than miniature aircraft that are not designed to transport cargo or people.
 - (b) **Land motor vehicles**, other than a **recreational motor vehicle**:
 - (1) **owned** by any **insured**;
 - (2) operated by any **insured**;
 - (3) **rented** to any **insured**; or
 - (4) loaned to any **insured**.

We do provide coverage if the **land motor vehicle** is kept in dead storage on the

insured premises and is not licensed for use on **public roadways**.

- (c) **Motorized vehicles**, if the **bodily injury** or **property damage** occurs away from the **insured premises**. This exclusion does not apply to:
 - (1) a golf cart while it is being used for golfing on a golf course;
 - (2) a **motorized vehicle** originally designed to assist the physically handicapped;
 - (3) a **motorized vehicle**, other than a **land motor vehicle**, used in a part-time job related activity by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student; or
 - (4) a lawn mower while used to mow other **premises** so long as such mowing is not a **business**.
- (d) **Motorized vehicles** used, or designed to be used, in competition with other vehicles; or
- (e) Watercraft, if the **bodily injury** or **property damage** occurs away from the **insured premises**. This exclusion does not apply if the watercraft:
 - (1) Is **owned** by an **insured**, and has:
 - (i) an outboard propulsion motor with 25 horsepower, or less; or
 - (ii) an inboard, inboard/outdrive, water jet drive, or any other design of propulsion motor with 50 horsepower or less.
 - (2) Is **owned** by an **insured** and is a sailing vessel 25 feet or less in length, with or without, an auxiliary propulsion motor of any size.
 - (3) Is **rented** by an **insured**, and:
 - (i) has a propulsion motor with 200 horsepower or less. This applies to all propulsion motors whether, outboard, inboard, inboard/outdrive, water jet drive, or any other design;

- (ii) is a sailing vessel 25 feet or less in length without an auxiliary propulsion motor; or
 - (iii) is a sailing vessel 25 feet or less in length with an auxiliary propulsion motor with 200 horsepower or less.
2. **Bodily injury or property damage** arising out of the rendering or failing to render professional services.
 3. **Bodily injury or property damage** arising out of the **business** of any **insured**.
 4. **Bodily injury or property damage** arising out of the condition of any **premises owned, rented** or controlled by an **insured** that is not an **insured premises**. However, we will cover **bodily injury** to any **residence employee** arising out of, and in the course of, employment by an **insured** at such **premises**.
 5. **Bodily injury or property damage** that any **insured** intended to cause.
 6. **Bodily injury or property damage** that a reasonable **individual** would expect to result from the intentional acts of any **insured**.
 7. **Bodily injury or property damage** arising out of **war**.
 8. **Bodily injury or property damage** that arises out of the transmission of communicable diseases by any **insured**.
 9. Liability that arises solely because of a contract, warranty, or agreement, made by any **insured**.
 10. **Property damage to personal property:**
 - (a) **owned** by any **insured**;
 - (b) used by any **insured**;
 - (c) **rented** to any **insured**; or
 - (d) in the care of any **insured**.
 11. **Property damage to premises:**
 - (a) owned by any **insured**;
 - (b) occupied by any **insured**;
 - (c) used by any **insured**;
 - (d) **rented** to any **insured**; or
 - (e) in the care of any **insured**.

We will cover property damage to such premises or property caused by fire, smoke or explosion.
 12. **Bodily injury** to any **individual** who is entitled to benefits for that **bodily injury** that are provided, or required under any **compensation law** to be provided, by anyone.
 13. **Bodily injury or property damage** when any **insured** is covered under any nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted.
 14. **Bodily injury** to any **resident** of the **insured premises**, except a **residence employee**.
 15. **Bodily injury** to a **residence employee** unless written **claim** is made within 12 months after the end of the policy term during which the **accident** occurred.
 16. **Bodily injury** to any **insured**. This exclusion applies, even if the **claim** is one seeking contribution toward, or repayment of, damages based upon that **bodily injury**.
 17. **Bodily injury** to any **individual** who is on the **insured premises** because of the **business** of any **insured**.
 18. **Property damage** to property that is on the **insured premises** because of the **business** of any **insured**.
 19. **Bodily injury or property damages** arising out of any activity of any **insured** that would constitute a felony under the laws of the state in which such activity occurred, whether or not such **insured** is actually charged with a crime for that activity.
 20. Liability of any **insured** for **punitive damages**.
 21. **Bodily injury or property damage** arising out of, or caused, in whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.
 22. Any legal obligation of any **insured** for indemnification or contribution due because of **bodily injury or property damage** caused, in whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.

23. Any loss, cost or expense arising out of any governmental direction or request that any **insured** test for, monitor, clean up, remove, abate, contain, treat or neutralize asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products or any other substance or material containing lead, or any pollutant.
24. **Property damage** arising out of the intentional or negligent misrepresentation or non-disclosure of any material fact related to the sale, or attempted sale, of property **owned** by any **insured**.
25. **Bodily injury** or **property damage** for which an **insured** may be held liable because of the **ownership** or harboring of animals that are not customarily kept as household pets.

COVERAGE F - MEDICAL PAYMENTS TO OTHERS INSURING AGREEMENT

Subject to the limit of **our** liability stated in this section, **we** will pay the **reasonable charges** for **necessary goods and services** incurred within three years after the date of a **covered injury**.

ADDITIONAL DEFINITIONS USED IN THIS COVERAGE

1. **Covered injury** means a **bodily injury**, caused by an **accident** that occurred:
 - (a) while the injured **individual** was on an **insured premises** with the permission of an **insured**, or
 - (b) while the injured **individual** was elsewhere, if the **bodily injury**:
 - (1) resulted from the condition of the **insured premises**;
 - (2) was caused by an **insured**;
 - (3) was caused by a **residence employee** in the course of his or her employment by an **insured**;
 - (4) was caused by an animal **owned** by, or under the control of, an **insured**; or
 - (5) was sustained by a **residence employee** and arose out of, and in the course of, his or her employment by an **insured**.

Covered injury does not mean **bodily injury** to any **insured**.

2. **Necessary goods and services** means the goods and services furnished, or prescribed, by a health care provider which, in **our** judgment, are necessary for the proper treatment of a **covered injury** in the most efficient and economical way that it can be safely treated. **We** may employ outside reviewers, consultants and data providers in formulating **our** judgment as to whether the goods and services are **necessary goods and services**. The determination of whether goods and services are **necessary goods and services** may be made after the **individual** making the **claim** has received the goods and services. The fact that a licensed health care provider furnished, rendered, or prescribed the goods and services is not solely determinative of whether they are **necessary goods and services**.
3. **Reasonable charges** means charges incurred for goods and services that, in **our** judgment, are within the range of charges for the same or similar goods and services, in the geographic area in which the services are rendered or the goods are provided. **We** may employ outside reviewers, consultants and data providers in formulating **our** judgment as to whether the charges are **reasonable charges**. The determination of whether charges are **reasonable charges** may be made after the **individual** making the **claim** has received the goods and services for which the charges are made. The fact that a licensed health care provider furnished, rendered, or prescribed the goods and services is not solely determinative of whether the charges made for them are **reasonable charges**.

DUTIES OF AN INDIVIDUAL WHO MAKES A CLAIM
Any **individual** who makes a **claim** under Coverage F must:

1. authorize **us** to obtain any records that may be relevant to the **claim** or may reasonably be

- expected to aid **our** investigators in determining the facts relevant to the **claim**;
2. answer, under oath, any questions posed by **us**, out of the presence of any other **individual**, and sign a written transcript of such questions and answers;
 3. submit to physical examinations, at **our** expense, by doctors **we** select as often as **we** may reasonably require; and
 4. authorize **us** to obtain relevant medical records of the **bodily injury** that is the basis for such **claim**.

LIMITS OF LIABILITY

Regardless of the number of **insureds**, **persons** injured, **claims** made, or locations shown, **our** liability is limited to the limits of liability stated in the **Declarations** under the heading "Medical Payment To Others Per Person". That stated amount is the limit of **our** liability for all medical expenses for **bodily injury** to any one **individual** resulting from any one **accident**.

PAYMENTS UNDER THIS COVERAGE

We will pay any amount due under this coverage directly to the **individual** making the **claim** unless, because of a perfected lien or valid assignment, **we** are obligated to pay someone else. **We** will pay, based upon such an assignment, only if **we** receive a written copy of the assignment before **we** make payment for the services for which the assignment was given.

EXCLUSIONS

We do not cover charges related to:

1. **Bodily injury** to any **insured** or **resident** of the **insured premises**, except a **residence employee**.
2. **Bodily injury** arising out of the **ownership**, maintenance, operation, use, or entrustment of:
 - (a) Aircraft **owned** by or **rented** to any **insured** other than miniature aircraft that are not designed to transport cargo or people.
 - (b) **Land motor vehicles**, other than a **recreational motor vehicle**:

- (1) **owned** by any **insured**;
- (2) operated by any **insured**;
- (3) **rented** to any **insured**; or
- (4) loaned to any **insured**.

We do provide coverage if the **land motor vehicle** is kept in dead storage on the **insured premises** if it is not licensed for use on **public roadways**.

- (c) **Motorized vehicles**, if the **bodily injury** occurs away from the **insured premises**. This exclusion does not apply to:
 - (1) a golf cart while it is being used for golfing on a golf course;
 - (2) a **motorized vehicle** originally designed to assist the physically handicapped;
 - (3) a **motorized vehicle**, other than a **land motor vehicle**, used in a part-time job related activity by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student; or
 - (4) a lawn mower while used to mow other **premises** so long as such mowing is not a **business**.
 - (d) **Motorized vehicles** used, or designed to be used, in competition with other vehicles; or
 - (e) Watercraft, if the **bodily injury** occurs away from the **insured premises**.
3. **Bodily injury** arising out of the rendering or failing to render professional services.
 4. **Bodily injury** arising out of the **business** of any **insured**.
 5. **Bodily injury** to any **individual** who is on the **insured premises** because of the **business** of any **insured**.
 6. **Bodily injury** arising out of any **premises owned**, **rented** or controlled by any **insured** that is not an **insured premises**. However, **we** will cover **bodily injury** to a **residence employee** sustained at such **premises** if that injury arises out of, and in the course of, employment by an **insured**.
 7. **Bodily injury** that any **insured** intended to cause.

8. **Bodily injury** that a reasonable **individual** would expect to result from the intentional acts of any **insured**.
 9. **Bodily injury** arising out of **war**.
 10. **Bodily injury** arising out of the transmission of communicable diseases by any **insured**.
 11. **Bodily injury** to any **individual** who is entitled to benefits that are provided, or required to be provided, under any **compensation law**.
 12. **Bodily injury** arising out of any nuclear reaction, radiation or radioactive contamination or any consequence of any of these.
 13. **Bodily injury** arising out of, or caused, in whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.
 14. **Bodily injury** arising out of any activity of any **insured** that would constitute a felony under the laws of the state in which such activity occurred, whether or not such **insured** is actually charged with a crime for that activity.
3. arising out of:
 - (a) any act or omission related to making **premises owned, rented**, or controlled by any **insured** safe, unless those **premises** are the **insured premises**;
 - (b) the **business** of anyone;
 - (c) the **ownership**, maintenance or use of a **land motor vehicle**, trailer, aircraft or watercraft; or
 4. to property insured under Section I of this policy.

ADDITIONAL COVERAGES UNDER SECTION II

We will pay the following costs and expenses if they result from a **claim** covered by Section II of this policy. The payment of these benefits will not reduce **our** limits of liability under this Section:

1. All expenses **we** incur in the settlement of any **claim**.
2. If a lawsuit is filed against the **insured** for damages that are covered under this section of the policy, **we** will defend the **insured** at **our** expense, using lawyers of **our** choice, and **we** will pay all expenses and attorney's fees **we** incur in the defense of that lawsuit. **We** are no longer obligated to provide, or to pay for, such defense after **we**:
 - (a) offer to the claimant or judgment creditor, or pay into court, the full amount of **our** limit of liability under Coverage E, exclusive of all **judgment interest**; or
 - (b) **we** offer to the judgment creditor, or pay into court, that part of a judgment **we** owe within **our** limit of liability under Coverage E, exclusive of all **judgment interest**.
3. Court costs that are assessed against an **insured** in a civil lawsuit in which **we** have paid the fees of the **insured's** attorney.
4. Pre-judgment interest due on any amount **we** owe within **our** limits of liability under Coverage E of this policy. However, **our** duty to pay pre-judgment interest on any one **claim** ends when **we**:
 - (a) offer to the claimant or judgment creditor, or pay into court, the full amount of **our** limit of liability under Coverage E, exclusive of all **judgment interest**; or

COVERAGE G – DAMAGE TO PROPERTY OF OTHERS INSURING AGREEMENT

We will pay for **property damage** caused by an **insured** to real property or **personal property owned** by others.

LIMITS OF LIABILITY

We will not pay more than the smallest of the following amounts for any one occurrence:

1. the **market value** of the property at the time of loss;
2. the **restoration cost**; or
3. \$1,000.

EXCLUSIONS

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

1. caused by any **insured** who has attained the age of 13, unless it results from an **accident**;
2. to property **owned** by, or **rented** to:
 - (a) any **insured**;
 - (b) any tenant of an **insured**; or
 - (c) any **resident** of any **insured's** household;

- (b) **we** offer to the judgment creditor, or pay into court, that part of a judgment **we** owe within **our** limit of liability under Coverage E, exclusive of all **judgment interest**.
5. Post-judgment interest due on any amount **we** owe within **our** limits of liability under Coverage E. However, **our** duty to pay post-judgment interest on any one **claim** ends when **we** offer to the judgment creditor, or pay into court, that part of the judgment that **we** owe within **our** limits of liability under Coverage E, exclusive of all **judgment interest**.
 6. The cost of any bonds required by an appellate court to ensure payment of the cost of an appeal, if that appeal is from a judgment in a civil lawsuit in which **we** have paid the fees of the **insured's** attorney. **We** have no duty to furnish or apply for any bonds. The limit of **our** liability for the cost of all such bonds is ten percent of the limit of liability under Coverage E. **We** do not cover the cost of supersedeas bonds, or bonds necessary to stay execution of a judgment during the pendency of an appeal from that judgment.
 7. Up to \$250 for each bail bond needed by an **insured** because of any one **accident** or traffic law violation resulting from the operation of a **land motor vehicle** insured under this policy. **We** have no duty to furnish or apply for such bonds.
 8. Reimbursement that is requested by an **insured**, for reasonable and necessary expenses incurred at **our** request during the defense of a civil lawsuit. This does not include wages or salary lost by an **insured** who **we** ask to attend any proceedings related to the defense of a civil lawsuit.

MUTUAL POLICY NOTIFICATION

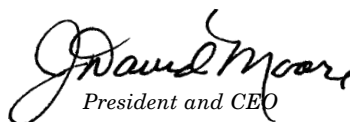
If the Company named in the **Declarations** is Shelter Mutual Insurance Company, the following provisions apply to this policy.

This policy is issued by a mutual company subject to special legal regulations applicable to its organization, membership, policies, and contracts of insurance. Some of those regulations apply to and form a part of this policy.

You are hereby notified that by virtue of purchasing this policy **you** are a member of the Shelter Mutual Insurance Company of Columbia, Missouri and may participate, to the extent, and upon the conditions fixed and determined by the Board of Directors of the Company in its discretion in the distribution of dividends it fixes and determines.

IN WITNESS WHEREOF, the Company named in the **Declarations** has caused this policy to be signed by its President and Chief Executive Officer and its Secretary, and countersigned on the **Declarations** page by a duly authorized representative of the Company.


Secretary


President and CEO