

Pacific Specialty Insurance Company
SPECIAL DWELLING FIRE POLICY

Policy Form No.: DP-3 (Ed. 3)

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AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, "**you**" and "**your**" refer to the "**named insured**" shown in the Declarations and the spouse if a resident of the same **residence premises**. "**We**," "**us**" and "**our**" refer to the Company providing this insurance. Actual Cash Value means the replacement cost, less depreciation assessed at the time of loss.

Other Definitions:

1. "**Bodily injury**" means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
2. "**Business**" includes trade, profession or occupation.
3. "**Insured**" means **you** and the following residents of the **residence premises**.
 - a. **your** relative
 - b. any other person under the age of 21 who is in the care of any person named above
 - c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by **you** or any person included in 3a or 3b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without the permission of the owner is not an **insured**.
4. "**Insured location**" means the following.
 - a. the **residence premises**;
 - b. the part of any other premises, other structures and grounds, used by **you** as a residence and which is shown in the Declarations or which is acquired by **you** during the policy period for **your** use as a residence;
 - c. any premises used by **you** in connection with the premises included in 4a or 4b;

- d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
 - e. vacant land owned by or rented to any **insured** other than farm land;
 - f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**;
 - g. individual or family cemetery plots or burial vaults of any **insured**;
 - h. any part of a premises occasionally rented to any **insured** for other than **business** purposes.
5. "**Motor vehicles**" means the following.
- a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - b. a trailer or semitrailer designed for travel on public roads and subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - c. a motorized golf cart, snowmobile or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**.
6. "**Property damage**" means physical injury to or destruction of tangible property, including loss of use of this property.
7. "**Residence employee**" means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
8. "**Residence premises**" means the one to four family dwelling, other structures and grounds or that part of any other building where **you** reside and which is shown as the "Covered Properties" in the Declarations.

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

COVERAGE A – Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
2. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and

3. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B – Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C – Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by **you** or members of **your** family residing with **you** while it is on the Described Location. At **your** request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

Property Not Covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
 2. animals, birds or fish;
 3. 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;
 4. **motor vehicles** or all other motorized land conveyances. This includes:
 - a. their equipment and accessories; or
 - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of **motor vehicles** or all other motorized land conveyances, including:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media for use with any such device or instrument;
- while in or upon the vehicle or conveyance.
- We do cover vehicles or conveyances not subject to motor vehicle registration which are:
- a. used to service the Described Location; or
 - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes;
 6. data, including data stored in:

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- a. books of account, drawings or other paper records; or
- b. electronic data processing tapes, wires, records, discs or other software media.

However, **we** do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

7. credit cards or fund transfer cards.

If **you** remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after **you** begin to move the property there. This time period will not extend beyond the termination of this policy. **Our** liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

COVERAGE D – Fair Rental Value

If a loss to tenant-occupied property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by **you** unfit for its normal use, **we** cover its:

Fair Rental Value, meaning the fair rental value of that part of the Described Location rented to others or held for rental by **you** less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

If a civil authority prohibits **you** from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, **we** cover the Fair Rental Value loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

COVERAGE E – Additional Living Expense

If a loss to owner-occupied property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location unfit for its normal use, **we** cover **your**:

Additional Living Expense, meaning any necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.

If a civil authority prohibits **you** from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, **we** cover the Additional Living Expense loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

OTHER COVERAGES

1. **Other Structures.** **You** may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

2. **Debris Removal.** **We** will pay **your** reasonable expense for the removal of:
 - a. debris of covered property if a Peril Insured Against causes the loss; or
 - b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

Debris removal expense is included in the limit of liability applying to the damaged property. This coverage does not apply to trees, shrubs, and other plants. Please see Other Coverages item 8, Trees, Shrubs, Other Plants for debris removal coverage of these items.

3. **Improvements, Alterations and Additions.** If **you** are a tenant of the Described Location, **you** may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at **our** expense, to that part of the Described Location used only by **you**.

Use of this coverage does not reduce the Coverage C limit of liability for the same loss.

4. **World-Wide Coverage.** **You** may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Use of this coverage does not reduce the Coverage C limit of liability for the same loss.

5. **Rental Value and Additional Living Expense.**

You may use up to 10% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

6. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, **we** will pay the reasonable cost incurred by **you** for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, **we** will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve **you** of **your** duties, in case of a loss to covered property, as set forth in Condition 4 b.

7. **Property Removed.** **We** insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against 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.

8. **Trees, Shrubs and Other Plants.** **We** cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or operated by **you** or a resident of the Described Location, or Vandalism or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property. The limit of liability for this coverage will not be more than \$500 for any one tree, shrub or plant including the cost of removing the debris of the item. **We** do not cover property grown for commercial purposes.

9. **Fire Department Service Charge.** **We** will pay up to \$500 for **your** liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. **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.

10. **Collapse.** **We** insure for risk of direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in Coverage C – Personal Property. These perils apply to covered building and personal property for loss insured by this Other Coverage;
- b. hidden decay;
- c. hidden insect or vermin damage;
- d. weight of contents, equipment, animals or people;
- e. weight of rain which collects on a roof;
- f. use of defective material or methods in constructions, remodeling or renovation if the collapse occurs during the course of the constructions, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b, c, d, e and f unless the loss is a direct result of the collapse of the building.

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

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

11. **Glass or Safety Glazing Material.** **We** cover:

- a. the breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

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PERILS INSURED AGAINST

COVERAGE A – DWELLING and
COVERAGE B – OTHER STRUCTURES

We insure against risk of direct sudden and accidental loss to property described in Coverages A and B only if that loss is a physical loss to property; however, **we** do not insure loss:

1. involving collapse, other than as provided in Other Coverages 10;
2. caused by:
 - a. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed unless **you** have used reasonable care to:
 - (1) maintain heat in the building; or
 - (2) shut off the water supply and drain the system and appliances of water;
 - b. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (1) fence, pavement, patio or swimming pool;
 - (2) foundation, retaining wall or bulkhead; or
 - (3) pier, wharf or dock;
 - c. theft of property not part of a covered building or structure;
 - d. theft in or to a dwelling or structure under construction;
 - e. wind, hail, ice, snow or sleet to:
 - (1) outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
 - (2) trees, shrubs, plants or lawns;
 - f. vandalism or malicious mischief, theft or attempted theft if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
 - g. constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
 - h.
 - (1) wear and tear, marring, electrolysis, deterioration;
 - (2) inherent vice, latent defect, mechanical breakdown;
 - (3) smog, rust or other corrosion, mold, wet or dry rot;
 - (4) smoke from agricultural smudging or industrial operations;

- (5) discharge, dispersal, seepage, migration release or escape of pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (7) birds, vermin, rodents, raccoons, bats, insects or domestic animals.

If any of these cause water damage not otherwise excluded from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which this water escaped; or

3. excluded under General Exclusions.

Under items 1 and 2, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C – PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. **Fire or lightning.**
2. **Windstorm or hail.**

This peril does not include loss to:

- a. property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;
- b. canoes and rowboats; or
- c. trees, shrubs or plants.

3. **Explosion.**
4. **Riot or civil commotion.**

2. **Aircraft**, including self-propelled missiles and spacecraft.
3. **Vehicles.**
4. **Smoke**, meaning sudden and accidental damage from smoke.
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
5. **Vandalism or malicious mischief.**
This peril does not include loss by pilferage, theft, burglary or larceny.
6. **Damage, by Burglars**, meaning damage to covered property caused by Burglars.
This peril does not include:

- a. theft of property; or
 - b. damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
7. **Falling Objects.**
This peril does not include loss to property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object.
Damage to the falling object itself is not covered.
 8. **Weight of ice, snow or sleet** which causes damage to property contained in the building.
 9. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
This peril does not include loss:
 - a. to the system or appliance from which the water or steam escaped;
 - b. caused by or resulting from freezing except as provided in the peril of freezing below; or
 - c. on the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

10. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system or an appliance for heating water.
This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.
11. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
This peril does not include loss on the Described Location while the dwelling is unoccupied or being constructed, unless **you** have used reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the system and appliances of water.
12. **Sudden and accidental damage from artificially generated electrical current.**
This peril does not include loss to a tube, transistor or similar electronic component.
13. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

GENERAL EXCLUSIONS

1. **We** do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 - a. **Ordinance or Law**, meaning enforcement of

any ordinance or law regulating the use, construction, repair, asbestos testing and abatement, or demolition of a building or other structure, unless specifically provided under this policy.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss caused by:
 - (1) fire;
 - (2) explosion; or
 - (3) breakage of glass or safety glazing material which is part of a building, storm door or storm window;ensues and then **we** will pay only for the ensuing loss.

- c. **Water Damage**, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) water which backs up through sewers or drains or which overflows from a sump; or
- (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire or explosion resulting from water damage is covered.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, **we** will pay only for that ensuing loss.
- e. **Neglect**, meaning **your** neglect to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **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, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
- h. **Intentional Loss**, meaning any loss arising out of any act committed:
 - (1) by or at the direction of **you** or any person or organization named as an additional **insured**; and
 - (2) with the intent to cause a loss.

2. **We** do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

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- a. **Weather conditions.** However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
- b. **Acts or decisions,** including the failure to act or decide, of any person, group, organization or governmental body;
- c. **Faulty, Inadequate or defective;**
- (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance;
- of part or all of any property whether on or off the Described Location.
- d. **Pipes; Pipes including Concrete Slabs Enclosing Pipes.** We do not insure the cost of tearing out, repair and/or replacing any pipes, including concrete slabs enclosing pipes.

CONDITIONS

1. **Policy Period.** This policy applies only to loss which occurs during the policy period.
2. **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. for an amount greater than the interest of a person insured under this policy; or
 - b. for more than the applicable limit of liability.
3. **Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, **you** have:
- a. intentionally concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made false statements;
- relating to this insurance.
4. **Your Duties After Loss.** In case of a loss to covered property, **you** must see that the following are done:
- a. give prompt notice to **us** or **our** agent;
 - b. (1) protect the property from further damage;
 - (2) make reasonable and necessary repairs to protect the property; and
 - (3) keep an accurate record of repair expenses;
 - c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 - d. as often as **we** reasonably require:
 - (1) show the damaged property;
 - (2) provide **us** with records and documents **we** request and permit **us** to make copies; and

- (3) submit to examination under oath, while not in the presence of any other **named insured**, and sign the same;
- e. send to **us**, within 60 days after **our** request, **your** signed, sworn proof of loss which sets forth, to the best of **your** knowledge and belief:
- (1) the time and cause of loss;
 - (2) **your** interest and that of all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term to the policy;
 - (5) specifications of damaged buildings and detailed repair estimates;
 - (6) the inventory of damaged personal property described in 4c;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.

5. **Loss Settlement.** Covered property losses are settled as follows:
- a. (1) Personal property;
 - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment whether or not attached to buildings;
 - (3) Structures that are not buildings; and
 - (4) The entire roofing system of any building or covered other structure;
- at actual cash value at the time of loss but not more than the amount required to repair or replace.
- b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) If at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, **we** will pay the cost to repair or replace after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) the limit of liability under this policy that applies to the building;
 - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) the necessary amount actually spent to repair or replace the damaged building. - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, **we** will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (a) the actual cash value of that part of the building damaged; or
 - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (a) excavations, foundations, piers or any supports which are below the under-surface of the lowest basement floor;
 - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (c) underground flues, pipes, wiring and drains.
- (4) **We** will pay no more than the actual cash value of the damage unless:
- (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$2500.
- (5) **You** may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. **You** may then make claim within 180 days after loss for any additional liability on a replacement cost basis.
6. **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 actual cash value of the property before and after the loss.
7. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
8. **Appraisal.** If **you** and **we** fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon

an umpire within 15 days, **you** or **we** may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

9. **Other Insurance.** If property covered by this policy is also covered by other fire insurance, **we** will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.
10. **Subrogation.** **You** may waive in writing before a loss all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with **us**.

11. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
12. **Our Option.** If **we** give **you** written notice within 30 days after **we** receive **your** signed, sworn proof of loss, **we** may repair or replace any part of the damaged property with like property.
13. **Loss Payment.** **We** will adjust all losses with **you**. **We** will pay **you** unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after **we** receive **your** proof of loss and:
- a. reach an agreement with **you**;
 - b. there is an entry of a final judgment; or
 - c. there is a filing of an appraisal award with **us**.
14. **Abandonment of Property.** **We** need not accept any property abandoned by **you**.
15. **Mortgage Clause.**
The word "mortgagee" includes trustee.

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

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

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Policy Form No.: DP-3 (Ed. 3)

- a. notifies **us** of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if **you** have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from **us** of **your** failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If **we** decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

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; or
- b. at **our** option, **we** may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, **we** will 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.

- 16. 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.

17. Cancellation.

- a. **You** may cancel this policy at any time by returning it to **us** or by letting **us** know in writing of the date cancellation is to take effect.
- b. **We** may cancel this policy only for the reasons stated below by letting **you** know in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you**, or mailed to **you** at **your** mailing address shown in the Declarations.

Proof of mailing shall be sufficient proof of notice.

- (1) When **you** have not paid the premium, **we** may cancel at any time by letting **you** know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by letting **you** know at least 10 days before the date cancellation takes effect.

- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to **us** would have caused **us** not to issue the policy; or
 - (b) if the risk has changed substantially since the policy was issued. This can be done by letting **you** know at least 30 days before the date cancellation takes effect.
 - (4) When this policy is written for a period of more than one year, **we** may cancel for any reason at anniversary by letting **you** know at least 30 days before the date cancellation takes effect.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund it within a reasonable time after the date cancellation takes effect.

18. Non-Renewal. **We** may elect not to renew this policy. **We** may do so by delivering to **you**, or mailing to **you** at **your** mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

19. Liberalization Clause. If **we** make a change which broadens coverage under this edition of **our** policy without additional premium charge, that charge will automatically apply to **your** insurance as of the date **we** implement the change in **your** state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of **our** policy.

20. Waiver or Change of Policy Provisions. A waiver or change of a provision of this policy must be in writing by **us** to be valid. **Our** request for an appraisal or examination will not waive any of **our** rights.

21. Assignment. Assignment of this policy will not be valid unless **we** give **our** written consent.

22. Death. If **you** die, **we** insure:

- a. **your** legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to **your** property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

23. Nuclear Hazard Clause.

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. 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 the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

24. 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**, the loss payment will be adjusted based on the amount **you** received for the recovered property.

25. Volcanic Eruption Period. One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption

In Witness Whereof, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized agent of the Company.



Timothy J. Summers
PRESIDENT



Brian J. McSweeney
SECRETARY

**Pacific Specialty Insurance Company
TEXAS DWELLING FIRE ENDORSEMENTS**

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ATTENTION

This booklet contains endorsements that are applicable to your policy only if the endorsement number appears on your Declarations page. Not all endorsements are necessarily applicable to your policy. Review your Declarations page to see which ones apply.

Please read carefully. When applicable, the endorsement will change your Dwelling policy.

**ENDORSEMENT No. PM1-TX-DP (Ed. 2)
Texas Amendatory Endorsement for DP-1
and DP-3 Policies**

**THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.**

DEFINITIONS

The following definition is added to the policy:

“Business day” means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.

GENERAL EXCLUSIONS

DP-1 policies item A-8 and DP-3 policies item 1-h is hereby replaced with the following:

Intentional loss, meaning any loss arising out of any act committed by or at the direction of any insured with the intent to cause a loss.

This exclusion does not apply:

- a. to an otherwise covered property loss if the property loss is caused by, pursuant to, or in the course of an act of domestic abuse by another insured; or
- b. to an insured under the policy who did not cooperate in or contribute to the creation of the loss.

Provided the insured claiming a property loss files a police report and cooperates with any law enforcement investigation or prosecution relating to the loss.

CONDITIONS

Item 4. **Your Duties After Loss** is hereby renumbered to 4A. **Your Duties After Loss**. In addition, items c. and e. under **Your Duties After Loss** are hereby deleted, item d. is renumbered to c., and the following is added:

- d. send to us, within 91 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) your interest and that of all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term to the policy;
 - (5) specifications of damaged buildings;
 - (6) the inventory of damaged personal property described in 4A.c;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.

No other changes are made to the **Your Duties After Loss** portion of the policy.

Item 4B. **Our Duties After Loss** is hereby added to your policy as follows.

4B. Our Duties After Loss.

- a. Not later than the 15th day after we receive your written notice of claim, we must:
 - (1) acknowledge receipt of the claim. If our acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.
 - (2) begin any investigation of the claim.
 - (3) specify the information you must provide in accordance with item 4A.e. above.We may request additional information, if during the investigation of the claim such additional information is necessary.
- b. After we receive the information we request, we must notify you in writing of the status of your claim:
 - (1) within 15 business days; or
 - (2) within 30 days if we have reason to believe the loss resulted from arson.
- c. If we do not approve payment of your claim, we must:
 - (1) give the reason for denying your claim; or
 - (2) give the reasons we require additional time to process your claim. But, we must either approve or deny your claim within 45 days after our request for additional time.

CONDITIONS

Item 11. **Suit Against Us** is hereby deleted in its entirety and replaced with the following.

11. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within two years and one day after the date of loss.

CONDITIONS

Item 15. **Mortgage Clause**, c is hereby deleted and replaced with the following.

- c. submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

CONDITIONS

Item 17. **Cancellation** is hereby deleted in its entirety and replaced with the following.

17. Cancellation.

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy for one or more of the reasons stated below by letting you know in writing at least 30 days before the date cancellation takes effect if canceling for item (1) below, or at least 10 days before the date cancellation takes effect if canceling for items (2), (3), (4) or (5). This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

We may cancel this policy:

- (1) If this policy has been in effect for less than 60 days and is not a renewal policy, and
 - (A) we identify a condition that:
 - i. creates an increased risk of hazard;
 - ii. was not disclosed in the application for insurance coverage; and
 - iii. is not the subject of a prior claim; or
 - (B) before the effective date of the policy, we have not accepted a copy of a required inspection report that:
 - i. was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
 - ii. is dated not earlier than the 90th day before the effective date of the policy.An inspection report is deemed accepted, unless we reject it before the 11th day after the date we receive it.
- (2) If you do not pay the premium or any portion of the premium when due.
- (3) If the Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
- (4) If you submit a fraudulent claim.
- (5) If there is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium/rate of this policy.

- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
- e. We may not cancel this policy solely because you are an elected official.

CONDITIONS

Item 18. **Non-Renewal** is hereby deleted in its entirety and replaced with the following.

18. Non-Renewal.

- a. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
- b. We may not refuse to renew this policy solely because you are an elected official.
- c. We may refuse to renew this policy if you have filed three or more claims under the policy in any three year period that do not result from natural causes.

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If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in d. below. If we do not notify you after the second claim, we may not refuse to renew this policy because of the losses.

A claim does not include a claim that is filed but is not paid or payable under the policy.

- d. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown in the Declarations and any mortgagee named in the Declarations, written notice of our refusal to renew not later than the 30th day before the date in which this policy expires. Proof of mailing shall be sufficient proof of notice. If we fail to give you proper notice of our decision to refuse renewal, you may require us to renew the policy.

CONDITIONS

The following provision is added to this policy.

26. **Liquidated Demand.** A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. This subsection does not apply to personal property.

CONDITIONS

The following provision is added to this policy.

27. **Residential Community Property.**
- a. Pursuant to the provisions of § 2002.003 of the Texas Insurance Code, it is understood and agreed that this policy, subject to all other terms and conditions contained in this policy, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy until the expiration of the policy or until canceled in accordance with the terms and conditions of this policy.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM2 (Ed. 1)
Animal Liability Exclusion

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

It is understood and agreed that your policy is amended as follows.

1. LIABILITY COVERAGE

We shall not pay any sum that the insured shall become legally obligated to pay as damages because of bodily injury or property damage caused by or originating from any animal owned by, or in the care of, custody or control of the insured, or any member of the insured's family or household.

2. MEDICAL PAYMENT COVERAGE

We shall not pay any medical expenses at any time, to persons while on the insured's premises, with or without the permission of the insured, or while elsewhere, if such medical expense is caused by or results from any bodily injury caused by, or resulting from any animal owned by, or in the care of, custody or control of the insured, or any member of the insured's family or household.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM3 (Ed. 1)
Occupancy Endorsement
(Primary Residence Only)

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

It is a condition of this policy that any vacancy or unoccupancy of the described dwelling after the inception date of this policy must be reported to the Company. The terms "vacant" or "unoccupied" mean that you have not slept overnight in the dwelling for a period of sixty (60) consecutive days.

It is understood and agreed that the Company shall not be liable for loss occurring while a described dwelling that is intended for occupancy by the owner as a primary residence is vacant or unoccupied beyond a period of sixty consecutive days. However, coverage remains in effect during this period under Perils 1A (Fire or Lightning), 3 (Windstorm or Hail), 7 (Smoke) and 8 (Volcanic Eruption).

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT No. PM4 (Ed. 1)
Satellite Dish Exclusion

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

This policy does not provide any coverage loss or damage to a satellite dish, antennas, or their components, including mounting hardware.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM5 (Ed. 1)
Roof for Fire and Lightning Only
Endorsement

It is agreed that the roof on your Dwelling is only covered for losses caused by fire and lightning. It is further agreed that there is no coverage for interior damage if such

damage is due to the failure of the roof, unless such failure is caused by fire or lightning.

ENDORSEMENT No. PM6 (Ed. 2)
Water Damage Exclusion for Plumbing

It is agreed that the insured dwelling's plumbing system is constructed, in whole or in part, from material other than copper, galvanized steel, polyvinyl chloride (PVC), or chemically cross-linked polyethylene. This does not include any of the following.

- a) Plumbing outside the dwelling.
- b) Drain pipes.
- c) Sprinkler irrigation systems.
- d) Gas pipes.

In the event a claim is made resulting from the failure of the dwelling's plumbing system, including the failure of polybutylene (PB) or other plastic plumbing, no coverage will be afforded under this policy.

ENDORSEMENT No. PM7 (Ed. 1)
Copper Plumbing Agreement

It is agreed that the insured dwelling's plumbing system is constructed from copper plumbing. This does not include plumbing outside the dwelling, drain pipes, sprinkler irrigation systems, or gas pipes.

In the event a claim is made resulting from a non-copper plumbing system failure, no coverage will be afforded under this policy.

ENDORSEMENT No. PM9 (Ed. 1)
Mold Exclusion

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

This policy does not provide coverage for any:

1. loss;
2. damage;
3. cost;
4. claim;
5. expense;
6. bodily injury;
7. property damage; or
8. medical payments

arising from or in any way involving, directly or indirectly, mold, fungi, mildew, spores, wet or dry rot, or similar organisms, regardless of cause.

The Company shall have no duty to investigate, defend or indemnify any claim or suit seeking such damages.

ENDORSEMENT No. PM11 (Ed. 3)
Increased Deductible For Loss or Damage
Caused by Tenants

This endorsement changes your policy. Please read it carefully.

It is understood and agreed that if a loss occurs due to an insured peril which is caused by deliberate act(s) by a present or past tenant of the property, then that loss is considered to be a "Tenant Caused Loss."

We will only be liable for that portion of a Tenant Caused Loss that exceeds \$2,500.00, up to the limits of the policy as stated on the policy declarations page. However, if a policy deductible of \$5,000.00 is stated on the policy declarations page, then we will only be liable for that portion of a Tenant Caused Loss that exceeds \$5,000.00, up to the limits of the policy as stated on the policy declarations page.

This endorsement does not extend or expand the perils insured under this policy.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM13-TX-DP (Ed. 1)
Residential Community Property Exclusion
for DP-1 and DP-3 Policies

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

Endorsement PM1-TX-DP added Residential Community Property coverage to the Conditions of your policy. This coverage is found in Item 27 of your policy Conditions.

This form deletes this coverage from your policy. Item 27 is removed from your policy Conditions. Your policy does not provide this coverage. It has been deleted. The rest of Form PM1-TX-DP is not affected by this endorsement.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM18 (Ed. 1)
Trampoline Exclusion

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

This policy does not provide any coverage for any:

- a. loss,
- b. damage,
- c. cost,
- d. claim,
- e. expense,
- f. "bodily injury,"
- g. "property damage," or
- h. medical payments

arising from or in any way involving, directly or indirectly, a trampoline, regardless of cause.

We shall have no duty to investigate, defend, or indemnify any claim or "suit" seeking such damages.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM19 (Ed. 1)
Swimming Pool Diving Board and Slide
Exclusion

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

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This policy does not provide any coverage for any:

- a. loss,
- b. damage,
- c. cost,
- d. claim,
- e. "bodily injury,"
- f. "property damage," or
- g. medical payments

arising from or in any way involving, directly or indirectly, a swimming pool diving board, slide or similar structure, regardless of cause.

We shall have no duty to investigate, defend, or indemnify any claim or "suit" seeking such damages.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM20 (Ed. 2)
Inflation Guard

This endorsement changes your policy. Please read it carefully.

A 3% increase to the limit of liability shown on the Declarations page of the policy for the insured dwelling (Coverage A) will be applied at renewal.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM27 (Ed. 1)
Additional Insured – Property Policies

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

Whenever an Additional Insured appears on the Declarations page for this policy, the person or organization named as an Additional insured is insured under this policy, but only with respect to the coverage that appears both in this endorsement and on the Declarations page for this policy.

SECTION I – PROPERTY COVERAGES

- Coverage A – Dwelling.
Coverage B – Other Structures.

SECTION II – LIABILITY COVERAGES

- Coverage E – Personal Liability.
Coverage F – Medical Payments to Others.

Any Additional Insured is insured only with respect to the **residence premises**. The Declarations page will indicate the limit that applies to each coverage. If no limit is indicated, there is no coverage.

With respect to Liability and Medical Payments to Others, any Additional Insured is covered only where the Additional Insured is held liable for an act or failure to act by the **insured** that is named on the Declarations page for this policy. This coverage does not apply to **bodily injury**

to any employee of the Additional Insured arising out of or in the course of the employee's employment by the Additional Insured.

If we decide to cancel or not to renew this policy, the Additional Insured will be notified in writing.

This endorsement does not apply if there is no Additional Insured on the Declarations page for this policy.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM28 (Ed. 1)
Property Held By Legal Entity

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

If the **insured** named on the Declarations page for this policy is a legal entity and not an individual, the coverage afforded by this policy applies only with respect to the **residence premises**.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM29 (Ed. 1)
Dwelling Purchased Through Foreclosure

It is agreed that if the insured dwelling was purchased at, from, by or through a foreclosure, bank or trustee sales, that the policy deductible shown on the declarations page will be doubled in the event of a loss occurring within the first 90 days of the inception date of the policy.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM30 (Ed. 1)-40F
Vandalism or Malicious Mischief
Endorsement for Vacant Homes

The following change is made to the **PERILS INSURED AGAINST** section

Vandalism or Malicious Mischief is hereby deleted and replaced with the following:

When a Premium for Vandalism or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.

Vandalism or malicious mischief.

This peril does not include loss:

- a. to glass or safety glazing material constituting a part of the building other than glass building blocks;

by pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or

ENDORSEMENT No. PO1 (Ed. 1)
Comprehensive Personal Liability Coverage

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

Throughout this policy, "you" and "your" refer to the named insured shown in the Declarations and the spouse if a resident of the same household, and "we", "us" and "our" refer to the company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
2. **"Business"** includes trade, profession or occupation.
3. **"Insured"** means you and the following residents of your household:
 - a. your relative
 - b. any other person under the age of 21 who is in the care of any person named above
 - c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without the permission of the owner is not an **insured**.
4. **"Insured location"** means the following:
 - a. the **residence premises**;
 - b. the part of any other premises, other structures and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;
 - c. any premises used by you in connection with the premises included in 4a or 4b;
 - d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
 - e. vacant land owned by or rented to any **insured** other than farm land;
 - f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**;
 - g. individual or family cemetery plots or burial vaults of any **insured**;
 - h. any part of a premises occasionally rented to any **insured** for other than business purposes.
5. **"Motor vehicles"** means the following:
 - a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;

- b. a trailer or semitrailer designed for travel on public roads and subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - c. a motorized golf cart, snowmobile or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**.
6. **"Property damage"** means physical injury to or destruction of tangible property, including loss of use of this property.
7. **"Residence employee"** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
8. **"Residence premises"** means the one to four family dwelling, other structures and grounds or that part of any other building where you reside and which is shown as the "Covered Properties" in the Declarations.

LIABILITY COVERAGES

COVERAGE L – PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** to which this coverage applies, we will do the following.

- a. pay up to our limit of liability for the damages for which the insured is legally liable; and
- b. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages resulting from the occurrence equals our limit of liability.

Damages include prejudgment interest awarded against the **insured**.

COVERAGE M – MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees**. As to others, this coverage applies only as follows.

- a. to a person on the **insured location** with the permission of any **insured**; or
- b. to a person off the **insured location**, if the **bodily injury** meets the following conditions.
 - (1) arises out of a condition of the **insured location** or the ways immediately adjoining;
 - (2) is caused by the activities of any **insured**;
 - (3) is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or

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- (4) is caused by an animal owned by or in the care of any **insured**.

EXCLUSIONS

1. **Coverage L and Coverage M** do not apply to **bodily injury** or **property damage** as follows.
- a. which is expected or intended by the **insured**;
 - b. arising out of **business** pursuits of any **insured** or the rental or holding for rental of any part of any premises by any **insured**.

This exclusion does not apply to the following.

- (1) activities which are ordinarily incident to **nonbusiness** pursuits; or
- (2) the rental or holding for rental of a residence of yours, as follows.
 - (a) on an occasional basis for the exclusive use as a residence;
 - (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
 - (c) in part, as an office, school, studio or private garage
- c. arising out of the rendering or failing to render professional services;
- d. arising out of any premises owned by or rented to any **insured** which is not an **insured location**;
- e. arising out of the ownership, maintenance, use, loading or unloading of the following.
 - (1) an aircraft
 - (2) a **motor vehicle** owned or operated by, or rented or loaned to any **insured**; or
 - (3) a watercraft, as follows.
 - (a) owned by or rented to any **insured** if the watercraft has inboard or inboard-outdrive motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length; or
 - (b) powered by one or more outboard motors with more than 25 total horsepower, owned by any **insured** at the inception of this policy. In you report in writing to us within 45 days after acquisition an intention to insure any outboard motors acquired prior to the policy period, coverage will apply.
- f. caused directly or indirectly by 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 and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

Exclusion e(3) does not apply while the watercraft is stored and exclusions d and e do not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

2. **Coverage L** does not apply to the following.

- a. liability assumed under any contract or agreement or by contract or agreement in connection with any **business** of the **insured**;
 - (1) however, this exclusion does not apply to written contracts that either directly relate to the ownership, maintenance or use of the **insured location**, or where the liability of others is assumed by the **insured** prior to an occurrence, unless excluded elsewhere in this policy.
- b. **property damage** to property owned by the **insured**;
- c. **property damage** to property rented to, occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
- d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law; or
- e. **bodily injury** or **property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for the exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by:
 - (1) American Nuclear Insurers;
 - (2) Mutual Atomic Energy Liability Underwriters; or
 - (3) Nuclear Insurance Association of Canada.

3. **Coverage M** does not apply to **bodily injury** as follows.
- a. to any person while on the **insured location** because **business** pursuits are conducted or professional services are rendered on the **insured location**;
 - b. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by any **insured**;
 - c. to any person, eligible to receive any benefits required to be provided or voluntarily under any worker's or workmen's compensation, non-occupational disability or occupational disease law;
 - d. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability.

1. **Claim Expenses.** We pay:
- a. expenses incurred by us and costs taxed against any **insured** in any suit we defend;
 - b. premiums on bonds required in a suit defended by us, but not for bonds amounts greater than the limit of liability for Coverage L. We are not obligated to apply for or furnish any bond;

- c. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day for assisting us in the investigations or defense of any claim or suit;
 - d. interest on the entire judgment which accrues after entry of the judgment and before we pay for or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.
3. **Damage to Property of Others.** We will pay up to \$250 per occurrence for **property damage** to property of others caused by any **insured**. We will not pay for **property damage**:
- a. caused intentionally by any **insured** who is 13 years of age or older;
 - b. to property owned by or rented to any **insured**, a tenant of any **insured**, or a resident in your household; or
 - c. arising out of the following.
 - (1) **business** pursuits;
 - (2) any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or
 - (3) the ownership, maintenance or use of a **motor vehicle**, aircraft or watercraft.

CONDITIONS

1. **Limit of Liability.** Regardless of the number of **insureds**, claims made or persons injured, our total liability for Coverage L stated in this policy for all damages resulting from any one occurrence shall not exceed the limit of liability for Coverage L stated in the Declarations. All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general conditions shall be considered to be the result of one occurrence. Our total liability under Coverage M for all medical expense payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage M stated in the Declarations
2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one occurrence.
3. **Duties After Loss.** In case of an accident or occurrence, the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that the following duties are performed.
- a. give written notice to our agent or us as soon as practicable, which sets forth the following.
 - (1) the identity of the policy and **insured**;
 - (2) reasonably available information on the time, place and circumstances of the accident or occurrence; and
 - b. forward to us every notice, demand, summons or other process relating to the accident or occurrence;
 - c. at our request, assist in the following.

- (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
 - (3) the conduct of suits and attend hearings and trials;
 - (4) securing and giving evidence and obtaining the attendance of witnesses;
- d. under the coverage – Damage to the Property of Others – submit us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
- e. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.
4. **Duties of an Injured Person-Coverage M – Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:
- a. give us written proof of claim, under oath if required, as soon as practicable;
 - b. execute authorization to allow us to obtain copies of medical reports and record; and
 - c. the injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.
5. **Payment of Claim-Coverage M – Medical Payment to Others.** Payment under this coverage is not an admission of liability by any **insured** or us.
6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions. No one shall have any right to join us as a party to any action against any **insured**. Further, no action with respect to Coverage L shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.
7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.
8. **Other Insurance-Coverage L – Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
9. **Policy Period.** This policy applies only to **bodily injury** or **property damage** that occurs during the policy period.
10. **Subrogation.** Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

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ENDORSEMENT No. PO2 (Ed. 1)
Owners, Landlords & Tenants Liability
Coverage

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

For an additional premium, with this endorsement, the Company agrees to provide the coverage indicated herein. The premium and applicable limits of liability are as stated on the policy declarations and in this endorsement. All other terms and conditions of the policy remain unchanged.

LIABILITY COVERAGE.

We will pay on behalf of the insured all sums that the insured shall become legally obligated to pay as damages to which this insurance applies because of either **bodily injury** or **property damage** (collectively referred to as "loss").

This coverage exists when the "loss" is caused by an occurrence that arises out of the ownership, maintenance, or use of the insured premises. This includes all necessary or incidental operations of the premises. We shall have the right and duty to defend any suit against the insured seeking damages on account of such "loss." This duty exists even if any of the allegations of the suit are groundless, false or fraudulent. We may investigate and settle any claim or suit as we deem expedient. We shall not be obligated to pay any claim or judgment, or to defend any suit, after the applicable limit of our liability has been exhausted.

Exclusions.

The following apply to both liability and medical payments coverage.

1. "Loss" that arises out of the "use" of any of the following.
 - a. Automobile.
 - b. Aircraft.
 - c. Watercraft.This does not apply to the parking of an automobile on the insured premises, if such automobile is not owned by or rented or loaned to any insured. This also does not apply to watercraft while ashore on the insured premises.
2. "Loss" that arises out of the following.
 - a. The "use" of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.
 - b. The operation or use of any snowmobile or trailer designed for use therewith.
3. "Loss" that arises out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured.
4. "Loss" that results from the selling, serving or giving of alcoholic beverage in any of the following circumstances.
 - a. In violation of any statute, ordinance or regulation.

- b. To a minor.
- c. To a person under the influence of alcohol.
- d. Which causes or contributes to the intoxicating of any person, if the named insured is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes, but only part a. of this exclusion applies when the named insured is such an owner or lessor.

The following apply to liability coverage.

1. Liability assumed by the insured under any contract or agreement except an incidental contract. With respect to "loss" occurring while work performed by the named insured is in progress, this exclusion does not apply to a warranty that such work will be done in a workmanlike manner.
2. "Loss" arising out of the discharge, dispersal, release or escape ("discharge") of the following into or upon land, the atmosphere or any water course or body of water.
 - a. Smoke.
 - b. Vapors.
 - c. Soot.
 - d. Fumes.
 - e. Acids.
 - f. Alkalies.
 - g. Toxic chemicals.
 - h. Liquids or gases.
 - i. Waste materials or other irritants.
 - j. Contaminants.
 - k. Pollutants.This exclusion does not apply if such "discharge" is sudden and accidental.
3. Any obligation stemming from the following.
 - a. Workers' compensation law.
 - b. Unemployment compensation law.
 - c. Disability benefits law.
 - d. Any similar law.
4. Bodily injury to any employee of the insured arising in the course of his employment. This includes any obligation of the insured to indemnify another because of damages arising out of such injury. This exclusion does not apply to liability assumed by the insured under an incidental contract.
5. Property damage to the following.
 - a. Property owned, occupied or rented to the insured.
 - b. Property used by the insured.
 - c. Property in the care, custody or control of the insured. This includes property over which the insured exercises physical control for any purpose. This does not apply with respect to liability under a written sidetrack agreement or property damage (other than OT elevators) arising out of the use of an elevator at the insured premises.
6. Property damage to premises alienated by the named insured arising out of such premises or any part thereof.

7. Loss of use of tangible property that has not been physically injured or destroyed resulting from the following.
 - a. A delay in or lack of performance by or on behalf of the named insured of any contract or agreement.
 - b. The failure of the named insured's products to meet the level of performance, quality, fitness or durability warranted or represented by the named insured. This includes work performed by or on behalf of the named insured. This exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products after such products or work have been put to use by any person or organization other than an insured. This includes work performed by or on behalf of the named insured.
8. Property damage to the named insured's products arising out of such products.
9. Property damage to work performed by or on behalf of the named insured arising out of the work, or out of materials, parts or equipment furnished in connection therewith.
10. "Loss" included within the completed operations hazard or the products hazard.
11. "Loss" arising out of operations on any premises other than the insured premises, or to liability assumed by the insured under any contract or agreement relating to such premises.
12. "Loss" arising out of the following to a building or other structure by the named insured.
 - a. Alteration.
 - b. Movement.
 - c. New construction.
 - d. Demolition.

PERSONS INSURED.

Each of the following is an insured under this insurance to the extent set forth below.

1. If the named insured is an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor. This includes the spouse of the named insured with respect to the conduct of such a business.
2. If the named insured is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such.
3. If the named insured is other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.
4. Any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured.

This insurance does not apply to "loss" arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as named insured.

Limits of Liability.

Our bodily injury and property damage liability is limited.

The limit of liability stated in the declarations as applicable to "each occurrence" is the total limit of our liability for all damages because of "loss" as a result of any one occurrence.

For the purpose of determining the limit of our liability, all "loss" arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

COVERAGE E – PREMISES MEDICAL PAYMENTS.

We will pay to or for each person who sustains bodily injury caused by accident all reasonable medical expenses incurred within one year from the date of the accident on account of such injury. This is provided such injury arises out of a condition on the insured premises or operations with respect to which the named insured is afforded coverage for bodily injury liability under this policy.

Exclusions.

The following apply to medical payments coverage.

1. "Loss" that is included within the completed operations hazard or the products hazard.
2. "Loss" that arises out of operations performed for the named insured by independent contractors other than for maintenance and repair of the insured premises, or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures.
3. "Loss" to the named insured, any partner therein, any tenant or other person regularly residing on the insured premises or any employee of any of the foregoing if the bodily injury arises out of and in the course of his employment therewith.
4. "Loss" to any other tenant if the bodily injury occurs on that part of the insured premises rented from the named insured. This includes any employee of such a tenant if the bodily injury occurs on the tenant's part of the insured premises and arises out of and in the course of his employment for the tenant.
5. "Loss" to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises.
6. "Loss" to any person if any benefits for such bodily injury are payable or required to be provided under any workers' compensation, employment compensation or disability benefits law, or under any similar law.
7. "Loss" to any person practicing, instructing or participating in any of the following contests, unless a premium charge is entered for sport activities in the policy with respect to Premises Medical Payments Coverage (PMPG).
 - a. Physical training.
 - b. Sport.
 - c. Athletic activity.

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This insurance also does not apply to any medical expense for services by the named insured, any employee thereof or any person or organization under contract to the named insured to provide such services.

Limits of Liability.

The limit of liability for PMPC stated in the schedule as applicable to "each person" is the limit of our liability for all medical expense for bodily injury to any one person as the result of any accident. Our total liability under PMPC for all medical expense for bodily injury to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule as applicable to "each accident".

When more than one medical payments coverage afforded by this policy applies to the loss, we shall not be liable for more than the amount of the highest applicable limit of liability.

DEFINITIONS.

The following items shall have the following meanings.

Automobile. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or apparatus, but does not include mobile equipment.

Bodily injury. Sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting the injury.

Completed operations hazard. "Loss" arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, if the "loss" occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured.

Operations. Materials, parts or equipment furnished in connection with the operation. Operations shall be deemed completed at the earliest of the following times.

1. When all operations to be performed by or on behalf of the named insured under the contract have been completed.
2. When all operations to be performed by or on behalf of the named insured at the site of the operations have been completed.
3. When the portion of the work out of which the "loss" arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The **completed operations hazard** does not include "loss" arising out of the following.

1. Operations in connection with the transportation of property, unless the "loss" arises out of a condition in or on the vehicle created by the loading or unloading the vehicle.
2. The existence of tools, uninstalled equipment or abandoned or unused material.
3. Operation for which the classification stated in the policy or in our manual specifies "including completed operations."

Elevator. Any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof. This includes any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery. This does not include any automobile servicing hoist. This also does not include a hoist without a platform outside a building if without mechanical power or if not attached to building walls. This also does not include a hod or material hoist used in alteration, construction or demolition operations. This also does not include an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

Incidental contract. Any of the following when in writing.

1. Lease of premises.
2. Easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad.
3. Undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality.
4. Sidetrack agreement.
5. Elevator maintenance agreement.

Insured. Any person or organization qualifying as an insured in the "persons insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of our liability.

Insured premises. All of the following.

1. The premises designated in the declarations.
2. Premises alienated by the named insured (other than premises constructed for sale by the named insured), if possession has been relinquished to others.
3. Premises acquired by the named insured when we have been notified within 30 days after such acquisition, including the ways immediately adjoining such premises on land.

Medical expense. Expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services.

Mobile equipment. A land vehicle, including any attached machinery or apparatus, whether or not self-propelled that meets any of the following.

1. Not subject to motor vehicle registration.

2. Maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining.
3. Designed for use principally on public roads.
4. Designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle.
 - a. Power cranes.
 - b. Shovels, loaders, diggers and drills.
 - c. Concrete mixers (other than the mix-in-transit type).
 - d. Graders, scrapers, rollers and other road construction or repair equipment.
 - e. Air compressors, pumps and generators, including spraying, welding and building cleaning equipment.
 - f. Geophysical exploration and well servicing equipment.

Named insured. The person or organization so named in the declarations of this policy.

Named insured's products. Goods or products manufactured, sold, handled or distributed by the named insured. This includes trading under the named insured's name. This also includes any container of such product, other than a vehicle. However, "named insured's products" does not include a vending machine or any property other than such container, rented or located for use of others but not sold.

Occurrence. An accident, including continuous or repeated exposure to conditions that result in unexpected or unintended "loss".

Policy territory.

1. the United States of America, its territories or possessions, or Canada;
2. international waters or air space, provided the "loss" does not occur in the course of travel or transportation to or from any other country, state or nation; or
3. anywhere in the world with respect to damages because of "loss" arising out of a product which was sold for use or consumption within the territory described in paragraph 1. above, provided the original suit for such damages is brought within such territory.

Products hazard. Includes "loss" arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect to the product. However, "products hazard" is only present if the "loss" occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others.

Property damage. Physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use of the property. This also includes the loss of use of tangible property that has not been physically injured or destroyed, provided such loss of use occurs during the policy period.

SUPPLEMENTARY PAYMENTS.

We will pay the following, in addition to the applicable limit of liability.

1. All expenses incurred by us. All costs taxed against the insured in any suit defended by us, and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before we have paid or tendered or deposited in court that part of the judgment which does not exceed the limit of our liability thereon.
2. Premium on appeal bonds required in any such suit. Premiums on bonds to release attachments in any such suit arising out of the use of any vehicle to which this policy applies. Not to exceed \$250 per bail bond. However, we shall have no obligation to apply for or furnish any such bonds.
3. Expenses incurred by the insured for first aid to others at the time of an accident for bodily injury to which this policy applies.
4. Reasonable expenses incurred by the insured at our request in assisting us in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

CONDITIONS

1. **Inspection.** We shall be permitted, but not obligated, to inspect the named insured's property and operations at any time. No such inspection or report shall constitute a determination or warranty that the named insured's property or operations are safe or healthful, or are in compliance with any law, rule or regulation.
2. **Financial Responsibility Laws.** When this policy is certified as proof of financial responsibility under the provisions of a motor vehicle financial responsibility law, the coverage provided by this policy shall comply with the provisions of such law to the extent required. The insured agrees to reimburse us for any payment made by us which it should not have been obligated to make under the terms of this policy except for the agreement contained in the paragraph.
3. **Insured's Duties in the Event of Occurrence, Claim or Suit.**
 - (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured shall be given to us or our authorized agent. This includes reasonably obtainable information with respect to the time, place and circumstances of the occurrence. This also includes the names and addresses of the injured and of available witnesses. This information shall be provided to us or our agent as soon as practicable.
 - (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to us every demand, notice, summons or other process received by him or his representative.
 - (c) The insured shall cooperate with us. Upon our request, the insured shall assist in making settlements and in the conduct of suits. The insured shall also assist in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of a covered loss. The insured shall

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attend hearings and trials. The insured shall assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. **Action Against Company.** No action can be brought unless all of the provisions of this policy have been complied with. Also, the amount of the insured's obligations to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy. This recovery is subject to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the insured's liability, nor shall we be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve us of any of our obligations hereunder.

5. **Other Insurance.** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary, the amount of our liability shall not be reduced by the existence of other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, we shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below.

- (a) Contribution by Equal Shares. If contribution by equal shares is provided for by all applicable insurance, we shall not be liable for a greater proportion of loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid. If any amount of loss remains unpaid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- (b) Contribution by limits. If contribution by equal shares is not provided for, we shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

6. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop us from asserting any right under the terms of this policy. The terms of this policy cannot

be waived or changed, except by endorsement issued to form a part of this policy.

7. **Medical Reports – Proof and Payment of Claim.** As soon as practicable the injured person or someone on his behalf shall give us written proof of claim. This shall be under oath, if required. An authorization enabling us to obtain medical reports and copies of records shall be executed at our request. The injured person shall submit to physical examination by physicians selected by us when and as often as we may reasonably require. We may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person by us.

NUCLEAR LIABILITY EXCLUSION.

In addition to the Nuclear Hazard Clause contained in the policy, this policy does not provide any of the coverage detailed in this endorsement for any "loss" that meets either condition below.

1. When an insured under this policy is also an insured under a nuclear energy liability policy. This includes when an insured would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
2. When "loss" results from the hazardous properties of nuclear material that is required to have financial protection by the Atomic Energy Act of 1954 and its amendments (AEA). This includes when the insured is or, had this policy not been issued would be, entitled to indemnity from the United States of America (USA), or any agency thereof, under any agreement entered into by the USA, or any agency thereof.

Definitions.

Hazardous properties. Radioactive, toxic or explosive properties.

Nuclear material. Source material, special nuclear material or by product material, as defined in the AEA.

ENDORSEMENT No. PO3 (Ed. 1)
Theft Coverage for Full-Time Owner-Occupied Dwellings

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

In order for the coverage specified below to apply, the dwelling must be occupied on a full-time basis by the owner of the dwelling.

Under PERILS INSURED AGAINST, the following named peril will be added.

10. **Theft**, including attempted theft and loss of property from the described location when it is likely that the property has been stolen.

This peril does not include loss caused by theft, if any of the following are true.
a. Committed by any of the following.

- (1) An **insured**.
 - (2) A tenant of the described location.
 - (3) An employee of a tenant or resident of a tenant's household.
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- c. While the described location is rented to other than an insured, any of the following.
(1) Gold, goldware, silver, silverware, pewterware, platinum, coins and metals.
(2) Passports, tickets and stamps.
(3) Jewelry, watches, furs, precious and semiprecious stones.

Special Limits of Liability

These limits do not increase the Coverage C limit of liability. The special limit for each following numbered category is the total limit for each loss for all property in that numbered category.

1. \$100 on passports, tickets and stamps.
 2. \$500 on trailers not used with watercraft.
 3. \$500 on jewelry, watches, furs, precious and semiprecious stones.
 4. \$500 on silverware, goldware, pewter and platinum, including.
 - a. Plateware, flatware, hollowware, tea sets, trays, trophies, and the like.
 - b. Other utilitarian items made of or including silver, gold, pewter or platinum.
 5. \$500 on firearms.
 6. \$200 on property used at any time or in any manner for any **business** purpose.
 7. \$500 on computers, electronic data processing equipment and facsimile machines.
 8. \$500 on antiques, fine arts, paintings and similar items of rarity, antiquity or irreplaceability. Memorabilia, souvenirs, collectibles of every kind, including but not limited to baseball and other card collections and similar articles whose age or collectible demand contributes to their value.
 9. \$500 on rugs, carpets, or other woven or knit floor covering or other wall hangings.
 10. \$500 on all photographic and video equipment, including but not limited to cameras, dark room equipment, video recorders, players, editors, and related equipment.
 11. \$500 on all glassware and crystal, including.
 - a. Decanters, goblets, tea sets, trays, trophies and the like.
 - b. Other utilitarian items made of or including crystal.
- This peril does not include loss caused by theft that occurs away from the described location, including but not limited to property within a vehicle, watercraft, trailer, or camper.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PO7 (Ed. 1)
Mold Remediation Coverage

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

Endorsement PM9 (Mold Exclusion) is hereby amended as applied to this policy to note that it does not apply to **remediation** for ensuing mold, fungi, bacteria or other microbes (herein "mold") loss caused by any of the following.

1. Peril 1 (Fire or Lightning).
2. Peril 3 (Explosion).

As used in this endorsement, "remediation" means the:

1. treatment;
2. containment;
3. removal; or
4. disposal

of **mold** as required to complete the repair or replacement of covered property physically damaged by ensuing **mold** caused by water damage. This includes any testing to detect, measure or evaluate **mold** with respect to the Described Location or covered property.

The maximum amount of liability (MLL) for this coverage is shown on the declarations page. This is not additional insurance. This does not increase the limit of liability for Coverage A (Dwelling) or Coverage C (Personal Property).

The MLL is the most we will pay for **remediation** regardless of the number of occurrences, claims or assessments made, or locations insured under this policy. The MLL for this coverage is also the most that we will pay for each consecutive annual policy period and for any remaining period of less than twelve months, beginning with the inception date of this policy as shown on the declarations. If, however, the policy period is extended for an additional period of less than twelve months, this additional period will be considered part of the preceding period for the purpose of determining the MLL of this endorsement.

All other exclusions contained in endorsement PM9, and all other policy terms and conditions, remain unchanged.

ENDORSEMENT No. PO12-TX (Ed. 1)
Windstorm, Hurricane or Hail Exclusion

THIS ENDORSEMENT MODIFIES YOUR POLICY.
PLEASE READ IT CAREFULLY.

The following exclusion is added:

We do not cover loss resulting directly or indirectly from windstorm, hurricane or hail. We will cover fire and explosion losses which are the result of windstorm, hurricane or hail.

DATE: _____
Signature of Insured

All other terms and conditions of the policy remain unchanged.

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NOTE: This endorsement may only be attached to policies covering property located in a Catastrophe Designated Area (CDA). CDA's are designated by the Texas Department of Insurance.

ENDORSEMENT No. PO14 (Ed. 1)
Limited Animal Liability Coverage

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

For additional premium, this policy provides limited coverage for liability arising from animals. This coverage is limited to the amount of coverage indicated on the policy declarations page. However, this coverage does not apply, at any time, regardless of cause, to farm animals, or exotic or unusual pets (such as horses, cows, goats, sheep, snakes, etc.). This coverage also does not apply, at any time, regardless of cause, to any of the following dogs:

- i. Pit Bulls;
- j. Doberman Pincers;
- k. Rottweilers;
- l. German Shepherds;
- m. Chows;
- n. Akitas;
- o. Bull Mastiffs; or
- p. Stafford Shire Terriers.

This coverage is also not extended to any dog that is a mixed breed that includes any of the above, or to any dog known by breed to be vicious or with a previous bite history.

We shall have no duty to defend or indemnify any claim or "suit" seeking such damages excluded herein.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PO38 (Ed. 1)
Townhouse or Row House Firewall Limit

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ IT CAREFULLY.

A "**firewall**" is defined as a passive fire protection system that serves as a barrier between individual family units. The **firewall** must have a fire resistance rating of either one-hour or that meets applicable building codes, whichever is greater.

It is understood and agreed that, as a condition of your policy, a **firewall** must separate each individual family unit within the building where the insured dwelling is located. If no **firewall** is present between each unit, all coverage for loss or damage due to fire or smoke is limited to a total of \$50,000. This special limit applies regardless of the total limit or limits stated on the policy declarations page for all coverages that apply to the loss.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT FORM PO42 (Ed. 1)-40F
Identity Theft Expense and Resolution
Services Coverage

This endorsement amends your policy. Please read it carefully.

For an additional premium, the following Additional Coverage is added under Section I.

IDENTITY THEFT EXPENSE AND RESOLUTION
SERVICES:

We will pay up to \$25,000 for **expenses** incurred by an **insured** as the direct result of any one **identity theft** discovered during the policy period.

The **Insured** will also have access to **Resolution services** that will assist in the process of restoring Your identity.

Any act or series of acts committed by any one person or group of persons acting in concert or in which any one person or group of persons is concerned or implicated is considered to be one **identity theft**. As series of such acts continuing into a subsequent policy period is still considered one **identity theft**.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

"Expenses" means:

1. Costs for (a) notarizing required fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies; (b) certified mail sent to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; (c) long distance phone calls; (d) day care and elder care; and (e) loan application fees for reapplying for a loan. Lost wages as a result of time taken off from work to report or address the effects of **identity theft**. Lost wages due to wrongful incarceration arising solely from someone else having committed a crime in the **insured's** name are also covered.
2. Reasonable attorney fees incurred, with prior consent for:
 - a. Defense of lawsuits brought against the **insured** by merchants or their collection agencies.
 - b. Removal of any criminal or civil judgments wrongly entered against an **insured**.
 - c. Challenging the accuracy or completeness of any information in a consumer credit report.
3. Reasonable attorney fees incurred, with prior consent for:
 - a. Defense of lawsuits brought against the **insured** by merchants or their collection agencies.
 - b. Removal of any criminal or civil judgments wrongly entered against an **insured**.
 - c. Challenging the accuracy or completeness of any information in a consumer credit report.

"Identity theft" means the use of the **Insured's** name, address, social security number (SSN), or other identifying without the **Insured's** knowledge to commit fraud or other crimes that is a violation of federal law or a felony under any applicable state or local law.

"Resolution services" means professional recovery services from a fraud specialist.

EXCLUSIONS

The following additional exclusions apply to this coverage.

We do not cover:

1. Loss arising out of **business** pursuits of any **insured**.
2. **Expenses** incurred due to any fraudulent, dishonest, or criminal act by an **insured**. This also applies to any person acting in concert with an **insured**, or by any authorized representative of an **insured**, whether acting alone or in collusion with others.
3. Loss other than **expenses** or **resolution services**.
4. Lost wages for wrongful incarceration if the charges are not dropped or any **Insured** is not acquitted.

DEDUCTIBLE

No deductible applies to this coverage.

DUTIES AFTER LOSS

The following is added to 2. **Your Duties After Loss of Section I – Conditions:**

- h. Provide receipts, bills or other records that support Your claim for **expenses** under **identity theft** coverage.

All other provisions of this policy apply.

ENDORSEMENT FORM PO43 (Ed. 1)-40F
Identity Theft Expense and Resolution
Services Coverage with ID Alert

This is an endorsement to your policy. This endorsement adds ID Theft Coverage to your policy. The ID Theft Coverage is outlined below. Thank you for purchasing ID Theft Coverage.

This endorsement amends your policy. Please read it carefully.

For an additional premium, the following Additional Coverage is added under Section I.

IDENTITY THEFT EXPENSE AND RESOLUTION
SERVICES:

We will pay up to \$25,000 for **expenses** incurred by an **insured** as the direct result of any one **identity theft** discovered during the policy period.

The **Insured** will also have access to **Resolution services** that will assist in the process of restoring Your identity.

Any act or series of acts committed by any one person or group of persons acting in concert or in which any one person or group of persons is concerned or implicated is considered to be one **identity theft**. As series of such acts continuing into a subsequent policy period is still considered one **identity theft**.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

"Expenses" means:

4. Costs for (a) notarizing required fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies; (b) certified mail sent to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; (c) long distance phone calls; (d) day care and elder care; and (e) loan application fees for reapplying for a loan.
5. Lost wages as a result of time taken off from work to report or address the effects of **identity theft**. Lost wages due to wrongful incarceration arising solely from someone else having committed a crime in the **insured's** name are also covered.

We will pay lost wages up to a maximum of \$1000 per week for a maximum period of five weeks.

6. Reasonable attorney fees incurred, with prior consent for:
 - a. Defense of lawsuits brought against the **insured** by merchants or their collection agencies.
 - b. Removal of any criminal or civil judgments wrongly entered against an **insured**.
 - c. Challenging the accuracy or completeness of any information in a consumer credit report.

"Identity theft" means the use of the **Insured's** name, address, social security number (SSN), or other identifying without the **Insured's** knowledge to commit fraud or other crimes that is a violation of federal law or a felony under any applicable state or local law.

"Resolution services" means professional recovery services from a fraud specialist.

"ID Monitoring" provides a pro-active, monthly service that monitors the personal information of the Insured against numerous other databases to detect early attempts at ID Theft. Suspicious activity is reported to the Insured by telephone or email. Subscribers must provide their Name, Address Date of Birth and Social Security Number to the service provider.

EXCLUSIONS

The following additional exclusions apply to this coverage.

We do not cover:

5. Loss arising out of **business** pursuits of any **insured**.
6. **Expenses** incurred due to any fraudulent, dishonest, or criminal act by an **insured**. This also applies to any person acting in concert with an **insured**, or by any authorized representative of an **insured**, whether acting alone or in collusion with others.
7. Loss other than **expenses** or **resolution services**.
8. Lost wages for wrongful incarceration if the charges are not dropped or any **Insured** is not acquitted.

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DEDUCTIBLE

No deductible applies to this coverage.

DUTIES AFTER LOSS

The following is added to 2. **Your Duties After Loss of Section I – Conditions:**

- i. Provide receipts, bills or other records that support Your claim for **expenses** under **identity theft** coverage.

All other provisions of this policy apply.

ENDORSEMENT No. PO44 (Ed. 1)
Extended Replacement Cost Coverage – 125%

THIS ENDORSEMENT AMENDS YOUR POLICY.
PLEASE READ IT CAREFULLY.

In the event of a covered loss to your home, we will pay to repair or replace the damaged or destroyed dwelling with like or equivalent construction, up to 25% over the policy's limits of liability. Your policy will specify whether you must actually repair or replace the damaged or destroyed dwelling in order to recover extended replacement costs. The amount of recovery will be reduced by any deductible you have agreed to pay.

To be eligible to recover extended replacement cost coverage, you must insure the dwelling to its full replacement cost at the time the policy is issued, with possible periodic increases in the amount of coverage to adjust for inflation. You must also notify us about any alterations that increase the value of the insured dwelling by a certain amount (see your policy for that amount). Read your declaration page to determine whether your policy includes coverage for building code upgrades.

All other terms and conditions remain unchanged.

ENDORSEMENT No. PO46-TX (Ed. 1)-40F
Premises Liability Coverage

This form changes your policy. This is an optional coverage for your dwelling. Please read this form. Ask your agent or broker if you have questions about this form. Thank you.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

Throughout this policy, "you" and "your" refer to the named insured shown in the Declarations and the spouse if a resident of the same household, and "we", "us" and "our" refer to the company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
2. **"Business"** includes trade, profession or occupation.
3. **"Insured"** means you and the following residents of the residence premises:
 - d. your relative
 - e. any other person under the age of 21 who is in the care of any person named above
 - f. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without the permission of the owner is not an **insured**.
4. **"Insured Premises"** means the premises designated in the Declarations.
5. **"Motor vehicles"** means the following:
 - d. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - e. a trailer or semitrailer designed for travel on public roads and subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - f. a motorized golf cart, snowmobile or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**.
6. **"Property damage"** means physical injury to or destruction of tangible property, including loss of use of this property.
7. **"Residence employee"** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
8. **"Occurrence"** means an accident, including continuous or repeated events or exposure to conditions, which results in **bodily injury** or **property damage** neither expected nor intended by any **insured**.

LIABILITY COVERAGES

COVERAGE L – PREMISES LIABILITY

We cover **your** legal liability for **bodily injury** or **property damage** arising out of the ownership, maintenance or use of the **insured premises**. The **bodily injury** or **property damage** must be caused by an **occurrence** during the policy period.

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** to which this coverage applies, we will:

- c. pay up to our limit of liability for the damages for which the insured is legally liable; and
- d. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages resulting from the occurrence equals our limit of liability.

Damages include prejudgment interest awarded against the **insured**.

COVERAGE M – PREMISES MEDICAL PAYMENTS

We will pay up to the Limit of Liability all reasonable medical expense for **bodily injury** provided:

- a. the medical expense is incurred within one year from the date of the accident; and
- b. the **bodily injury** arises out of a condition on the **insured premises** for which you are afforded coverage for **bodily injury** liability.

EXCLUSIONS

1. **Coverage L and Coverage M** do not apply to **bodily injury** or **property damage** as follows:
 - g. which is expected or intended by the **insured** who committed the act;
 - h. arising out of **business** pursuits of any **insured** or the rental or holding for rental of any part of any premises by any **insured**.This exclusion does not apply to the following:
 - (1) activities which are ordinarily incident to **nonbusiness** pursuits; or
 - (4) the rental or holding for rental of a residence of yours, as follows:
 - (a) on an occasional basis for the exclusive use as a residence;
 - (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
 - (c) in part, as an office, school, studio or private garage
 - i. arising out of the rendering or failing to render professional services;
 - j. arising out of any premises owned by or rented to any **insured** which is not an **insured location**;
 - k. arising out of the ownership, maintenance, use, loading or unloading of the following:
 - (1) an aircraft
 - (2) a **motor vehicle** owned or operated by, or rented or loaned to any **insured**; or
 - (5) a watercraft, as follows:
 - (a) owned by or rented to any **insured** if the watercraft has inboard or inboard-outdrive motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length; or
 - (b) powered by one or more outboard motors with more than 25 total horsepower, owned by any **insured** at the inception of this policy. In you report in writing to us within 45 days

- after acquisition an intention to insure any outboard motors acquired prior to the policy period, coverage will apply.
- I. caused directly or indirectly by 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 and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

Exclusion e(3) does not apply while the watercraft is stored and exclusions d and e do not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

2. **Coverage L** does not apply to the following:
 - f. liability assumed under any contract or agreement or by contract or agreement in connection with any **business** of the **insured**;

However, this exclusion does not apply to written contracts that either directly relate to the ownership, maintenance or use of the **insured location**, or where the liability of others is assumed by the **insured** prior to an occurrence, unless excluded elsewhere in this policy.

- g. **property damage** to property owned by the **insured**;
- h. **property damage** to property rented to, occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
- i. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law; or
- j. **bodily injury** or **property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for the exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by:
 - (1) American Nuclear Insurers;
 - (2) Mutual Atomic Energy Liability Underwriters; or
 - (3) Nuclear Insurance Association of Canada.

3. **Coverage M** does not apply to **bodily injury** as follows:
 - e. to any person while on the **insured location** because **business** pursuits are conducted or professional services are rendered on the **insured location**;
 - f. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by any **insured**;

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- g. to any person, eligible to receive any benefits required to be provided or voluntarily under any worker's or workmen's compensation, non-occupational disability or occupational disease law;
- h. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability.

1. **Claim Expenses.** We pay:
 - e. expenses incurred by us and costs taxed against any **insured** in any suit we defend;
 - f. premiums on bonds required in a suit defended by us, but not for bonds amounts greater than the limit of liability for Coverage L. We are not obligated to apply for or furnish any bond;
 - g. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day for assisting us in the investigations or defense of any claim or suit;
 - h. interest on the entire judgment which accrues after entry of the judgment and before we pay for or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.
3. **Damage to Property of Others.** We will pay up to \$250 per occurrence for **property damage** to property of others caused by any **insured**. We will not pay for **property damage**:
 - d. caused intentionally by any **insured** who is 13 years of age or older;
 - e. to property owned by or rented to any **insured**, a tenant of any insured, or a resident in your household; or
 - f. arising out of the following:
 - (1) **business** pursuits;
 - (2) any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or
 - (3) the ownership, maintenance or use of a **motor vehicle**, aircraft or watercraft.

CONDITIONS

1. **Limit of Liability.** Regardless of the number of **insureds**, claims made or persons injured, our total liability for Coverage L stated in this policy for all damages resulting from any one occurrence shall not exceed the limit of liability for Coverage L stated in the Declarations. All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general conditions shall be considered to be

the result of one occurrence. Our total liability under Coverage M for all medical expense payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage M stated in the Declarations

2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one occurrence.
3. **Duties After Loss.** In case of an accident or occurrence, the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that the following duties are performed.
 - f. give written notice to our agent or us as soon as practicable, which sets forth the following:
 - (1) the identity of the policy and **insured**;
 - (2) reasonably available information on the time, place and circumstances of the accident or occurrence; and
 - g. forward to us every notice, demand, summons or other process relating to the accident or occurrence;
 - h. at our request, assist in the following:
 - (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
 - (3) the conduct of suits and attend hearings and trials;
 - (4) securing and giving evidence and obtaining the attendance of witnesses;
 - i. under the coverage – Damage to the Property of Others – submit us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
 - j. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.
4. **Duties of an Injured Person-Coverage M – Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:
 - d. give us written proof of claim, under oath if required, as soon as practicable;
 - e. execute authorization to allow us to obtain copies of medical reports and records related to the claim; and
 - f. the injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.
5. **Payment of Claim-Coverage M – Medical Payment to Others.** Payment under this coverage is not an admission of liability by any **insured** or us.
6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions. No one shall have any right to join us as a party to any action against any **insured**. Further, no action with respect to Coverage L shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.
8. **Other Insurance-Coverage L – Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
9. **Policy Period.** This policy applies only to **bodily injury** or **property damage** that occurs during the policy period.
10. **Subrogation.** Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

POLICY SERVICE
NOTE: You **MUST** refer to your policy number when asking for information.

**PACIFIC SPECIALTY
INSURANCE COMPANY**

P.O. Box 40
Anaheim, CA 92815-0040
(714) 998-2190
(800) 303-5000
(714) 998-3158 Fax

3601 Haven Avenue
Menlo Park, CA 94025-1010
(650) 780-4800
(800) 828-3003

FOR REPORTING OF CLAIMS:
Please Call:
800-962-1172

**POLICY NUMBER MUST ACCOMPANY
CLAIM REPORT AND ALL
CORRESPONDENCE**

