



***RENTAL
DWELLING
POLICY***

**Auto Club Family Insurance Company
12901 North Forty Drive
St. Louis, Missouri 63141
(314) 523-7350**

A STOCK COMPANY

A SUBSIDIARY OF THE AUTOMOBILE
CLUB INTER-INSURANCE EXCHANGE

THIS POLICY BOOKLET WITH THE
DECLARATIONS CERTIFICATE AND
ENDORSEMENTS, IF ANY, ISSUED TO FORM A
PART THEREOF, COMPLETES THIS POLICY.

SAMPLE

READ YOUR POLICY CAREFULLY

This is a legal contract between **you** and **us**.

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SAMPLE

AGREEMENT

We will provide the insurance **you** have selected in return for the premium due **us** and **your** compliance with all policy provisions. **Your** declarations page shows the policy period, the premises to which this insurance applies, the coverages and limits **you** have chosen and **your** premium. Insurance under this policy is provided only for the coverages stated in the declarations. The declarations page is part of this policy.

DEFINITIONS

Throughout this policy, certain words and phrases have a defined meaning when printed in **bold italic** type.

We, us or **our** means the Auto Club Family Insurance Company.

You or **your** means any **insured** named in the declarations. If there is only one **insured** named in the declarations and that **insured** is a natural person, **you** or **your** includes that person's spouse if that spouse lives in the same household on a regular, continuous and permanent basis.

Actual cash value – means the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for physical deterioration, **depreciation** and obsolescence. **Actual cash value** applies to valuation of covered property regardless of whether that property has sustained partial or total loss or damage. The **actual cash value** of the lost or damaged property may be significantly less than its replacement value.

Bodily injury - means bodily harm, bodily sickness or bodily disease, including death that results. **Bodily injury** does not include damages for mental anguish, emotional distress or similar damages unless such damages are directly caused by actual physical injury to the person claiming damages.

Business - means any full or part time activity intended for economic gain. **Business** includes, but is not limited to, commercial enterprise; trade; profession; occupation or employment; and the renting, leasing, or holding for rental or lease of any part of any premises by any **insured**.

Depreciation - means the lessening of the economic value of any property because of age, wear and tear and obsolescence.

Drug – means any controlled substance as defined by federal or state law. **Drug** includes but is not limited to cocaine, LSD, marijuana, methamphetamine and all narcotics.

Fungi - means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by **fungi**. Under SECTION II, this does not include any **fungi** that are, are on, or are contained in, products or goods intended for consumption.

Insured - means the following residents of **your** household:

1. **You**.
2. **Your** spouse.

Insured premises - means:

1. the one, two, three or four family dwelling, other structures and grounds; or
2. that part of any other building;

primarily held for rent or lease that **you** own and is shown as the **insured premises** on the declarations page.

Medical expenses - means reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services.

Occurrence - means an accident, including continuous or repeated injurious exposure to

essentially the same conditions, which, during the policy period, results in **bodily injury** or **property damage**. **Occurrence** does not include any claim arising out of a breach of a contractual obligation, express or implied warranty or any negligent or intentional misrepresentation relating to a contract or express or implied warranty. Continuous or repeated injurious exposure to essentially the same conditions is considered to be one **occurrence**.

Pollutant – means any solid, liquid, gaseous or thermal irritant or contaminant arising from any source whether industrial, accidental, negligent, intentional or otherwise, including but not limited to, asbestos, radon, carbon monoxide gas, fuel oil, gasoline, lead and any products containing lead, PCB, smoke, vapor, soot, fumes, acids, alkalis, chemicals, insecticides and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Property damage - means physical injury to or destruction of tangible property, including the loss of use arising out of the injury to or destruction of tangible property. **Property damage** does not include any amounts sought for pecuniary or economic losses.

Remediation – means the reasonable and necessary treatment, containment, removal, or disposal of **fungi**, wet rot, dry rot, or bacteria. **Remediation** also includes any testing to detect, measure or evaluate **fungi**, wet rot, dry rot, or bacteria. **Remediation** does not include any consequential physical damage incurred to repair or replace property covered under SECTION I.

Replacement cost – means:

1. With respect to buildings and structures that are not buildings, the lesser of the cost, at the time of the loss, to repair or to replace covered damaged or destroyed property:
 - a. at the location of the **insured premises**;
 - b. for the same use; and
 - c. with materials of like or reasonably similar kind and quality.

Replacement cost does not include:

- a. the loss to any property;
 - b. the cost of repairing, reconstructing or demolishing any property; or
 - c. the cost of removing the debris of any property;
- occurring as a result of the enforcement of any building ordinance or law.

2. With respect to personal property, the cost, at the time of the loss, of new property:
 - a. identical to the lost or damaged property; or
 - b. of like or reasonably similar kind and quality and of comparable usefulness as the lost or damaged property if identical property is not obtainable.

Residence employee – means an employee of any **insured** who performs duties in connection with the maintenance or use of the **insured premises**, including household or domestic services; or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**, unless the **business** is in connection to the renting, leasing or holding for rental or lease of the **insured premises**.

Tenant - means any person or persons who rent or lease all or any part of the **insured premises** from **you** for the purpose of a private residence.

Terrorist event – means any act or series of acts that are violent or dangerous to human life, in violation of the criminal laws of the United States of America or of any State, to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political, ideological, religious or social objectives.

Theft - means the unlawful taking and carrying away of property from another person with the intent to deprive the other person of that property. **Theft** includes attempted **theft** and loss of property from a known location when it is likely that the property has been stolen and damage to **insured premises** resulting from **theft** or attempted **theft**.

Theft does not include the conversion, embezzlement or secretion of another's property by any person to whom possession was entrusted. This applies whether

or not entrustment was obtained by trick or false pretense.

Wildfire – means a fire predominately fueled by timber, scrub, brush, grass, or any other type of vegetation.

Wildfire smoke – means any smoke, soot, ash, char, odor, dust, particulate or other material (all whether or not settled, airborne, wind-borne or wind-driven) that is produced, discharged, emitted or released by, or otherwise caused by or resulting from, a **wildfire**.

Wildfire smoke loss – means accidental direct physical loss to property covered under SECTION I which is caused by **wildfire smoke** and the loss:

1. occurs; and
2. is reported to **us**;

no later than 90 calendar days following the start date of the **wildfire**; however, no claim will be denied based upon the insured's failure to provide notice within such specified time, unless this failure operators to prejudice the rights of the insurer, as per Missouri regulation 20 CSR 100-1.020.

SECTION I – PROPERTY COVERAGES

COVERAGE A – DWELLING

COVERAGE B – OTHER STRUCTURES

COVERAGE C – LANDLORD'S FURNISHINGS

COVERAGE D – LOSS OF RENTAL INCOME

WHAT PROPERTY IS COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGE A **we** cover:
 - a. The dwelling on the **insured premises** shown in the declarations, used principally as a private residence including structures attached to the dwelling. This shall not include attached driveways, walkways, patios, fences and external walls not part of the perimeter of the dwelling and not necessary for the structural integrity of the dwelling.

- b. Materials and supplies located on or next to the **insured premises** for use in constructing, altering or repairing the dwelling or other structures on the **insured premises**.
 - c. Wall-to-wall carpeting installed in the dwelling on the **insured premises**.
 - d. Outdoor antennas on the **insured premises**.
2. Under COVERAGE B **we** cover:
- a. Driveways, walkways, patios and fences attached to the dwelling.
 - b. External walls attached to but not part of the perimeter of the dwelling and not necessary for the structural integrity of the dwelling.
 - c. Other structures on the **insured premises**, either set apart from the dwelling by clear space or connected to the dwelling only by a fence, utility line or similar connection.
 - d. Wall-to-wall carpeting installed in other buildings on the **insured premises**.

WHAT PROPERTY IS NOT COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGE A and COVERAGE B, **we** do not cover:
- a. any land, including the land supporting the dwelling or other structure;
 - b. the cost to replace, rebuild, stabilize or otherwise restore land;
 - c. the cost of any device or treatment applied to land for the purpose of adding, protecting or restoring the stability of any structure supported by that land.
2. In addition, under COVERAGE B, **we** do not cover structures used in whole or in part in **business**; however, this shall not apply to:
- a. structures rented, leased or held for rental or lease to any person who is a **tenant** of the **insured premises**;
 - b. garages rented, leased or held for rental or lease for use as private parking garages.

WHAT PROPERTY IS COVERED – COVERAGE C

Under COVERAGE C, **we** cover personal property that is:

1. usually situated at the *insured premises*;
2. owned by *you*; and
3. usual to the occupancy of the Rental Property as a dwelling.

WHAT PROPERTY IS NOT COVERED – COVERAGE C

Under COVERAGE C, **we** do not cover:

1. Property specifically insured and separately described either individually or as a class in any other insurance.
2. Animals of any kind.
3. Accounts, bills, bullion, currency, deeds, evidences of debt, manuscripts, money, securities, credit cards or fund transfer cards.
4. Motor vehicles or all other motorized land conveyances. This includes:
 - a. their equipment and accessories; or
 - b. electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media;for use with any electronic apparatus described in this item 4.b.

The exclusion of property described in 4.a. and 4.b. above applies only while the property is in or upon the vehicle or conveyance.

5. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
6. Watercraft, other than rowboats and canoes.

7. **Business** records or **business** data, regardless of the type of medium. Medium can include, but is not limited to; paper, films, tapes or discs on which the records or data are stored. **We** will pay for blank or unexposed media of the type used for the storage of the lost or damaged **business** records or **business** data.
8. Property rented, leased or held for rental or leased to others away from the **insured premises**.
9. Property of occupants, roomers, boarders, **tenants**, or other residents of the **insured premises**.

WHAT PROPERTY IS COVERED – COVERAGE D

The limit of liability for **COVERAGE D** is the actual loss sustained within 12 months from the date of the loss and shall not exceed 20% of the dwelling's **COVERAGE A** amount for 1. below.

1. If a loss covered under SECTION I makes the **insured premises** unfit to live in by rendering it unsafe for human habitation or by creating a condition that prevents the performance of any of the functions necessary for human habitation, **we** will pay actual loss of rental income while that part of the **insured premises** that was being rented or leased to others at the time of the loss is unfit to live in. **Our** payment shall be reduced by the expenses that do not continue while the rented part of the **insured premises** is unfit to live in.

Payment shall be for the shortest time reasonably required to repair or replace the damage.

2. If a civil authority prohibits **your tenant** from occupying the **insured premises** as a result of direct damage to neighboring premises by a cause of loss covered under SECTION I, **we** will pay actual loss of rental income as described under 1. above for a period not exceeding two weeks during which occupancy is prohibited. **We** will pay up to \$2,500 and a \$500 deductible will apply.

The periods of time under 1. and 2. above are not limited by the expiration of the policy; however, the

events causing the **insured premises** to become unfit to live in, or the order of civil authorities prohibiting **your tenant** from occupying the **insured premises** must occur during the policy period.

We do not cover:

1. Loss of rental income due to the **insured premises** becoming unfit to live in more than twelve months after the date of the physical loss that gave rise to the claim for loss of rental income.
2. Loss of rental income due to the **insured premises** becoming unfit to live in because of the presence or **remediation** of **fungi**, wet rot, dry rot, or bacteria.
3. Loss or expense due to the cancellation or violation of a lease or agreement.

OTHER COVERAGES – SECTION I

1. REMOVAL OF FALLEN TREES

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

- a. **your** tree(s) felled by the peril of WINDSTORM OR HAIL;
- b. **your** tree(s) felled by the peril of WEIGHT OF ICE, SNOW OR SLEET; or
- c. a neighbor's tree(s) felled by a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I;

provided the tree(s) damages a covered structure. The \$500 limit is the most **we** will pay in any one loss regardless of the number of fallen trees.

This coverage is additional insurance.

2. TREES, SHRUBS AND OTHER PLANTS

We cover outdoor trees, outdoor shrubs, outdoor plants or lawns, on the **insured premises**, for loss caused by the following: fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned or operated by a resident of the

insured premises, vandalism or malicious mischief or **theft**.

We do not cover property grown for **business** purposes.

We will pay up to 5% of the limit of liability that applies to the dwelling, for all outdoor trees, outdoor shrubs, outdoor plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub, plant or lawn.

This coverage is additional insurance.

3. FIRE DEPARTMENT SERVICE CHARGE

We will pay up to \$500 for **your** liability assumed by contract or agreement for fire department charges actually incurred when the fire department is called to save or protect covered property from a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I. **We** do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

4. REMOVAL OF DEBRIS AND VOLCANIC ASH

We will pay reasonable expenses actually incurred by **you** in the removal of:

- a. debris of covered property, provided the loss to the property is from a cause of loss identified under WHAT LOSSES ARE COVERED - SECTION I, as applicable to the property;
- b. that portion of volcanic ash, dust or particulate matter that has caused direct loss to a building or to property contained in a building covered under SECTION I.

The expense for the removal of debris and volcanic ash is included in the amount of the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for the removal of debris and volcanic ash exceeds the amount of

the limit of liability for the damaged property, an additional 5% of the amount of that limit of liability will be available to cover the expense of removing debris and volcanic ash.

One or more volcanic eruptions that occur within a 168 hour period will be considered as one volcanic eruption.

5. REASONABLE EMERGENCY MEASURES

We will pay reasonable expenses actually incurred by **you** for necessary emergency measures taken solely to protect covered property from further damage after a loss covered under SECTION I. If this involves repair to property other than the property to be protected, **we** will pay only for the repair of other property that is covered under SECTION I and damaged by a cause of loss covered under SECTION I.

This coverage:

- a. does not increase the limit of liability that applies to the covered property; and
- b. does not relieve **you** of **your** duties, in case of a loss to covered property, as set forth in provision 3.b. of CONDITIONS - SECTION I.

6. PROPERTY REMOVED

We insure covered property against direct loss from any cause while being removed from a premises endangered by a loss covered under SECTION I and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

7. FRAGMENTS OF BROKEN GLASS

We cover the replacement of broken glass or safety glazing material which is a part of a building, storm door, or storm window.

We do not cover loss on the **insured premises** if the dwelling has been vacant for more than 30 days prior to the loss. For the purposes of this provision, a dwelling being constructed is not considered to be vacant.

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

8. **WILDFIRE SMOKE**

We will pay up to \$5,000 for the total of all loss payable under SECTION I as a result of accidental direct physical loss to property covered under SECTION I which is caused by **wildfire smoke** that is not a **wildfire smoke loss**. The amount payable under this provision includes:

- a. the cost required to repair or replace covered damaged or destroyed property;
- b. the cost of testing the air or property to confirm the absence, presence, or level of any **wildfire smoke**;
- c. any amount payable under COVERAGE D – LOSS OF RENTAL INCOME;
- d. any amount payable under OTHER COVERAGES – SECTION I, provision 4. REMOVAL OF DEBRIS AND VOLCANIC ASH.

This coverage does not increase the amount of the limit of liability applicable to the property damaged or destroyed.

WHAT LOSSES ARE COVERED - SECTION I

We insure for direct physical loss to the property described under WHAT PROPERTY IS COVERED – COVERAGE A AND COVERAGE B and WHAT PROPERTY IS COVERED – COVERAGE C caused by a peril listed below unless the loss is excluded in WHAT LOSSES ARE NOT COVERED – EXCLUSIONS – SECTION I.

1. FIRE OR LIGHTNING.

2. WINDSTORM OR HAIL.

We do not cover loss from sand, dust, rain, snow or sleet to property contained in a building unless the direct force of wind or hail damages the building, causing an opening in a roof or wall, and the sand, dust, rain, snow or sleet enters through this opening.

We do not cover loss from windstorm or hail to watercraft and their trailers, furnishings, equipment and outboard motors while not inside a fully enclosed building.

3. EXPLOSION.
4. RIOT OR CIVIL COMMOTION.
5. AIRCRAFT, including self-propelled missiles and spacecraft.
6. VEHICLES.

7. SUDDEN AND ACCIDENTAL DAMAGE FROM SMOKE.

We do not cover loss caused by smoke from agricultural smudging or industrial operations.

8. VANDALISM OR MALICIOUS MISCHIEF.

We do not cover vandalism or malicious mischief if the dwelling has been vacant for more than 30 days prior to the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant.

9. **THEFT.**

We do not cover loss caused by **theft**:

- a. committed by or at the direction of any **insured, tenant** or any other regular resident of the **insured premises**, except a **residence employee**;
- b. in or to a dwelling or other structure under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied;
- c. occurring away from the **insured premises**.

WHAT LOSSES ARE NOT COVERED - EXCLUSIONS - SECTION I

1. **We** do not insure for any loss to property under COVERAGES A, B or C caused directly or indirectly by any of the following exclusions or arising from any of the following exclusions, regardless of the cause of the excluded event or damage; other causes of the loss; whether any other cause or event acts concurrently or in any

sequence with the excluded event to produce the loss; whether the loss or event occurs suddenly or gradually, involves isolated or widespread damage or occurs as a result of any combination of these; or whether the loss is caused by, results from, consists of, involves or is contributed to by a natural, human, animal or plant forces, or human inaction.

a. EARTH MOVEMENT, meaning:

- (1) earthquake including land shock waves or tremors before, during or after a volcanic eruption; or
- (2) landslide; mudflow; mine subsidence; fracking; excavation; erosion, earth expanding, contracting, sinking, rising or shifting, all whether combined with water or not.

This exclusion applies regardless of whether the loss is caused by or results from human, animal, plant or naturally occurring forces, or however caused.

We do cover direct physical loss by:

- (1) FIRE; or
- (2) EXPLOSION;
resulting from earth movement.

b. ORDINANCE OR LAW, meaning the enforcement, whether or not in connection with a physical loss to buildings or other structures covered under SECTION I of any ordinance or law:

- (1) Requiring or regulating the demolition, construction, repair, reconstruction, remodeling, renovation, placement, stabilization or use of any part of the **insured premises** or other structures unless specifically covered under provision 6. of CONDITIONS – SECTION I.

For the purposes of section b. (1), loss means:

- (a) loss or damage caused directly or indirectly by the enforcement of any building ordinance or law;

- (b) any additional cost of repair, reconstruction, demolition or debris removal incurred to comply with any building ordinance or law.
- (2) Requiring or regulating the testing for, cleanup or removal of, or other specified treatment of **pollutants**.
- (3) Requiring or regulating the **remediation** of **fungi**, wet rot, dry rot, or bacteria.
- (4) Resulting in a lessening of the value of any property insured under SECTION I.

This exclusion applies whether or not the property has been physically damaged or even if the irritant or contaminant has a function with respect to **your** property or **business**.

We do cover direct physical loss caused by or resulting from the actions of civil authorities to prevent the spread of fire unless the fire itself is a loss not covered under SECTION I.

- c. WATER DAMAGE, meaning loss caused by or consisting of:
 - (1) flood, surface water, waves, tidal water, tsunami, seiche, storm surge, breach or overflow or failure of levees or dikes, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) water or water-borne material or any liquid or semi-liquid substance which backs up through sewers or drains or which overflows from a sump pump, sump pump well, sewage holding tank, septic system or any other device designed to remove water or water-borne material or any liquid or semi-liquid substance from the **insured premises**;
 - (3) water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, spa, pond or other structure;
 - (4) water which is released, overflows or escapes from a dam, levee or other

structure designed to contain surface water; or

- (5) damage to the interior of a building from rain, snow or sleet, unless the wall or roof of the building has first sustained a loss from a cause of loss covered in SECTION I, that created an opening through which the rain, snow or sleet entered;

whether caused by or resulting from human, animal, plant or naturally occurring forces, or however caused.

Direct loss by FIRE, EXPLOSION or ***THEFT*** resulting from water damage is covered.

- d. **NEGLECT**, meaning neglect by any ***insured*** to take all reasonable steps to save and preserve property at and after the time of a loss, or when the property is endangered by a cause of loss ***we*** cover.
- e. **WAR**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- f. **NUCLEAR HAZARD**, meaning any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

Loss caused by the nuclear hazard will not be considered loss caused by FIRE, EXPLOSION or smoke, whether these perils are specifically named in or otherwise included within a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I.

This policy does not apply under SECTION I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

- g. INCREASED HAZARD, meaning loss while the hazard is increased by any means within the control or the knowledge of the **insured**.
- h. INTENTIONAL LOSS, which is either expected or intended by any **insured** or which is the result of any **insured's** intentional or criminal acts. Any **insured** is deemed to intend the natural and probable consequences of his or her actions.

However, this exclusion will not apply to a victim of domestic violence when such coverage would otherwise be excluded under this provision if the **insured**:

- (1) files a police report; and
- (2) completes a sworn affidavit for the insurer that indicates both:
 - (a) the cause of the loss; and
 - (b) a pledge to cooperate in any criminal prosecution of the person committing the act causing this loss.

If payment is made to a victim of domestic violence, payment to the victim of domestic violence shall be limited to such victim's ownership interest in the property reduced by any payment to a mortgagee or other secured interest. However, **we** shall not be required to make any subsequent payment to any other **insured** for the part of any loss for which the victim of domestic violence has received payment. In no event will **we** pay more than the Limit of Liability.

- i. INTERRUPTION OF POWER or other utility service if that interruption takes place away from the **insured premises**.

We do cover loss resulting from or occurring as a consequence of power or utility service interruption if that resulting loss is covered under SECTION I and occurs on the **insured premises**.

- j. **FUNGI, WET OR DRY ROT OR BACTERIA**, meaning any loss or cost resulting from,

arising out of, caused by, consisting of, or related to **fungi**, wet or dry rot, or bacteria. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

We do not cover any consequential physical damage incurred as a result of **remediation** required to repair or replace property covered under SECTION I.

k. **WILDFIRE SMOKE**, except:

- (1) when the loss is a **wildfire smoke loss**;
or
- (2) as specifically covered under provision 8. of OTHER COVERAGES – SECTION I;
or
- (3) where covered property on the **insured premises** has sustained damage resulting from fire on the **insured premises**.

l. **ILLEGAL PLANTS AND MATERIALS**, meaning loss arising out of:

- (1) the illegal growing of plants; or
- (2) the illegal manufacturing, production, operation, or processing of chemical, biological, or plant materials.

Such loss is excluded whether by vandalism or any other cause and whether or not within the knowledge or control of the **insured**.

m. **We** do not insure for loss, by a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I, that alters the physical appearance of the metal roof covering but does not result in the penetration of water through the metal roof covering or does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather, any underlayment applied for moisture protection and all flashings required in the replacement of a metal roof covering.

We do insure for loss, by a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I, to metal roof coverings that will allow the penetration of water through the metal roof covering or that results in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

- n. **We** do not insure for loss, by a cause of loss identified under WHAT LOSSES ARE COVERED - SECTION I, that alters the physical appearance of a tile or slate roof but does not result in the penetration of water through the tile or slate roof or does not result in the failure of the tile or slate roof to perform its intended function of keeping out the elements over an extended period of time.

We do insure for loss, by a cause of loss identified under WHAT LOSSES ARE COVERED – SECTION I, to a tile or slate roof that will allow the penetration of water through the tile or slate roof or that results in the failure of the tile or slate roof to perform its intended function of keeping out the elements over an extended period of time.

2. **We** do not insure for any loss to property insured under COVERAGES A and B, regardless of the cause of the excluded event or damage; other causes of the loss; whether any other cause or event acts concurrently or in any sequence with the excluded event to produce the loss; whether the loss or event occurs suddenly or gradually, involves isolated or widespread damage or occurs as a result of any combination of these; or whether the loss is caused by, results from, consists of, involves or is contributed to by natural, human, animal or plant forces that is caused by, arises from, contributed to, by or consisting of:

- a. **THEFT** in or to a dwelling under construction, or of materials and supplies for use in the

construction, until the dwelling is completed and occupied.

- b. VANDALISM, malicious mischief or breakage of glass or safety glazing materials if the dwelling has been vacant or unoccupied for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c. (1) WEAR AND TEAR, marring, deterioration;
- (2) continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
- (3) inherent vice, latent defect, mechanical breakdown;
- (4) smog, rust, corrosion, **fungi**, wet or dry rot or other decay;
- (5) smoke from agricultural smudging or industrial operations;
- (6) presence, discharge, dispersal, seepage, migration, release or escape of:
- (a) **pollutants**;
- (b) soil corrosives, including but not limited to chemicals, compounds, elements, suspensions, gels or crystals forming in the soil; unless the presence, discharge, dispersal, seepage, migration, release or escape is itself caused by one or more of the causes of loss identified under WHAT LOSSES ARE COVERED – SECTION I of this policy;
- (7) cracking, shrinking, sagging, bulging, bending, expansion or settling of driveways, walkways, patios, foundations, pavements, walls, floors, roofs or ceilings;
- (8) the expansion and/or contraction of concrete streets or other paved roadways, commonly referred to as street creep;
- (9) birds, vermin, rodents, raccoons, bats or insects;

(10) nesting, infestation or discharge or release of waste products or secretions, by any animals;

(11) animals owned or kept by an **insured**; or

(12) growth of, or pressure from the roots of trees, shrubs or other plants.

d. FREEZING; thawing; pressure or weight of water or ice, whether driven by wind or not, to a:

(1) fence;

(2) driveway, walkway or patio;

(3) spa, swimming pool or pond;

(4) foundation, retaining wall or bulkhead; or

(5) pier, wharf or dock.

e. (1) FREEZING of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or a household appliance; or

(2) discharge, leakage or overflow from within the system or appliance caused by FREEZING;

while the dwelling is vacant, unoccupied, or being constructed and **you** have not used reasonable care to maintain heat in the building or shut off the water supply and drain the system and appliances of water.

3. **We** do not cover any loss to property insured under COVERAGES A, B, or C arising out of any **terrorist event** which causes, contributes to, creates or results in:

a. NUCLEAR HAZARD, meaning any nuclear reaction, nuclear discharge, nuclear radiation, nuclear or radioactive pollution, or nuclear or radioactive contamination, whether controlled or uncontrolled or however caused, including any consequence of any of these;

b. BIOLOGICAL HAZARD, meaning the presence, release, discharge, or dispersal of any pathogenic material, contaminant or **pollutant**, such as anthrax, cholera, smallpox, and botulinum; or

c. CHEMICAL HAZARD, meaning the presence, release, discharge, or dispersal of any chemical material, contaminant or

pollutant, such as a nerve agent, choking agent, blood agent, or blister agent.

This exclusion shall apply only when the amount of damage to all commercial, residential, and personal property attributable to any ***terrorist event*** exceeds \$100,000,000 in the aggregate. Damage includes all loss of use and ***business*** interruption losses.

This exclusion does not supercede any other exclusion under SECTION I, including but not limited to Exclusion 1.e. WAR and Exclusion 1.f. NUCLEAR HAZARD for any nuclear, biological, or chemical hazard which does not arise out of any ***terrorist event***.

CONDITIONS - SECTION I

1. Insurable Interest and Limit of Liability

Even if more than one person has an insurable interest in the property covered, ***we*** will not be liable in any one loss:

- a. to any ***insured*** for more than the amount of the ***insured's*** interest at the time of loss; or
- b. for more than the applicable limit of liability.

2. Deductible

We will pay only when the amount of a loss covered under SECTION I or an expense covered under OTHER COVERAGES – SECTION I exceeds the amount of the deductible stated in the declarations, and then ***we*** will pay only the amount exceeding the deductible, up to the limit of liability.

The deductible shall apply to all losses except losses paid under OTHER COVERAGES – SECTION I - 3. FIRE DEPARTMENT SERVICE CHARGE.

3. ***Your*** Duties After Loss

In case of a loss to covered property, ***you*** and any ***insured*** must comply with the following duties. ***We*** have no duty or obligation to provide any coverage under this policy unless ***you*** or any ***insured*** making a claim under this policy have fully complied with the following conditions and duties.

- a. Notification must be given promptly:
- (1) to **us**;
 - (2) in case of **theft** or vandalism, to the police; and
 - (3) in case of a **wildfire smoke loss you** must notify **us** of **your** loss no later than 90 calendar days following the start date of the **wildfire**; however, no claim will be denied based upon the insured's failure to provide notice within such specified time, unless this failure operates to prejudice the rights of the insurer, as per Missouri regulation 20 CSR 100-1.020.
- b. Any **insured** must:
- (1) protect the property from further damage;
 - (2) take reasonable and necessary measures required to protect the property; and
 - (3) keep an accurate record of the cost of these measures.
- c. Any **insured** must prepare and submit to **us** within 60 days of the loss an inventory of damaged or destroyed personal property showing in detail the quantity, description, date of acquisition, acquisition cost, fair market value, **replacement cost** or the **replacement cost** less **depreciation**, as applicable to the property, and the amount of loss claimed. All bills, receipts and related documents that substantiate the figures in the inventory must be attached to the inventory.
- d. Any **insured** must as often as **we** reasonably require:
- (1) make the damaged property available for **our** inspection;
 - (2) provide **us** with records and documents **we** request, and permit **us** to make copies;
 - (3) submit to examinations under oath, not in the presence of any other **insured**, and sign and return to **us** the transcript of such examinations; and
 - (4) answer oral or written interrogatories.
- e. **You** and any **insured** must, within 60 days after **our** request, submit to **us your** signed, sworn proof of loss providing **us** with:
- (1) information on:

- (a) the time and cause of loss;
 - (b) the interest of any **insured** and of all others in the property involved, and all liens on the property;
 - (c) other insurance which may cover the loss;
 - (d) changes in title, use, occupancy, location, possession of or exposure to the property during the term of the policy; and
 - (e) specifications and plans of any damaged or destroyed building or fixture, and detailed estimates for repair of the damage and the amount of any encumbrances;
- (2) an inventory of damaged or destroyed personal property as described in c. above; and
- (3) records supporting the loss of rental income.
- f. Any **insured** must help **us** and cooperate with **us** in the investigation of any claim presented under this policy.

4. Loss Settlement and Limit of Liability

a. **We** will settle covered losses to:

- (1) personal property;
- (2) awnings, wall-to-wall carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached or otherwise connected to buildings;

for the lowest of the following at the time of the loss:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value of the lost or damaged property;
- (2) the cost to repair the damaged property;
- (3) the cost to replace the lost or damaged property with property of the same kind, of reasonably similar quality and usefulness, and in the same condition;
- (4) the limit of liability applicable to the lost or damaged property.

b. **We** will settle covered losses to structures that are not buildings for the lower of:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value at

- the time of the loss, of the damaged or destroyed part of the structure;
- (2) the limit of liability stated in the declarations for COVERAGE B.
- c. **We** will settle covered losses to buildings as follows:
- (1) If the amount of the covered loss does not exceed \$5,000, **we** may, at **our** option, pay the **replacement cost** of the damaged or destroyed part of the building before repair or replacement is made.
- (2) If the loss is not subject to payment under (1) above, and:
- (a) If **you** elect not to repair or replace, **we** will settle for the lower of:
- i. the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the damaged or destroyed part of the building;
 - ii. the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings.
- (b) If **you** elect to repair or replace, **we** will settle for the lower of:
- i. the **replacement cost** less **depreciation**;
 - ii. the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings;
- until repair or replacement is completed as required.

After repair or replacement is completed as required, **we** will settle on a **replacement cost** basis for any additional cost **you** actually and necessarily incurred to repair or replace the damaged or destroyed part of the building, not to exceed the amount of the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for

COVERAGE B for loss to other buildings.

Repair or replacement is considered completed as required if:

- i. it was started no more than 6 months after the date of initial settlement under this provision, and it was completed during the following 12 months; and
- ii. **we** were notified of the start date and the completion date within the 30 calendar days following each date.

Any loss claimed under (b) above that becomes ineligible for **replacement cost** settlement because repair or replacement was not completed as required will be settled as described under (a) above.

Our limit of liability for loss to any property insured under SECTION I shall not be increased because more than one person has an insurable interest in the property.

5. Loss to a Pair or Set

In case of loss to a pair or set, **we** may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the value established for the property under provision 4. above before and after the loss.

6. Glass Replacement

We will replace glass damaged in a loss covered under SECTION I with safety glazing materials when required by ordinance or law.

7. Appraisal

If **you** and **we** fail to agree on the actual cash value or amount of a covered loss, and any **insured** making a claim has complied with all other conditions of the policy, either **you**, the **insured** or **we** can make a written request that the amount of loss be set by appraisal. If either **you**, any **insured** or **we** make a written request for appraisal that is accepted, each shall select a

competent and disinterested appraiser and notify the other of the appraiser's identity within 20 calendar days of receipt of the request.

The two appraisers shall then select a competent and disinterested umpire. If the two appraisers are unable to agree upon an umpire within 15 calendar days, **you** or **we** can request a judge of the court of record in the state and county (or city if the city is not within a county) in which the covered property is located to select an umpire with adequate notice to the other party.

The appraisers shall then set the amount of the loss pursuant to Condition 4., setting forth a **replacement cost** and **actual cash value**. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. A written award signed by any two of these three shall set the amount of the loss pursuant to Condition 4., setting forth a **replacement cost** and **actual cash value**.

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

8. Other Insurance

If there is other applicable insurance for a loss covered under SECTION I, **we** will pay only **our** share of the loss. **Our** share is the proportion that the limit of liability applicable under SECTION I bears to the total amount of insurance covering the loss.

9. Suit Against **Us**

We may not be sued unless all terms of this policy have been fully complied with. In addition, legal action may not be brought against **us** under SECTION I unless the action is started in conformance with the state laws that apply to this policy.

10. **Our** Option

At **our** option, **we** may take part or all of the covered damaged property at the agreed or appraised value. **We** may also repair or rebuild or replace covered damaged or destroyed property with property of like or reasonably similar kind and quality. **We** will notify **you** of **our** intention in writing, within 30 calendar days after **we** receive **your** signed, sworn proof of loss.

11. Loss Payment

We will pay **you** unless another payee is named in the policy or is legally entitled to receive payment. Loss is payable within 30 calendar days after **we** receive **your** signed, sworn proof of loss and:

- a. **we** reach an agreement with **you**; or
- b. an appraisal award is filed with **us**; or
- c. a final judgment is entered.

12. Abandonment of Property

We need not accept any property abandoned by any **insured**.

13. Mortgage Clause

The word mortgagee includes trustee.

If a mortgagee is named in this policy, any loss payable under COVERAGE A or COVERAGE B shall be paid to the mortgagee and **you**, as the interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

If **we** deny **your** claim, that denial will not apply to a valid covered claim of the mortgagee, if the mortgagee:

- a. notifies **us** promptly of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware including any and all foreclosure proceedings involving the **insured premises**;
- b. pays any premium due under this policy when notified if **you** have neglected to pay the premium; and
- c. submits a signed, sworn proof of loss within 60 calendar days after **we** notify the mortgagee of **your** failure to submit the required proof of loss.

Policy conditions relating to Appraisal, Suit Against **Us** and Loss Payment apply to the mortgagee.

If the policy is cancelled or nonrenewed by **us**, the mortgagee shall be notified at least 10 calendar days before the date cancellation or nonrenewal will become effective.

If **we** pay the mortgagee for any loss and deny payment to **you**:

- a. **we** are subrogated to all the rights of the mortgagee granted under the mortgage on the property, so **we** may recover such payment from **you**; or
- b. at **our** option, **we** may pay to the mortgagee the lesser of the principal and interest due on the note on the date of loss or the amount payable under Condition 4; or
- c. **we** may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, **we** shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

14. No Benefit to Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

15. Recovered Property

If **you** or **we** recover any property for which **we** have made payment under this policy, **you** or **we** will notify the other of the recovery. At **your** option, the property will be returned to or retained by **you** or it will become **our** property. If the recovered property is returned to or retained by **you**, **our** loss payment will be adjusted based on the amount of the payment **we** made for recovered property. **You** may need to refund to **us** all or part of the loss payment, if **you** recover property for which **we** paid **you**.

16. **Your** Duty to Select and Maintain Policy Limits

At each policy renewal date, the amount of the limit of liability stated in the declarations for COVERAGE A may be adjusted to account for inflation, current building costs, changes in the cost of items of personal property and other factors. Any adjustment of the amount of the COVERAGE A limit of liability will result in proportionate adjustments of the amounts of limits of liability of COVERAGE B and the amounts of the limits of liability of those OTHER COVERAGES – SECTION I, for which the limits of liability are stated in the policy as a percentage of the COVERAGE A limit of liability. It is **your** duty, however, to select and maintain adequate amounts of insurance.

Any adjustment in the limits of liability listed above do not, in any way, represent, warrant, or guarantee that these adjustments will accurately account for inflation or that the amounts of coverage are adequate to repair or replace the damaged or destroyed property.

17. **Our** Right to Inspect

We reserve the right to conduct inspections of **your insured premises** upon reasonable notice as often as **we** deem reasonably necessary. **We** may conduct inspections to determine insurability and the premiums to be charged. **You** must permit inspections and cooperate with **us** during the inspection process.

18. **Your** Duty to Notify **Us** of Increase in Value

You must notify **us** within 30 calendar days prior to completion of:

- a. the remodeling of or any addition to the dwelling covered under COVERAGE A; or
- b. the construction of new buildings or remodeling of or addition to existing buildings covered under COVERAGE B;

that will increase the cost to replace the buildings covered under COVERAGE A and COVERAGE B by \$15,000 or more.

SECTION II – LIABILITY COVERAGES

COVERAGE E – LANDLORD’S LIABILITY COVERAGE F – MEDICAL PAYMENTS TO OTHERS

WHAT LOSSES ARE COVERED - COVERAGE E

1. **We** will pay damages which any **insured** is legally liable to pay because of **bodily injury** or **property damage** caused by an **occurrence** arising out of the:
 - a. ownership, maintenance, or use; or
 - b. renting, leasing, or holding for rental or lease; of the **insured premises**.

Damages do not include criminal fines, penalties or restitution orders.

2. **We** will defend any suit claiming damages for **bodily injury** or **property damage** to which this coverage applies. **We** will defend the suit even if the allegations are groundless, false or fraudulent. Defense lawyers will be hired by **us**. If any **insured** retains a lawyer for any claim, whether or not covered under this coverage, **we** will not pay the fees and cost charged by that lawyer. **Our** duty to defend ends when the amount **we** pay for damages resulting from one **occurrence** equals **our** limit of liability. **We** have no duty to defend any **insured** in any criminal action or proceeding in which the recovery of a fine, penalty or restitution is sought.
3. **We** may settle any claim or suit as **we** think appropriate.

WHAT LOSSES ARE COVERED - COVERAGE F

We will pay reasonable expenses actually incurred for necessary medical and funeral services because of **bodily injury** sustained as a result of an accident to which this coverage applies. **We** will pay only for services actually rendered and reported to **us** within 3 years from the accident date. However, no claim will be denied based upon the **insured's** failure to provide notice within such specified time, unless this

failure operates to prejudice **our** rights, as per Missouri regulation 20CSR 100-1.020.

This coverage applies to:

1. persons on the **insured premises** with the permission of any **insured**;
2. persons off the **insured premises**, if the **bodily injury**:
 - a. arises out of a condition in the **insured premises** or the ways immediately adjoining;
or
 - b. is caused by the activities of any **insured**; or
 - c. is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**;
3. **residence employees**.

WHAT LOSSES ARE NOT COVERED - EXCLUSIONS - SECTION II

1. Under COVERAGES E and F **we** do not cover:
 - a. **Bodily injury** or **property damage** arising out of:
 - (1) Acts or omissions committed by or at the direction of any **insured** with the intent to produce **bodily injury** or **property damage** of any kind and in any degree.
 - (2) Intentional acts or omissions committed by or at the direction of any **insured** that could reasonably be expected to result in **bodily injury** or **property damage** of any kind and in any degree. This applies whether or not the **insured** forms the intent or has the mental capacity to form the intent to cause **bodily injury** or **property damage**.
 - (3) Criminal acts or omissions committed by or at the direction of any **insured** that could reasonably be expected to result in **bodily injury** or **property damage** of any kind and in any degree. This exclusion applies whether or not the **insured** is charged with or convicted of a crime.
 - (4) Acts or omissions of a criminal nature committed by or at the direction of any

insured while actually or allegedly insane, even if the **insured** lacks criminal responsibility by reason of such insanity. This exclusion applies whether or not the **insured** is charged with or convicted of a crime.

(5) Acts or omissions committed by or at the direction of any **insured** while under the influence of any **drug**. This exclusion does not apply to any acts or omissions committed while under the influence of any prescription **drug** legally dispensed in the USA and taken under the order of and in compliance with the instructions of a physician licensed in the USA.

b. **Bodily injury** or **property damage** arising out of any premises which is or has ever been owned by or rented or leased to any **insured**, or rented to others by any **insured**, other than the **insured premises**.

c. **Bodily injury** or **property damage** arising out of or in connection with:

(1) the operation of a family day care home; or

(2) any other **business** engaged in by an **insured**.

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the **business**.

This exclusion does not apply to the renting, leasing, or holding for rental or lease, of the **insured premises** when used only for residential purposes.

d. **Bodily injury** or **property damage** arising out of the rendering of or failure to render professional services.

e. **Bodily injury** or **property damage** arising out of the manufacture, sale, delivery, or transfer, of any **drug** by any person.

f. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, driving, operation, loading or unloading of

motor vehicles or any other motorized land conveyances, including trailers of any type.

- g. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of watercraft.
- h. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of aircraft, meaning any contrivance used or designed for navigation of or flight in the air, except model aircraft of the hobby variety not used or designed to carry people or cargo.
- i. **Bodily injury** or **property damage** arising out of any **insured's**:
 - (1) entrustment to any other person; or
 - (2) vicarious parental liability, whether or not imposed by statute, for the actions of a child or minor relating to the operation, maintenance, loading, or unloading; or
 - (3) supervision of any other person in the operation, maintenance, loading or unloading; or
 - (4) liability that is statutorily imposed; or
 - (5) liability assumed through an unwritten or written agreement by any **insured**;of motor vehicles or any other motorized land conveyances, including trailers of any type, or of any watercraft or aircraft not covered under SECTION II.
- j. **Bodily injury** or **property damage** caused directly or indirectly by war, including the following and any consequence of any of the following:
 - (1) undeclared war, civil war, insurrection, rebellion, terrorism, or revolution;
 - (2) warlike act by a military force or military personnel; or
 - (3) destruction, seizure or use for a military purpose.Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- k. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by or consisting of **pollutants**.
- l. **Bodily injury** arising out of the transmission by any **insured** of any disease or illness or of any organisms or agents capable of causing such disease, through:

- (1) personal physical contact of any **insured** with any other person; or
 - (2) the transmission of any **insured's** body fluids to any other person.
- m. **Bodily injury**, whether or not committed with the intent to produce **bodily injury**, arising out of:
- (1) sexual misconduct, including but not limited to, sexual harassment, sexual abuse and sexual molestation;
 - (2) corporal punishment;
 - (3) physical or mental abuse.
- n. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of **fungi**, wet rot, dry rot, or bacteria.
- o. **Bodily injury** or **property damage** arising out of the ownership of, custody of, or care for the following pure or mixed breed or pure or mixed type of dogs:
- (1) any pit bull type of dog (which may be known as American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, Bull Terrier, Miniature Bull Terrier, American Bulldog, Dogo Argentino, Alapaha Blue Blood Bulldog or Alpha Blue Bulldog);
 - (2) Rottweiler;
 - (3) Akita (which may be known as a Japanese Akita or an Akita Inu); or
 - (4) Canary Dog (which may be known as a Presa Canario or a Perro de Presa Canario).
- p. **Bodily injury** or **property damage** arising out of failure to supervise or the negligent supervision of a person that results in one or more of the excluded events in e., l. and m. above.
- q. **Bodily injury** or **property damage** arising out of any written or oral statement made by **you** or others on **your** behalf which is material to any financial transaction.
- r. **Bodily injury** or **property damage** arising out of the liability assumed by the **insured** under any contract or agreement except any indemnity obligation assumed by the **insured** under a written contract directly relating to the

ownership, maintenance or use of the **insured premises**.

- s. **Bodily injury** or **property damage** arising out of the liability for claims made against any **insured** arising out of the sale or transfer of the **insured premises** or other real estate, including but not limited to any claims made against any **insured** for fraud, misrepresentation (negligence or otherwise), failure to disclose or any other claim made against any **insured** arising out of the sale or transfer of real estate.

Exclusions b., f., g. and h. do not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

2. In addition, under COVERAGE E, **we** do not cover:
- a. **Bodily injury** to **you** and the following residents of **your** household:
 - (1) **Your** relatives by blood, marriage or adoption.
 - (2) Any other person under the age of 21 who is in the care of **you** or any person included under a. (1) above.
 - b. **Bodily injury** to any person when the ultimate benefits of indemnification accrue directly or indirectly to **you** or the following residents of **your** household:
 - (1) **Your** relatives by blood, marriage or adoption.
 - (2) Any other person under the age of 21 who is in the care of **you** or any person included under (1) above.
 - c. **Bodily injury** or **property damage** if insurance is or can be obtained under any nuclear energy liability policy.
 - d. **Bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under any workers' compensation law, non-occupational disability law or occupational disease law.
 - e. **Property damage** to property owned by any **insured** or any other resident of **your** household. This includes any cost or expense incurred by any **insured** or by

others to repair, replace, stabilize, restore, maintain or otherwise change the condition of any property owned by any **insured** to prevent injury to a person or property of others, whether on or off an **insured premises**.

- f. **Property damage** to property rented or leased to, occupied or used by, or in the care, custody or control of any **insured**; unless the **property damage** is caused by fire, smoke or explosion.
- g. Liability:
 - (1) For any loss assessment charged against **you** as a member of an association, corporation or community of property owners.
 - (2) Under any contract, lease or agreement.

We do cover liability assumed under written contracts that directly relate to the ownership, maintenance or use of an **insured premises** unless excluded in (1) above or elsewhere in this policy.

- (3) Arising out of the sale or transfer of real property including but not limited to the following:
 - (a) known or unknown property or structural defects;
 - (b) known or hidden defects in the plumbing, heating, and electrical systems;
 - (c) known or unknown soil conditions or drainage problems; or
 - (d) concealment or misrepresentation of any known defects.

- h. Liability for punitive or exemplary damages. However, if the underlying claim is covered under COVERAGE E, **we** will defend suit alleging such damages, but **we** will not indemnify such claims.
- i. Liability for **property damage** to property rented to a **tenant** of any **insured**.
- j. Liability imposed upon any **insured** by any governmental authority for **bodily injury** or **property damage**.

- 3. Under COVERAGE F **we** do not cover **bodily injury**.

- a. To **you** or any other person regularly residing on any part of an **insured premises**, except **residence employees**.
- b. To **residence employees** if the **bodily injury** occurs off the **insured premises** and does not arise out of and in the course of the **residence employee's** employment by an **insured**.
- c. To any person eligible to receive benefits required to be provided or voluntarily provided under any workers' compensation law, non-occupational disability law or occupational disease law.
- d. From any nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or from any consequence of any of these.
- e. To any **tenant** or other person, regularly residing on any part of the **insured premises**.
- f. To any person engaged in the maintenance, repair, alteration, demolition or new construction of the **insured premises**.

ADDITIONAL PAYMENTS - SECTION II

In addition to the limits of liability, **we** will pay:

1. CLAIM EXPENSES

We will pay:

- a. All settlement and defense costs **we** incur.
- b. Interest on damages covered under COVERAGE E on that portion of a judgment that is within **our** limit of liability, except:
 - (1) if **we** offer to pay **our** limit of liability before judgment, **we** will not pay interest thereafter;
 - (2) if a judgment is rendered, **we** will not pay interest after **our** limit of liability has been paid, tendered or deposited in court.
- c. Loss of net earnings, but not other income, because of attendance at hearings, trials or depositions at **our** request.
- d. Other reasonable expenses an **insured** actually incurs at **our** request.
- e. Premiums on appeal bonds or attachment bonds required in any suit **we** defend. **We** will not pay the premium for:
 - (1) any bond in excess of the limits of liability;

(2) an appeal bond for that portion of a judgment that is not covered under COVERAGE E.

We may apply for or furnish any such bonds and **we** will pay for such bonds.

2. FIRST AID EXPENSES

We will pay reasonable expenses any **insured** actually incurs for first aid to others because of **bodily injury** covered under SECTION II. **We** will not pay for first aid to **you** or any other **insured**.

CONDITIONS - SECTION II

1. Limit of Liability

Regardless of the number of **insureds**, persons injured, claims made, or suits brought, the limit of liability stated in the declarations for COVERAGE E is the most **we** will pay for **bodily injury** and **property damage** resulting from any one **occurrence**. **Bodily injury** to one person includes but is not limited to damages for care, loss of consortium, loss of services and negligent entrustment, and includes imputed negligence, agency, conspiracy, the family purpose doctrine, joint enterprise or venture, employment relationship, partnership, concert of action, or negligent hiring or supervision or retention sustained as the result of the same injuries by:

- a. the injured person; and
- b. any other person.

If any **insured** has been insured for more than one policy period under this or any other homeowners policy issued by **us**, and an accident, including continuous or repeated injurious exposure to essentially the same conditions, results in **bodily injury** or **property damage** during more than one of these policy periods, the limits of liability of two or more of these policy periods may not be added together, combined, or stacked to increase the coverage for this **bodily injury** or **property damage**.

We will not pay any claims for **bodily injury** or **property damage** after **we** have paid the amount of the applicable limit of liability.

COVERAGE F is the most **we** will pay for all **medical expenses** because of **bodily injury** to one person as the result of any one accident.

2. Severability of Insurance

This insurance applies separately to each **insured**, however, this condition will not increase **our** limit of liability for any one **occurrence**.

This severability of insurance provision in no way alters or affects any provision of the policy indicating that it applies to “any **insured**”. Any limiting or exclusionary provision in the policy indicating that it applies to “any **insured**” means that such limiting or exclusionary provision is applicable as to any **insured** under this policy. Where **we** use the phrase “any **insured**”, **we** intend that such provisions not be limited to any one **insured** and that such provisions are applicable to any **insured** under the policy.

3. Duties After Loss

- a. In the event of any **occurrence**, **we** must be notified promptly and informed of the time, place and circumstances of the **occurrence**, including the names and addresses of persons involved, injured persons and witnesses.
- b. Any **insured** must immediately forward to **us** every notice, demand, summons or other process relating to the accident or **occurrence**.
- c. Any **insured** shall cooperate with **us** in the investigation of any claim and shall, at **our** request:
 - (1) attend depositions, hearings and trials;
 - (2) assist in:
 - (a) making settlements;
 - (b) securing and giving evidence;
 - (c) obtaining the attendance of witnesses;
 - (d) the conduct of suits;
 - (3) submit to examinations under oath, not in the presence of any one else other than **your** attorney, and sign and return to **us** the transcript of such examinations;

- (4) authorize **us** to obtain any documentation **we** reasonably require in investigating any claim.
- d. **Insureds** shall not, except at their own cost, voluntarily:
- (1) Make any payment or assume any obligation.
 - (2) Incur any expense other than for first aid to others at the time of **bodily injury**.
4. Duties of an Injured Person – COVERAGE F
- a. Any injured person or someone acting for the injured person will:
 - (1) promptly give **us** written proof of any claim and any further information required by **us**, under oath if required;
 - (2) execute authorizations to allow **us** to obtain copies of medical reports and records.
 - b. Any injured person shall, when and as often as **we** reasonably require, submit to physical examinations by physicians **we** choose.
5. Payment of Claim - COVERAGE F
- We** may pay the injured person or any person or organization rendering services. Payment by **us** shall reduce the amount **we** owe. Payment by **us** is not an admission:
- a. of liability by **us** or by any **insured**;
 - b. that the **medical expenses** were reasonable or necessary or otherwise covered under SECTION II.
6. Suits Against **Us**
- We** may not be sued until all terms of this policy have been fully complied with. In addition, under COVERAGE E, legal action may not be brought against **us** until the obligation to pay, by any **insured**, is finally determined either by:
- a. judgment against the **insured** after actual trial; or
 - b. written agreement of the **insured**, the claimant and **us**.

No one has the right to bring **us** into a suit to determine the liability of any **insured**.

7. Other Insurance - COVERAGE E

This insurance is excess over any other insurance. If there is insurance provided by **us** under any other policy affording Personal Liability coverage:

- a. The limits of liability of the applicable policies may not be added together, combined, or stacked to increase the coverage for any one **occurrence**.
- b. The one highest limit of any of the policies, provided by **us**, applies.

This provision does not apply to other insurance written as excess over the limits of liability of this policy.

SECTION III – GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of any **insured** shall not relieve **us** of any obligations under this policy.

CHANGES AND LIBERALIZATION

This policy may not be changed unless **we** authorize and agree upon the change. **We** will mail or deliver a written endorsement reflecting the change. Mailing or delivery by **us** to the named **insured** in the declarations at the last address on record shall constitute proof of endorsement or notice.

If **we** make changes under this edition of the policy that broaden coverage without charge, this policy will automatically provide the broadened coverages as of the date **we** implement them, provided that date is during the policy period. This provision does not apply when **we** issue a new edition of the policy.

CONCEALMENT OR MISREPRESENTATION

This entire policy will be void and all coverages forfeited, and payment will not be made to any **insured**, if before or after a loss, any **insured** has:

1. intentionally concealed or misrepresented any material fact or circumstance;
2. engaged in fraudulent conduct; or
3. made false statements;

relating to this insurance, the insurance application, the loss, the presentation of the claim or any other fact or circumstance material to the investigation and adjustment of the claim.

INFLATION GUARD

It is agreed that the Limits of Liability specified in the declarations of this policy for COVERAGES A, B and D may be increased at each policy renewal date based on updated information received from a vendor of **our** choice. This information may include, but is not limited to, individual property characteristics and general inflation factors. Limits shown in **your** current declarations will be used to determine the limits of liability during this policy period.

JOINT OBLIGATIONS OF INSURANCE

The terms of this policy impose joint obligations on all persons defined as persons **insured**. This means that the responsibilities, acts and failures to act of any person defined as an **insured** will be binding upon any other person defined as an **insured**.

POLICY PERIOD

This policy applies only to:

1. loss under SECTION I; and
2. **bodily injury** or **property damage** under SECTION II;

which occurs during the policy period stated in the declarations.

STATEMENTS IN THE APPLICATION FOR INSURANCE

By accepting this policy, **you** agree:

1. The facts stated in the application for insurance and the declarations are correct and accurate. **We** have issued the policy in reliance upon the truth of **your** statements.

Any misrepresentations, omissions, concealment of facts and incorrect statements in **your** application may prevent recovery under the policy if they are:

- a. fraudulent; or

- b. material either to the acceptance of the risk, or to the hazard assumed by **us**, such that **we** would either not have issued the insurance or contract; would not have issued it at the same premium rate; would not have issued insurance in as large an amount; or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or contract or otherwise.
2. This policy contains all of the agreements between **you** and **us**.
3. **You**, or someone on **your** behalf, will notify **us** promptly of any change to the facts affecting this insurance, including but not limited to any change of the location of, the title to, the use of, or the exposure to the **insured premises**.
4. **You** will notify **us** within 30 calendar days prior to completion of:
 - a. the remodeling of or any addition to the dwelling covered under COVERAGE A; or
 - b. the construction of new buildings or remodeling of or addition to existing buildings covered under COVERAGE B;that will increase the cost to replace the buildings covered under COVERAGE A and COVERAGE B by \$15,000 or more.

SUBROGATION

When **we** pay, any rights of recovery from someone else become **ours** up to the amount **we** have paid. Any **insured** must:

1. protect these rights; and
2. help **us** enforce them.

If **we** recover damages through subrogation, **we** will pay **you** the amount recovered not to exceed the applicable deductible. **We** will be entitled to a recovery only after **you** have been fully compensated for the loss sustained.

If payment is made to an innocent co-**insured** for a loss arising from an act of domestic violence, the rights

of that **insured** to recover against the perpetrator are transferred to **us** to the extent of **our** payment. Following the loss, the innocent co-**insured** may not waive such rights to recover against the perpetrator of the domestic violence.

You may waive all rights of recovery against any person. This waiver must be executed in writing before a loss occurs.

Subrogation does not apply to COVERAGE F.

TERMINATION

1. Cancellation by **You**

You may cancel by:

- a. returning this policy to **us**; or
- b. giving **us** advance notice of the date cancellation is to take effect.

2. Cancellation by **Us**

We may cancel by mailing to **you** at the last address known by **us**:

- a. At least 10 days notice if cancellation is for nonpayment of premium.
- b. At least 30 days notice if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy.
- c. At least 30 days notice in all other cases.

After this policy is in effect for 60 days or more, or if this is a renewal or continuation policy, **we** will cancel only:

- a. for nonpayment of premium; or
- b. for fraud or material misrepresentation affecting the policy or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the policy; or
- c. if the named **insured** or any occupant of the property has been convicted of a crime arising out of acts increasing the hazard insured against; or
- d. upon the **occurrence** of physical changes in the property insured which increases the hazards originally insured.

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

3. Nonrenewal by **You**

If **we** offer to renew or continue and **you** or **your** representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.

If **you** obtain other insurance on the **insured premises**, any similar insurance provided by this policy will terminate as to that **insured premises** and covered property on the effective date of the other insurance.

4. Nonrenewal by **Us**

If **we** decide not to renew or continue this policy, **we** will mail notice to **you** at the last address known by **us**. Notice will be mailed at least 30 days before the end of the policy period.

5. Method of Mailing Notice

Proof of mailing of any notice shall be sufficient proof of notice.

6. Premium Refund

- a. If this policy is cancelled, **you** may either be entitled to a refund, or **you** may owe additional premium. If **you** are entitled to a refund, **we** will send it to **you** within 30 days. However, making or offering to make a refund is not a condition of cancellation.
- b. If this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- c. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OR ASSIGNMENT

1. This policy or any interests in it may not be assigned without **our** written consent.
2. In case of the death of a named **insured** listed in the declarations or of that **insured's** spouse, if residing in the same household at the time of the **insured's** death:

- a. the deceased's interest in this policy will be transferred to the legal representative of the deceased, but only with respect to the premises and property of the deceased covered under this policy at the time of the death; and
- b. the following persons will be insured under the policy:
 - (1) any member of the deceased's household who is an **insured** at the time of the death, but only while a resident of the **residence premises**; and
 - (2) with respect to the property of the deceased that is insured under this policy, the person having legal temporary custody of the property until appointment and qualification of a legal representative.

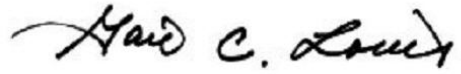
Coverage under this provision will only be provided until the end of the policy period during which the death occurred. However, if the death occurred after **we** offered to renew this policy, **we** will continue coverage until the end of the policy period for which **we** offered renewal, contingent upon payment of the premium.

YOUR PREMIUM

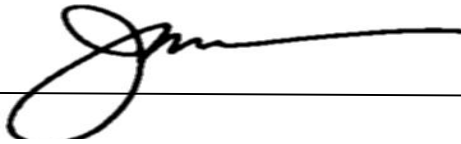
You agree to pay:

1. the premium stated in the declarations for the policy period; and
2. any additional premium resulting during the policy period from:
 - a. the correction or completion of; or
 - b. any changes to;
any information on file that affects the premium for this insurance.

In Witness Whereof, **we** have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by **our** authorized representative.



Secretary



President

SAMPLE

SAMPLE

Please keep **your** Declarations Certificates and
Endorsements with **your** policy.

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