

PLATINUM SHIELD HOMEOWNERS POLICY

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



HO-5
(10-86)

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, Coverages, Limits of Liability and Deductibles.

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**HOMEOWNERS INSURANCE POLICY
ULTRA SPECIAL COVERAGE FORM 5
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 and in the Declarations, made a part hereof, and

(2) based on **your** payment of the premium.

When **you** pay the premium, this policy provides the insurance **you** chose, as shown in the Declarations. If any premium payment is by check, no insurance is provided if the check is not honored by the bank.

DEFINITIONS USED THROUGHOUT THIS POLICY

The terms defined below appear in bold type throughout this policy:

1. "**You**" and "**your**" mean the **insured** named in the Declarations and spouse if living in the same household.
2. "**We**", "**us**" and "**our**" mean the Company providing this insurance.
3. "**Bodily injury**" means bodily injury, sickness or disease, and includes care, loss of services and resulting death.
4. "**Business**" means:

- (a) any full or part time trade, profession or occupation; and
- (b) the rental or holding for rental of any premises by an **insured**.

But "**business**" does not mean:

- (a) occasional rental or holding for rental use of the **residence premises** for use as a dwelling;
- (b) rental or holding for rental of part of the **residence premises** for use as a dwelling, unless the rental is to three or more roomers or boarders;
- (c) rental or holding for rental of part of the **residence premises** as a private garage, office, school or studio.

5. "**Insured**" means:

- (a) **you**;
- (b) **your** relatives residing in **your** household; and
- (c) any other person under the age of 21 residing in **your** household who is in **your** care or the care of a resident relative.

Under Section II - Personal Liability, "**insured**" also means:

- (d) any person or organization legally responsible for animals or watercraft

covered by this policy and owned by a person in (a), (b) or (c). But **we** will cover that person or organization only with respect to those animals or watercraft. **We** will not cover any person or organizations using or having custody of animals or watercraft in the course of any **business** or without permission of the owners.

- (e) with respect to any vehicle covered by this policy, any employee of a person in (a), (b) or (c), while engaged in the employment of that person

6. "**Insured premises**" means:

- (a) the **residence premises**;
- (b) any other premises acquired by **you** during the term of this policy which **you** intend to use as a **residence premises**;
- (c) the part of any other premises where **you** reside and which is shown in the Declarations;
- (d) any part of a premises not owned by an **insured** where the **insured** may be temporarily residing or which an **insured** may occasionally rent for non-**business** purposes;
- (e) vacant land, other than farmland, owned by or rented to an **insured**;
- (f) cemetery plots or burial vaults owned by an **insured**;
- (g) land on which a single or two family residence is being built for an **insured**, if the land is owned by or rented to the **insured**;
- (h) any structures or grounds used by **you** in connection with **your residence premises**.

7. "**Property damage**" means physical injury to or destruction of tangible property, including loss of its use.

8. "**Residence employee**" means an employee of an **insured** whose duties are in connection with the maintenance or use of the **residence premises**, or who performs similar duties elsewhere not in connection with an **insured's business**.
9. "**Residence premises**" means the one or two family dwelling where **you** reside, including the building, the grounds and other structures on the grounds and which is described in the Declarations.
10. "**Land motor vehicle**" means:
 - (a) a **motorized** vehicle designed for travel on public roads or subject to motor vehicle registration;
 - (b) a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home, or utility trailer not being towed by or carried on a **land motor vehicle** is not a **land motor vehicle**; and
 - (c) any vehicle while being towed by or carried on a **land motor vehicle**.
11. "**Recreational motor vehicle**" means:
 - (a) a golf cart or snowmobile or
 - (b) if not subject to motor vehicle registration any other motor vehicle designed for recreational use off public roads.
12. "**Occurrence**" means an accident including injurious exposure to conditions, which results, during the policy term, in **bodily injury** or **property damage**.

SECTION I PROPERTY PROTECTION

COVERAGE A-DWELLING

We cover:

1. **Your** dwelling, including structures attached to it, at the **residence premises**. The dwelling must be used principally as a private residence.
2. Building equipment, fixtures, and outdoor equipment owned by the **insured** and not otherwise covered, used to service the **residence premises** while located on the **residence premises** or temporarily elsewhere.
3. Construction material at the **residence premises** for use in connection with **your** dwelling.
4. Wall to wall carpeting attached to the dwelling on the **residence premises**.
5. Outdoor antennas. Located on the **insured premises** up to \$200 for each occurrence.

COVERAGE B-OTHER STRUCTURES

We cover:

1. Other structures at the **residence premises** not attached to the dwelling, or connected to the dwelling by only a utility line, fence or similar connection.
2. Construction material at the **residence premises** for use in connection with the other structures.

We do not cover loss to structures used to any extent for **business** purposes.

COVERAGE C-PERSONAL PROPERTY

We cover personal property owned or used by an

insured anywhere in the world. **However**, when personal property is usually at an **insured's** residence, other than the **residence premises**, coverage is limited to 10% of the Personal Property limit but not less than \$1,000. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after **you** begin to move there.

If **you** ask us to, **we** will cover personal property owned by others while it is on the part of the **residence premises** occupied by an **insured**. Also, if **you** ask us, **we** will cover personal property of a house guest or **residence employee** in any residence of an **insured**.

We do not cover:

1. Animals, birds or fish.
2. **Land motor vehicles** and their parts; their equipment and accessories while in or on the vehicles. **We** do cover those not subject to motor vehicle registration if:
 - (a) used solely to service the **residence premises**; or
 - (b) designed to assist the physically handicapped.
3. Aircraft and parts. **We** do cover model airplanes not used or designed for transporting cargo or persons.
4. Property of roomers and boarders not related to an **insured**, or property of tenants.
5. **Business** property:
 - (a) relating to a **business** conducted on the

residence premises; or

(b) books of accounts, drawings or other paper records; or

(c) electronic data processing tapes, wires, records, disc or other software media containing **business** data.

But **we** do cover the cost of blank or unexposed records and media.

6. Property rented or held for rental to others by an **insured**. But, **we** do cover that property while on the part of the **residence premises** used exclusively by an **insured** or roomers and boarders.
7. Property in that part of the **residence premises** regularly rented or held for rental to others (except roomers or boarders) by an **insured**.
8. Radios, tape players and other devices for the recording, reproduction, receiving or transmitting of sound or pictures which may be operated by power from the electrical system of a **land motor vehicle**, and permanently installed in a **land motor vehicle**. Accessories to these devices, including antennas, tapes and records are not covered while in or upon a **land motor vehicle**.
9. Property specifically described and insured by this or any other insurance.
10. Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing other than the cost of such media in unexposed or blank form.

SPECIAL LIMITS ON CERTAIN PROPERTY

Special limits apply to the following groups of personal property. These limits do not increase the amount of insurance under Personal Property Coverage. The limit of insurance for each group is the maximum **we** will pay for any one occurrence 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 tow 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 which represents its principal value.
6. \$1000 Manuscripts.
7. \$5000 Theft of silverware and goldware.
8. \$2000 Theft of guns and related equipment.
9. \$1000 Grave Markers.
10. \$2500 **Business** property on the **residence premises** if not related to a **business** conducted on the **residence premises**.
11. \$250 **Business** property away from the **residence premises** if not related to a **business** conducted on the **residence premises**.

COVERAGE D-ADDITIONAL LIVING EXPENSE AND LOSS OF RENTS

If a covered loss makes all or part of **your residence premises** uninhabitable, **we** will pay the reasonable increase in **your** living expense necessary to maintain **your** normal standard of living. **We** will pay for the shortest time needed:

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

We will also pay for **your** loss of normal rents resulting from a covered loss while the rented part of the **residence premises** is uninhabitable, less charges and expenses which do not continue during that time. **We** will pay this loss of normal rents only for the shortest time needed to make the rented part habitable.

If damage caused by a peril **we** insure against occurs at a neighboring premises, **we** will pay reasonable ad-

ditional living expenses and loss of normal rents for up to two weeks should civil authorities prohibit occupancy of the **residence premises**.

These periods of time will not be shortened by the expiration of this policy.

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

No deductible will apply to these coverages.

ADDITIONAL COVERAGES-SECTION I

1. Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property following a loss from a peril **we** insure against. Payments will not increase the amount of insurance applying to the covered property.

We will also pay up to \$500 in the aggregate to any one loss for reasonable expenses incurred by **you** in removing any fallen trees from the **residence premises** if:

- (a) the trees damage covered property;
- (b) the falling of the trees is caused by any peril **we** insure against; and
- (c) this coverage is not provided elsewhere in this policy.

We will also pay reasonable expenses **you** incur to remove ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property within a building.

If damage to covered property and the cost of debris removal is more than **our** limit of liability for the property **we** will pay up to an additional 5% of that limit for debris removal.

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. Payments are in addition to the amount of insurance applying to the loss.

No deductible applies to this coverage.

3. Emergency Removal of Property

We will pay for covered property damaged in any way while being removed or while removed from a premises because of danger from a peril **we** insure against. Coverage is limited to a 30-day period from date of removal. Payments will not increase the amount of insurance applying to the

covered property.

4. Necessary Repairs After Loss

We will pay the reasonable cost of necessary repairs made solely to protect covered property from additional damage following a loss from a peril **we** insure against. Payments will not increase the amount of insurance applying to the covered property.

5. Trees, Shrubs, Plants and Lawns

We will pay up to 5% of the limit of insurance under Dwelling Coverage for loss to trees, shrubs, plants and lawns at the **residence premises**. Coverage applies to loss caused by the following perils **we** insure against: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the **residence premises**, Vandalism or Malicious Mischief or Theft. Payments are in addition to the amount of insurance applying to Dwelling Coverage.

We will not pay for:

- (a) More than \$500 on any one tree, shrub or plant;
- (b) Trees, Shrubs, plants or lawns grown for **business** purposes.

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.

- (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 or charge plate issued to the **insured**, **we** will cover the loss. **We** will also pay for loss which results from unauthorized use of a fund transfer card issued to an **insured**. A fund transfer card is one used for deposit, withdrawal or transfer of funds. But **we** will not cover use of the credit card, charge plate or fund transfer card by a resident of **your** household. **We** will also not cover use by someone to whom an **insured** has given the card or plate. **We** will not cover 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.

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

We do not cover any loss that arises from **business** pursuits or dishonesty of the **insured**. No deductible applies to these coverages.

If a claim is made or suit is brought against the **insured** for liability under the Credit Card, Charge Plate and Fund Transfer Card 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 the Check Forgery 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.

7. **Refrigerated Food Products**

We will pay up to \$500 for loss to contents of a freezer or refrigerator unit on the **insured premises**. The contents must be owned by **you**. The loss must be caused by change in temperature due to interruption of electrical service caused by damage to the generating or transmission equipment.

No deductible applies to this coverage.

8. **Lock Replacement**

We will pay cost incurred to change door locks of the Dwelling after its keys have been stolen in a covered theft loss.

No deductible applies to this coverage.

9. **Inflation Protection**

Coverage A will be maintained to 100% of the replacement cost of the dwelling using data from

the Composite Construction Cost Index published by the U.S. Department of Commerce. Coverage B-Other Structures, C-Personal Property and D-Additional Living Expense will increase at the same rate that Coverage A-Dwelling limit is increased. At each annual anniversary date **your** renewal billing will reflect the percentage increase in coverage, if any, from the previous anniversary date.

You agree to:

(a) accept all increases in coverages included in **your** renewal billing; and

(b) notify **us** within 90 days of the start of any new building valued at \$5,000 or more or any additions to or remodeling of buildings which increases their value by \$5,000 or more, and pay any required premium for such increases in value.

DEDUCTIBLE

We will pay for loss to covered property minus the deductible, if any, shown in the Declarations.

PERILS WE INSURE AGAINST-SECTION I

We cover accidental direct physical loss to property covered under Dwelling and Other Structures Coverages except for losses excluded in this section.

We cover direct loss to property **insured** under Personal Property Coverage caused by any of the following perils unless the loss is excluded elsewhere under this policy:

1. **Fire or Lightning.**

2. **Windstorm or Hail.**

This does not include loss:

(a) to property in a building, caused by 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 rain, snow, sand, sleet or dust enters;

(b) to watercraft (except rowboats and canoes on **residence premises**) and their trailers, furnishings, equipment and **motors** unless inside a fully enclosed building.

3. **Explosion.**

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

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

6. **Vehicles.**
7. **Smoke**, if the loss is sudden and accidental. This peril does not apply to loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or Malicious Mischief.**
9. **Theft or Attempted Theft**, including loss of property from a known place if it is likely that a theft has occurred. Personal property contained in a bank, trust or safe deposit company, public warehouse or occupied dwelling not owned or occupied by or rented to an **insured** in which the property has been placed for safekeeping shall be considered as being on the **residence premises**.
 - (a) This peril does not apply to theft:
 - (1) committed by an **insured**; or
 - (2) in or from a dwelling under construction or of construction material and supplies until completed and occupied;
 - (3) 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;
 - (4) of a precious or semi-precious stone from its setting.
 - (b) This peril does not apply to theft of the following when the part of the **residence premises** usually occupied by an **insured** is rented 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 other than bank notes, passports, tickets, stamps and other philatelic property;
 - (3) jewelry, watches, precious and semi-precious stones and furs, including any article containing fur which represents its principal value;
 - (4) other property if the theft is by any person renting the part of the **residence premises** usually occupied by an **insured**.
 - (c) This peril does not apply away from the **residence premises** to theft of:
 - (1) property while at any other residence owned, rented or occupied by an **insured** except while an **insured** is temporarily residing there. Property of an **insured** who is a student is covered at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
 - (2) watercraft and its equipment, campers and trailers.
10. **Breakage of Glass**
Meaning damage to personal property caused by breakage of glass constituting a part of any building on the **insured premises**, but excluding loss or damage to the glass.
11. **Volcanic Eruption**
We do not cover loss caused by earthquake or land shock waves or tremors which 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 objects.**
This peril does not apply to loss to property within a building unless the falling object first damages the exterior of the building. **We** do not cover damage to the falling object.
13. **Weight of ice, snow or sleet** which damages property in the building.
14. **Collapse of buildings or any part of a building.**
Collapse does not include settling, cracking, shrinkage, bulging or expansion.
15. **Sudden and accidental tearing apart, cracking, burning or bulging** of a heating and/or air conditioning system, automatic fire protection sprinkler systems, or a water heating appliance. This peril does not apply to loss which is caused by or results from freezing.
16. **Accidental discharge or overflow of water or steam** from within a plumbing, heating or air conditioning system, automatic fire protection sprinkler systems, or domestic appliance. This peril does not apply to loss:
 - (a) caused by continuous or repeated seepage or leaking over a period of weeks, months or years;
 - (b) to a system or appliance from which the water or steam escapes;
 - (c) caused by or resulting from freezing; or
 - (d) to property at a building vacant for more than

30 consecutive days immediately before the loss. A building under construction is not considered to be vacant.

- (e) on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

17. **Freezing** of plumbing, heating and air conditioning systems, automatic fire protection sprinkler systems, and domestic appliances.

This peril does not apply to loss while the building is vacant, unoccupied or under construction unless **you** take precautions to:

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

18. **Sudden and accidental loss caused by artificially generated electrical currents.**

This peril does not apply to tubes, transistors or other similar electronic components.

EXCLUSIONS-SECTION I

We do not cover loss:

- (a) resulting directly or indirectly from any of the following events;
 - (b) which would not have occurred in the absence of any of the following events;
 - (c) which occurs regardless of the cause of any of the following events; or
 - (d) if loss occurs concurrently or in any sequence with any of the events.
1. Enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril **we** insure against.
 2. Earthquake or other earth movement including land shock waves or tremors before, during or after volcanic eruption. **We** do cover direct loss that follows caused by fire, explosion, breakage of glass or theft.
 3. Water damage, meaning:
 - (a) flood, surface water, waves, tidal water or overflow of a body of water. **We** do not cover spray from any of these, whether or not driven by wind;
 - (b) water which backs up through sewers or drains; or
 - (c) water below the surface of the ground. This

includes water which exerts pressure on or flows, seeps or leaks through any part of a building or other structure, sidewalk, driveway or swimming pool.

We do cover any direct loss that follows, caused by theft, fire or explosion.

4. Power, heating or cooling failure or interruption unless caused by physical damage to power, heating or cooling equipment on the **residence premises** caused by a peril **we** insure against.
5. Neglect of an **insured** to use all reasonable means to protect covered property at and after the time of loss.
6. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
7. Nuclear action, meaning nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if accidental, or any consequence of any of these. Loss caused by nuclear action is not considered loss by perils of Fire, Explosion or Smoke.
Direct loss by Fire resulting from nuclear action is covered.
8. An action by or at the direction of any **insured** committed with the intent to cause a loss.
9. Any peril causing loss to outdoor radio and television equipment except as provided in Coverage A unless specifically covered and additional premium paid.
10. Piers, bulkheads, wharves and docks unless covered by endorsement attached to this policy.

Under Dwelling and Other Structures Coverages, **we** do not cover loss caused by:

1. wear and tear; marring or scratching; deterioration; inherent vice; latent defect; mechanical breakdown; rust; mold; wet or dry rot; contamination; smog, smoke from agricultural smudging or industrial operations; settling, cracking, shrinkage, bulging or expansion of pavement, patios, foundations, walls, floors, roofs or ceilings; birds, vermin, rodents, insects or domestic animals. If, because of any of these, water escapes from a plumbing, heating or air conditioning system or domestic appliance, **we** cover loss caused by the water. **We** also cover the cost of tearing out and replacing any part of the covered building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from

- which the water escapes.
2. theft in or from a dwelling under construction or of construction materials and supplies until completed and occupied;
 3. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years.
 4. 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;
 5. vandalism or malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered vacant.
 6. Freezing of plumbing, heating or air conditioning systems or domestic appliances while the building is vacant, unoccupied or being constructed unless you take precautions to:
 - (a) shut off the water supply and drain the systems and appliances;
 - (b) maintain heat in the building.

Ensuing loss under items 1 through 6 is covered, if not otherwise excluded in this policy.

We do not cover loss from any of the following:

- (a) any action, lack of action or decision of any person, group, organization or governmental body, conduct of any of these, regardless if negligent, wrongful, intentional or without fault;
- (b) defect, inadequacy, fault, unsoundness or weakness in:
 - (1) material used for construction or repair;
 - (2) site preparation including planning, zoning, surveying, grading, compaction and placement;
 - (3) workmanship, design or engineering specifications; or
 - (4) maintenance; of land, structures, improvements and similar property on or off of the **residence premises**.

We do not cover losses excluded in PERILS INSURED AGAINST or in EXCLUSIONS:

- (1) regardless of whether any of the items of (a) and (b) above occurred simultaneously with, before or after the loss; or
- (2) if any item of (a) and (b) above directly or indirectly caused, contributed to or aggravated the loss.

We do cover ensuing loss of items (a) and (b) if the ensuing loss is specifically covered by this policy.

CONDITIONS-SECTION I

1. What To Do In Case Of Loss

If a covered loss occurs, the **insured** must:

- (a) give **us** immediate written notice. In case of theft, also notify the police;
- (b) protect the property from further damage, making necessary and reasonable repairs to protect the property, and keeping records of the cost of repairs;
- (c) make a list of all damaged or destroyed property, showing in detail quantities, costs, actual cash value and amount of loss claimed;
- (d) send to us, within 60 days after loss, a proof of loss signed and sworn to by the **insured**, including:
 - (1) the time and cause of loss;
 - (2) the interest of **insureds** and all others in the property;
 - (3) actual cash value and amount of loss to the property;
 - (4) all encumbrances on the property;
 - (5) other policies covering the loss;
 - (6) changes in title, use, occupancy or possession of the property;
 - (7) if required, any plans and specifications of any damaged building or fixtures;
- (e) exhibit the damaged property to **us** or **our** representative, as often as may be reasonably required;
- (f) submit to examinations under oath by any person named by **us** and sign the transcript of the examinations;
- (g) produce for examination, with permission to copy, all books of account, bills, invoices, receipts and other vouchers as **we** may reasonably require;
- (h) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records pertaining to any loss of rental income.

2. How Losses Are Settled

(a) Loss to the following types of property will be settled at the actual cash value of the damaged property at the time of loss. Actual cash value includes deduction for depreciation.

- (1) Structures that are not buildings;
- (2) Antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced with new articles;
- (3) Articles whose age or history contribute substantially to their value including but not limited to, memorabilia, souvenirs and collector's items;
- (4) Property the age or condition of which has rendered it obsolete or unusable for the purpose for which it was originally intended.

We will pay no more than:

- (1) the cost to repair or replace the damaged property with property of like kind and quality; or
- (2) the limits of liability of this policy.

(b) Other Personal Property losses are settled to include the full cost of repair or replacement, without deduction for depreciation, for the covered item. This includes outdoor radio and television antennas and aerials, carpeting, awnings, domestic appliances and outdoor equipment, all whether attached to the building structure or not.

The replacement cost of any single item of personal property is limited to the amount it would cost to replace the item with a new item identical to the one damaged, destroyed, or stolen. When an identical item is no longer available, replacement cost is limited to the cost of a new item similar to that damaged, destroyed or stolen and of like kind and quality.

Liability for loss shall not exceed the smallest of the following amounts:

- (1) the replacement cost at the time of loss;
- (2) the cost of repair or restoration;
- (3) the limit of liability of this policy applicable to the damaged or destroyed property;
- (4) 400% of the actual cash value of the

time of loss, but not less than the initial purchase price. Actual cash value includes deduction for depreciation.

(c) Losses to Dwellings and Other Building Structures are settled at replacement cost without regard to the limits of liability shown in the Declarations. This includes loss to roof surfacing. In determining full replacement cost, do not include the cost of excavation, underground pipes, wiring and drains, foundations or other supports below the surface of the lowest basement floor. If there is no basement, do not include the cost of those supports below the surface of the ground and inside the foundation walls.

(1) **We** will pay the full cost of repair or replacement without deduction for depreciation.

We will pay no more than the smallest of the following:

- (i) the cost to replace the damaged dwelling or other structure with equivalent construction for equivalent use on the same premises; or
- (ii) the amount actually spent for necessary repair or replacement of the damaged dwelling or other structure.

(2) **We** will pay the actual cash value of the damage until actual repair or replacement is completed. Actual cash value includes deduction for depreciation.

(3) **You** may disregard these replacement cost loss settlement provisions when making a claim. If **you** do, **you** may make further claim within 180 days after the loss for any additional cost **you** incur in replacing the damaged property.

(d) **We** may make a cash settlement and take all or part of the damaged property at its appraised or agreed on value, or repair or replace the damaged property with property of like kind and quality. **We** must give **you** notice of **our** intention within 30 days after **we** receive **your** proof of loss.

3. Appraisal

If **you** and **we** fail to agree on the actual cash value or amount of loss, either party may make written

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

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

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

4. Insurable Interest

We will not pay more than the insurable interest an **insured** has in the covered property at the time of loss.

5. Abandoned Property

We are not obliged to accept abandoned property.

6. Loss to a Pair or Set

We may repair or replace any part of the pair or set to restore it to its value before the loss, or **we** may pay the difference between the actual cash value of the property before and after the loss.

7. Our Payment of Loss

We will adjust any loss with **you**, and pay **you** unless another payee is named in the policy. **We** will pay within 30 days after **we** receive **your** proof of loss and the amount of loss is finally determined by agreement between **you** and **us**, a court judgment or an appraisal award.

8. Mortgagee

Mortgage Clause - Applies only to Coverage on Buildings (This entire clause is void unless the name of the mortgagee, or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect the **insured's** rights or duties under this policy.) Loss, if any, under this policy, shall be payable to the mortgagee (or trustee)

named on the Declarations page of this policy, as interests may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same. The mortgagee may furnish proof of loss within 60 days after receiving notice of the failure of the **insured** to do so.

Provided, also, that the mortgagee (or trustee) shall notify **us** of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof, otherwise this policy shall be null and void.

We reserve the right to cancel this policy at any time as provided by its terms but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and **we** shall have the right, on like notice, to cancel this agreement.

Whenever **we** shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, **we** shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt; or may at our option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage,

with interest accrued, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

9. **Loss Payable Clause**

Loss, if any, to be adjusted only with the **insured** named on the Declarations and payable to the **insured** and the loss payee named on the policy Declarations as their respective interests may appear, subject to all the terms and conditions of the policy.

10. **Suit Against Us**

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within one year (in Kansas 5 years) after the loss or damage occurs. However, this period is extended by the number of days between the date proof of loss is submitted and the date the claim is denied in whole or in part.

11. **No Benefit to Bailee**

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

12. **Permission Granted To You**

You may make alterations, additions and repairs to **your** building and complete structures under construction.

The **residence premises** may be vacant or unoccupied without limit of time, except where this policy specifies otherwise.

13. **Recovered Property** - If property for which **we** have made payment is recovered by **you** or **us**, **you** or **we** will notify the other of the recovery. **You** will have the option of keeping the property or having it become **our** property. If **you** keep the property, **you** will repay the amount **you** received for that property.

14. **Valued Policy (Nebraska only)**

When this policy is written to insure any real property in this state against loss by fire, tornado, windstorm, lightning or explosion and the property insured shall be wholly destroyed, without criminal fault on the part of the **insured** or his assignee, the amount of insurance written on such real property shall be taken conclusively to be the true value of the property insured and the true amount of loss and measure of damages.

SECTION II COMPREHENSIVE PERSONAL LIABILITY PROTECTION

COVERAGE E-PERSONAL LIABILITY

We will pay all sums arising out of any one loss which an **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** and caused by an **occurrence** covered by this policy.

If a claim is made or suit is brought against the **insured** for liability under this coverage, **we** will defend the **insured** at **our** expense, using lawyers of **our** choice.

We are not obligated to defend after **we** have paid an amount equal to the limit of **our** liability. **We** may investigate or settle any claim or suit as **we** think appropriate.

COVERAGE F-MEDICAL PAYMENTS TO OTHERS

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services, prosthetic devices, eye glasses, hearing aids and pharmaceuticals, and ambulance, hospital, licensed nursing and funeral services. These expenses must be

incurred within 3 years from the date of an accident causing **bodily injury** covered by this policy.

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

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

We do not cover injury to **insureds** or residents of the **insured premises**, except a **residence employee**.

We may pay the injured person or the party that renders the medical services.

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

ADDITIONAL COVERAGES-SECTION II

We will pay, in addition to our limit of liability:

1. Damage to Property of Others

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

We will not pay more than the smallest of the following amounts:

- (a) replacement cost at the time of loss;
- (b) full cost of repair; or
- (c) \$1,000 in any one **occurrence**.

But, **we** will not pay for **property damage**:

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

2. The Following Expenses

- (a) All costs **we** incur in the settlement of any claim or defense of any suit.
- (b) Interest on the entire amount of damages awarded in any suit **we** defend accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit of liability.
- (c) Premiums on bonds required in any suit **we** defend. But, **we** will not pay the premium for any portion of a bond amount that is greater than **our** limit of liability. **We** have no obligation to apply for or furnish bonds.
- (d) Loss of earnings up to \$50 a day, but not other income, when **we** ask **you** to help **us**

investigate or defend any claim or suit.

- (e) Any other reasonable expense incurred at **our** request.
- (f) Cost of bail bonds up to \$250 required because of accident or traffic law violation arising out of the use of any **land motor vehicle** to which this policy applies but **we** are not obligated to apply for or furnish such bonds.

3. First Aid Expenses

Expenses for immediate medical and surgical treatment for other persons at the time of the accident. **We** will pay only expenses which an **insured** incurs for treatment of **bodily injury** covered by this policy.

EXCLUSIONS-SECTION II

Under Personal Liability and Medical Payments to Others, **we** do not cover:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, use or entrustment of:
 - (a) aircraft;
 - (b) any **land motor vehicle**, other than a **recreational motor vehicle**, owned or operated by or rented or loaned to an **insured**.

We do provide coverage if the **land motor vehicle** is:

 - (1) used exclusively on the **insured premises** and not subject to motor vehicle registration; or
 - (2) kept in dead storage on the **insured premises**;
 - (c) any **recreational motor vehicle**, other than a golf cart while used for golfing, owned by an **insured**, if the **bodily injury** or **property damage** occurs away from the **insured premises**;
 - (d) watercraft not located on the **insured premises**:
 - (1) owned by or rented to an **insured** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
 - (2) owned by or rented to an **insured** if it is a sailing vessel 26 feet or more in length; or
 - (3) powered by one or more outboard motors with more than 25 total horsepower owned by an **insured**;

- (4) subdivisions (1), (2) and (3) do not apply if **you** write **us** within 30 days of the acquisition date of such items that **you** want coverage.

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

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 **business** pursuits of an **insured**. This exclusion does not apply:
 - (a) to activities of the **insured** ordinarily incident to non-**business** pursuits
 - (b) with respect to coverage to the occasional or part-time **business** pursuits of an **insured** who is under 19 years of age.
4. **bodily injury** or **property damage** arising out of any premises owned, rented or controlled by an **insured** which is not an **insured premises**. But, **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** expected or intended by an **insured**.
6. **bodily injury** or **property damage** arising out of war (declared or undeclared), civil war, insurrection, rebellion or revolution.
7. **bodily injury** or **property damage** which arises out of the transmission of communicable diseases by an **insured**.

Under Personal Liability, **we** do not cover:

1. liability assumed under any oral contract or agreement, or under any contract or agreement in connection with any **business** of an **insured**.
2. **property damage** to property owned by an **insured**.
3. **property damage** to property occupied or used by an **insured** or rented to or in the care of an **insured**. But **we** will cover **property damage** to such property caused by fire, smoke or explosion.
4. **bodily injury** to any person if an **insured** has or is required to have a policy providing workers' compensation, non-occupational disease or occupational disease benefits covering the **bodily injury**.
5. **bodily injury** or **property damage** when an

insured is covered under any nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted.

6. sickness, disease or death of a **residence employee** unless written claim is made or suit is brought within 36 months after the end of the policy term.
7. **Bodily injury** to:
 - (a) **you**;
 - (b) **your** relatives residing in **your** household; and
 - (c) any other person under the age of 21 residing in **your** household who is in **your** care or the care of a resident relative.

Under Medical Payments to Others, **we** do not cover:

1. **bodily injury** to any person who is entitled to benefits which are provided or required to be provided under any workers' compensation, non-occupational disability or occupational disease law.
2. **bodily injury** from any nuclear reaction, radiation or radioactive contamination or any consequence of any of these.

CONDITIONS-SECTION II

1. What To Do In Case Of Bodily injury Or Property Damage

In the event of **bodily injury** or **property damage**, the **insured** must:

- (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, **occurrence** or loss;
 - (3) the names and addresses of injured persons and witnesses;
- (b) send **us** promptly any legal papers received relating to any claim or suit;
- (c) cooperate with **us** and assist **us** in any matter relating to a claim or suit;
- (d) if a loss covered under Damage to Property of Others occurs, send **us**, within 60 days of the loss, sworn proof of loss. The **insured** shall also exhibit the damaged property if within the **insured's** control.

The **insured** will not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur expenses other than for First

Aid Expenses at the time of accident.

2. **Duties Of An Injured Person - Medical Payments To Others**

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

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

The injured person shall submit to physical examinations at our expense by doctors **we** select as often as **we** may reasonably require.

3. **Limits Of Liability.** Regardless of the number of **insureds**, injured persons, claims made, suits brought or locations shown, **our** liability is limited as follows:

- (a) As respects Personal Liability, the limit of liability stated in the Declarations is the total limit of **our** liability for all damages resulting from any one **occurrence**.
- (b) As respects Medical Payments to Others, the limit of liability stated in the Declarations as applicable to "each person" is **our** limit of

liability for all medical expenses for **bodily injury** to any one person as the result of any one accident.

4. **Severability Of Insurance.** This insurance applies separately to each **insured** against whom claim is made or suit is brought, subject to **our** limits of liability for each **occurrence**.

5. **Suit Against Us.** **We** may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued under Personal Liability until the obligation of an **insured** to pay is finally determined either by judgment against the person after actual trial or by written agreement of the person, the claimant and **us**.

No one shall have any right to make **us** a party to a suit to determine the liability of an **insured**.

6. **Bankruptcy.** **We** are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any **insured**.

7. **Notice To Us.** Any notice by or on behalf of the **insured** to **our** authorized agent within this state, with particulars sufficient to identify the **insured**, shall be notice to **us**.

GENERAL POLICY CONDITIONS APPLYING TO SECTION I AND SECTION II

1. **ASSIGNMENT.** Interest in this policy may not be transferred without **our** written consent. But, if the **insured** named in the Declarations or the spouse of the **insured** residing in the same household dies, the policy will cover:

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

2. **CANCELLATION YOUR RIGHT TO CANCEL**

You may cancel this policy by returning it to **us** or by advising **us** in writing when at a future date the cancellation is to be effective.

Our Right to Cancel or Refuse to Renew

- (a) **Cancellation for nonpayment of premium.** This policy may be cancelled by **us** at any

time during the policy period for failure to pay any premium when due whether such premium is payable directly to **us** or **our** agent by mailing written notice to **you** at **your** address last known to **us** stating when, not less than 10 days, (except Kentucky 14 days, Iowa 30 days), thereafter, such cancellation shall be effective.

(b) **Cancellation of policies in force for 60 days or more and renewal policies.**

If this policy:

- (1) has been in force for 60 days or more; or
- (2) if this is a renewal of a policy issued by **us**, effective immediately;

it may be cancelled by **us** for one or more of the following reasons and then only by mailing written notice to **you** at **your** address last known to **us** stating when, not less than 30 days (Nebraska 60 days) thereafter, such cancellation shall be effective:

(Except Missouri and Illinois)

- (i) this policy was obtained through

material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **us**;

- (ii) there has been a substantial change in the risk assumed by **us** since the policy was issued; or
- (iii) willful and negligent acts or omission by **you** have substantially increased the hazards insured against.

(Missouri only)

- (i) this policy was obtained through fraud or material misrepresentation affecting the policy or in the presentation of a claim, or violation of any of the terms or conditions of this policy;
- (ii) the **insured** or any occupant of the **residence premises** has been convicted of a crime arising out of acts increasing the hazard **we** cover; or
- (iii) physical changes in the covered property which increases the hazards **we** originally insured.

(Illinois only)

- (i) for nonpayment of premium;
- (ii) when this policy has been obtained by misrepresentation; or
- (iii) for any act which measurably increases the risk originally accepted.

(Nebraska only)

- (i) nonpayment of premium;
- (ii) the policy was obtained through a material misrepresentation;
- (iii) any **insured** violates any of the terms and conditions of the policy;
- (iv) the risk originally accepted has substantially increased;
- (v) certification to the Director of Insurance of loss of reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
- (vi) a determination by the Director of Insurance that the continuation of the policy would place the insurer in

violation of the insurance laws of this state.

(c) **Cancellation of policies in force for less than 60 days**

We may cancel by mailing notice of cancellation to **you** at **your** address last known to us not less than 30 days (Nebraska 60 days) prior to the effective date of cancellation.

(d) **Nonrenewal, reduction in amount, or adverse modification of the policy**

If **we** elect not to renew, reduce the amount, or adversely modify this policy, **we** shall mail to **you**, at **your** address last known to **us**, written notice of such action not less than 30 days (Nebraska 60 days) prior to the expiration date; provided that, notwithstanding **our** failure to comply with the foregoing provisions of this paragraph, this policy shall terminate automatically on such expiration date, if **you** have failed to pay the premium for this policy or any installment thereof, whether payable directly to **us** or **our** agent.

If this policy is written for a policy period of less than one year, **we** agree that **we** will not refuse to renew except as of the expiration of a policy period which coincides with the end of an annual period commencing with its original effective date.

(e) **Nonrenewal of policies in effect over 5 years (Illinois only)**

When this policy has been in effect or renewed for 5 or more years, **we** will give **you** at least 30 days notice if **we** do not intend to renew the policy for the following reasons:

- (1) the policy was obtained by misrepresentation or fraud; or
- (2) the risk **we** originally accepted has measurably increased.

Otherwise, **we** will give **you** at least 60 days notice if **we** do not intend to renew this policy for any other reason.

Proof of mailing will be sufficient proof of notice. The policy period will end on the date and time stated in the notice.

RETURN OF PREMIUM

If **you** or **we** cancel **your** policy, **we** will return no more than the prorated unused share of **your** premium.

3. **CONCEALMENT OR FRAUD.** This entire policy is void as to all **insureds** if any **insured** has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, or acted fraudulently or made false statements relating to this insurance.
4. **CHANGES.** This policy and the Declarations include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by endorsement issued by **us**. If a premium adjustment is necessary **we** will make the adjustment as of the effective date of the change. If any coverage **you** have under this policy is broadened without charge during the policy period, this policy will automatically provide the broadened coverage when effective in **your** state.
5. **OUR RIGHT TO RECOVER PAYMENT.** After making payment under this policy, **we** will have the right to recover to the extent of **our** payment from anyone held responsible. This right will not apply under Section I if **you** have waived it in writing prior to loss. The **insured** will do whatever is required to transfer this right to **us**.
This condition does not apply under Section II to Medical Payments to Others or Damage to Property Of Others.
6. **POLICY PERIOD.** This policy applies to losses, **bodily injury** or **property damage** which occur during the policy period.
7. **OTHER INSURANCE.** If both this and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the appropriate amount that this insurance bears to the total amount of all applicable insurance.
8. **CONFORMITY TO STATE STATUTE.** The terms of this policy which are in conflict with state statutes are amended to conform to such statutes.
9. **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.
10. **CONTINUOUS RENEWAL (Except Illinois and Oklahoma).** 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** prior to the expiration of the then current policy term and if not paid the policy shall terminate.

With respect to a mortgagee (or trustee) declared under this policy, 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.

CONTINUOUS RENEWAL (Illinois only). 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** prior to the expiration of the then current policy term and if not paid the policy shall terminate.

With respect to a mortgagee (or trustee) declared under this policy, this insurance will continue in force as to only the interest of the mortgagee (or trustee) for 10 days after written notice of termination of the mortgagee (or trustee), and shall then terminate.

CONTINUOUS RENEWAL (Oklahoma only).

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, but this policy shall not be continued for longer than a total policy period of 5 years. Such continuation premium must be paid to **us** prior to the expiration of the then current policy term and if not paid the policy shall terminate.

With respect to a mortgagee (or trustee) declared under this policy, 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.

11. **MUTUAL POLICY CONDITIONS.** If the Company named in the Declarations is a mutual insurance Company, the following conditions apply:
This policy is issued by a mutual Company having special regulations lawfully applicable to its

organization, membership, policies, or contracts of insurance, of which the following shall apply to and form a part of this policy:

You are hereby notified that by virtue of this policy **you** are a member of this mutual insurance Company of Columbia, Missouri, and are entitled to vote either in person or by proxy at any and all meetings of said Company. The annual meeting of said Company is held at its Home Office in Columbia, Missouri, on the first Wednesday in April of each year at 10 o'clock A.M. All of **your** interest in the Company, its good will,

assets, and guaranty fund, shall cease upon termination of this policy, except any claims that **you** may then have under this policy and except for any unearned portion of **your** deposit premium.

This policy is nonassessable. **You** are a member of the Company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors of the Company in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

SUPPLEMENTAL COVERAGES

JEWELRY AND FURS COVERAGE

Jewelry, watches, furs, garments containing fur which represents its principal value, precious and semi-precious stones, precious metals including platinum, gold and silver are insured for accidental direct physical loss or damage subject to the following additional limitations and exclusions:

- a. For losses other than by theft, **our** limit for loss by any Coverage C Perils Insured Against shall be \$5,000 plus the limit stated in the Declarations for Coverage C.
- b. **Our** limit for loss by theft shall be \$1,000 on any one article. The aggregate limit is \$5,000. These limits shall apply in place of Coverage C theft

limits.

- c. **Our** limit for loss by any covered peril except those in a. and b. shall be \$1,000 on any one article. The aggregate limit is \$5,000.
- d. **We** do not cover loss or damage caused by mechanical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice.

Our limits for loss on any one article and the aggregate limits apply unless this coverage is replaced by a separate endorsement with higher limits.

All other provisions of this policy apply.

PERSONAL COMPUTER COVERAGE

Personal computer **equipment, data** and **media** are insured, under Coverage C-Personal Property, for accidental direct physical loss subject to the following additional limitations and exclusions:

Data (software) is facts, concepts, or instructions converted to a form usable in data processing operations.

Media is materials on which **data** are recorded such as magnetic tapes, disc packs, paper tapes and cards.

ADDITIONAL DEFINITIONS

Equipment (hardware) is the network of machine components capable of accepting information, processing it according to plan, and producing desired results.

PROPERTY COVERED

We cover electronic data processing **equipment** owned by, leased by, or rented to **you**.

We cover **media** owned by **you** and used to store **data**

for use in conjunction with the insured **equipment**. **We** do not cover accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they are converted to **media** form and then only in that form.

We do not cover **media** which cannot be replaced with material of the same kind and quality on the current retail market.

We cover purchased **data** and **data** prepared for **you** by an outside consultant or firm for **your** use. **We** do not cover **data** developed by **you** or which cannot be replaced with the same kind and quality on the current retail market.

The special restriction 5 and special limit 10 applicable to **business** property under Coverage C - Personal Property is deleted with respect to this coverage.

We will pay up to the limit of \$5,000 for this coverage unless this coverage is replaced by separate endorsement with a higher limit. However, if a loss is otherwise covered by this policy, the limit of liability under this coverage is an additional amount of insurance.

EXCLUSIONS

We do not cover loss to **equipment, media** or **data** resulting directly or indirectly from:

1. Inherent vice, wear and tear, gradual deterioration or depreciation;
2. Any dishonest, fraudulent or criminal act by any **insured** or partner, officer, director or trustee of the **insured**, whether acting alone or in collusion with others;
3. Dryness or dampness of atmosphere, extremes of temperature, corrosion or rust unless directly resulting from physical damage to the data processing system's air conditioning facilities caused by a peril not otherwise excluded;
4. Delay or loss of market or business interruption;
5. War and Nuclear perils;

We agree, Coverage E-Personal Liability is extended to include loss which an **insured** becomes legally obligated to pay as damages because of **personal injury**. The definition of **bodily injury** is revised as follows:

6. Loss of or damage to property rented or leased to others while away from the **insured premises**;
7. Error in machine programming or instructions to the machine;
8. An original defect in the property;
9. Theft while in an unattended motor vehicle.

We do not cover loss to **equipment** resulting directly or indirectly from:

1. Damage due to mechanical failure, faulty construction, error in design unless fire or explosion ensues, and then **we** cover only for loss, damage or expense caused by the ensuing fire or explosion;
2. Actual work upon the covered property, unless fire or explosion ensued. Then **we** cover only for loss, damage or expense caused by ensuing fire or explosion.

We do not cover loss to **media** and **data** resulting directly or indirectly from:

1. Data processing **media** failure or breakdown or malfunction of the data processing system including **equipment** and component parts while the **media** is being run through the system. If fire or explosion ensues, **we** will cover only for the loss, damage or expense caused by the ensuing fire or explosion.
2. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except if caused by lightning.

HOW LOSSES ARE SETTLED

Loss will be settled at the actual retail replacement cost of the property at the time of loss. If identical property is no longer available, payment will be based on property of similar design, use, and features of the damaged property.

All other provisions and conditions of this policy remain unchanged.

PERSONAL INJURY LIABILITY COVERAGE

We agree, Coverage E-Personal Liability is extended to include loss which an **insured** becomes legally obligated to pay as damages because of **personal injury**. The definition of **bodily injury** is revised as follows:

"Bodily injury" means bodily injury, **personal injury**, sickness or disease, and includes care, loss of services and resulting death.

The following definition is added:

"Personal Injury" means injury arising out of one

or more of the following offenses:

- (a) False arrest, detention or imprisonment, or malicious prosecution;
- (b) Libel or slander or defamation of character; or violation of a person's right of privacy; or
- (c) Wrongful entry or eviction, or other invasion of the right of private occupancy.

EXCLUSIONS

Section II Exclusions do not apply to **personal injury**. Personal injury liability coverage does not apply to:

1. liability assumed by the **insured** under any contract or agreement;
2. **personal injury** arising out of a willful violation of a penal statute or ordinance committed by or

- with the knowledge or consent of any **insured**;
3. **personal injury** sustained by any person as a result from an offense directly or indirectly related to the employment by an **insured**;
4. **personal injury** arising out of **business** pursuits of any **insured**;
5. **personal injury** arising out of paid public or civic activities of any **insured**; or
6. **personal injury** arising out of any publication or utterance if the first injurious publication or utterance of the same or similar material by or on the **insured's** behalf was made prior to the effective date of this policy.

All other provisions of this policy apply.

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