

**Pacific Specialty Insurance Company
TEXAS CONDOMINIUM POLICY**

Policy Form No.: HO-6 (Ed. 7)



Pacific Specialty Insurance Company

A Stock Insurer
3601 Haven Avenue
Menlo Park, CA 94025

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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

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

- "**Actual cash value**" means the amount it would cost to repair, rebuild, or replace the item with like kind and quality, less a fair and reasonable deduction for physical depreciation based upon its condition at the time of loss.
- "**Bodily injury**" means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
- "**Business**" means any full-time or part-time trade, profession, occupation or activity engaged in for monetary or other compensation. This definition includes the providing of home day care services to a person other than an **insured**. Mutual exchange of home day care services or the providing of home day care services by an **insured** to a relative of an **insured** is not considered a **business**.
- "**Insured**" means **you** and the following residents of the **residence premises**:

- Your** relatives;
 - Any other person under the age of 21 who is in the care of any person named above.
- Under Section II, "**insured**" also means:
- With respect to animals to which this policy applies, any person or organization legally responsible for these animals which are owned by **you** or any person included in 4.a. or 4.b. A person or organization using or having custody of these animals in the course of any **business** or without permission of the owner is not an **insured**.
 - With respect to any vehicle to which this policy applies:
 - Any person while engaged in **your** employment or the employment of any person included in 4.a. or 4.b.; or
 - Any other person using the vehicle on an **insured location with your** permission.
5. "**Insured location**" means:
- The **residence premises**;
 - 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;
 - Any premises used by **you** in connection with the premises included in 5.a. or 5.b. above;
 - Any part of a premises not owned by an **insured** and where an **insured** is temporarily residing;
 - Vacant land, other than farm land, owned by or rented to an **insured**;
 - Individual or family cemetery plots or burial vaults of an **insured**;
 - Land owned by or rented to an **insured** on which a one or two family dwelling is being built as a residence for an **insured**;
 - Any part of a premises occasionally rented to an **insured** for other than **business** purposes.
6. "**Occurrence**" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results during the policy period, in:
- Bodily injury**; or
 - Property damage**
7. "**Property damage**" means physical injury to, destruction of, or loss of use of tangible property.
8. "**Residence employee**" means:
- an employee of an **insured** whose duties are related to the maintenance or use of the residence premises, including household or domestic services; or
 - one who performs similar duties elsewhere not related to the **business** of an **insured**.
9. "**Residence premises**" means:

The one family dwelling, other structures and grounds where **you** reside and which is shown as the "**Residence premises**" in the Declarations.

10. "**Unoccupied**" means neither **you** nor **your** guest has slept overnight in the **residence premises** for a period of 30 consecutive days immediately prior to the loss. If the exact date of loss cannot be determined, the date of loss shall be the date the damage is discovered.

SECTION I – LOSS DEDUCTIBLE

Under Section I of the policy, **we** cover only that part of the loss over the deductible stated in the Declarations. With respect to loss to property covered under this policy, the deductible shall apply separately to each **occurrence**. The deductible does not apply to Coverage D Loss of Use.

SECTION I – PROPERTY COVERAGES

COVERAGE A – Dwelling

We cover:

- The alterations, appliances, fixtures and improvements which are part of the building contained within the **residence premises**;
- Items of real property which pertain exclusively to the **residence premises**;
- Property which is your insurance responsibility under a corporation or association of property owners agreement; or
- Structures owned solely by you, other than the **residence premises**, at the location of the **residence premises**.

This coverage does not apply to land, including land on which the residence premises, real property or structures are located.

We do not cover:

- Structures used in whole or in part for **business** purposes; or
- Structures rented or held for rental to any person not a tenant of the residence premises, unless used solely as a private garage.

COVERAGE C – Personal Property

We cover personal property owned or used by an **insured**, subject to the limits in the Declarations and provisions of this policy.

Our limit of liability for personal property usually located in, at or on an **insured's** residence, other than the **residence premises**, is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability and are subject to the terms and conditions of the entire policy, including

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Property Not Covered immediately below. 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 money, numismatic property, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$500 on property, on the **residence premises**, used at any time or in any manner for any **business** purpose.
3. \$250 on property, away from the **residence premises**, used at any time or in any manner for any **business** purpose.
4. \$500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps.
5. \$500 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
6. \$500 on trailers not used with watercraft.
7. \$500 on grave markers.
8. \$500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
9. \$500 for loss by theft of silverware, goldware, pewter, and platinum, including:
 - a. Silver or gold-plated ware, plateware, flatware, hollowware, tea sets, trays, trophies and the like;
 - b. Other utilitarian items made of or including silver, gold, pewter or platinum.
10. \$500 for loss by theft of firearms.
11. \$500 on computers and electronic data processing equipment.
12. \$500 on antiques, fine arts, paintings and similar items of rarity, antiquity or irreplaceability, memorabilia, souvenirs, collectible items 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.
13. \$500 on loss by theft of rugs, carpets, or other woven or knit floor coverings or wall hanging.
14. \$500 on all photographic and video equipment, including but not limited to cameras, dark room equipment, video recorders, players, editors, and related equipment.
15. \$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.
16. \$500 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is designed to be operated solely by power from the electrical system of the vehicle or conveyance. Electronic apparatus includes:
 - a. Accessories or antennas;
 - b. Any device or instrument for the transmitting, recording, receiving or reproduction of sound or picture; or
 - c. Tapes, wires, records, discs or other media for use with any electronic apparatus.
17. \$1,000 on musical instruments.
18. \$2,000 on tools.
19. \$250 on prescription medications.

Property Not Covered. We do not cover any of the following:

1. Articles separately described and specifically insured in this or any other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) Accessories or antennas;
 - (2) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or picture; or
 - (3) Tapes, wires, records, discs or other media for use with any electronic apparatus.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is 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 an **insured's residence premises**; or
 - b. Designed for assisting the handicapped.
4. 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);
5. Property of roomers, boarders or other tenants, except property of roomers and boarders related to an **insured**;
6. Property in an apartment regularly rented or held for rental to others by an **insured**;
7. Property rented or held for rental to others off the **residence premises**;
8. Electronic data of any type, including such data stored in:
 - b. Books of account, drawings or other paper records; or
 - c. Electronic data processing tapes, wires, records, discs or other software media; containing information or data. But, **we do** cover the cost of blank or unexposed records and media.
9. Credit cards or fund transfer cards except as provided in Additional Coverages 6;
10. **Business** property in storage or held as a sample or for sale or delivery after the sale;
11. **Business** property pertaining to a **business** actually conducted on the **residence premises**;
12. **Business** property away from the **residence premises**;
13. Farm personal property.

14. Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. With the exception of marijuana, this exclusion does not apply to prescription drugs possessed for the legitimate use by an insured following the lawful orders of a licensed health care professional. Marijuana, medicinal or otherwise, is not covered under any circumstances.
15. Marijuana or cannabis plants, or any items used to grow or cultivate marijuana or cannabis plants.
16. Watercraft that are more than 20 feet in length or motorized with more than a 15 horsepower engine

COVERAGE D – Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property, makes the **residence premises** not fit to live in, **we** cover, at your choice, either of the following. However, if the **residence premises** is not **your** principal place of residence, we will not provide the option under paragraph b. below.
 - a. Additional Living Expense, meaning any necessary increase in living expenses incurred by **you** so that you can maintain **your** normal standard of living; or
 - b. Fair Rental Value, meaning the fair rental value of that part of the **residence premises** where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if **you** permanently relocate, the shortest time required for you to settle elsewhere,
2. If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by **you** not fit to live in, we cover the: Fair Rental Value, meaning the fair rental value of that part of the residence premises rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in. Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.
3. If a civil authority prohibits you from use of the residence premises as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. 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.

ADDITIONAL COVERAGES

THE FOLLOWING ADDITIONAL COVERAGES ARE SUBJECT TO ALL THE TERMS, PROVISIONS, EXCLUSIONS AND CONDITIONS OF THIS POLICY.

1. **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 of Coverage A. 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 of Coverage A, an additional 5% of the Coverage A limit of liability is available for debris removal expense.

We will also pay **your** reasonable expense for the removal of fallen trees from the **residence premises** if the fallen tree damages covered property and a Peril Insured Against under Coverage C causes the tree to fall. Our limit of liability for this coverage will not be more than \$500 in the aggregate for any one loss.

Debris removal coverage does not include asbestos testing, abatement and/or removal. Water and moisture are not debris for purposes of this policy.

2. **Reasonable Repairs.** We will pay the reasonable cost incurred by **you** for reasonable and necessary repairs made solely to protect covered property from further damage provided coverage is ultimately afforded for the loss. **We** will not pay for repairs of damage caused by an excluded or non-covered peril. **We** will not pay for repairs made as a preventative measure prior to an actual loss. This coverage does not relieve **you** of **your** duties, in case of loss to covered property, as set forth in Section I – Condition 2. c.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns on the **residence premises**, for loss caused by the following Perils: Fire or lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief or Theft.

The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to Coverage A for all trees, shrubs, plants and lawns nor more than \$500 for any one tree, shrub or plant. **We do not cover** property grown for **business** purposes. **We** also do not cover cannabis plants or marijuana plants.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$250 for your liability assumed by contract or agreement for fire department charges incurred

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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.

5. **Property Removed.** **We** insure covered property removed from a premises endangered by a Peril Insured Against. While removed, the property is covered for direct loss from a peril insured against for no more than 30 days. This coverage does not change the limit of liability that applies to the property removed.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured's** name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an **insured's** name;
- c. Loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card by a resident of the **residence premises**, a person who has been entrusted with the credit card or fund transfer card or any person if an **insured** has not complied with all terms and conditions under which the credit card is issued.

We do not cover loss arising out of **business** pursuits or dishonesty of an **insured**.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

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

7. **Collapse.** **We** insure for direct physical loss to covered property caused by the actual collapse of the entire building or any part of a building structure. This coverage does not apply to **property damage** caused by collapse of pipes, casings, pilings or stilts.

Collapse means the sudden and actual falling down to the ground of a building or any part of a building. Collapse does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing of a building or any part of a building. A building or any part

of a building that is in danger of falling down or caving in is not considered to be in a state of collapse. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

For coverage to apply, the collapse of an entire building or any part of a building must be caused by one or more of the following:

- a. Fire or lightning, windstorm or hail, explosion, riot or civil commotion, aircraft including self-propelled missiles and spacecraft, vehicles, vandalism or malicious mischief, theft, falling objects, freezing or volcanic eruption;
- b. Hidden decay of the building structure, unless the presence of such decay is known or should be known to an **insured** prior to collapse;
- c. Hidden insect or animal damage, unless the damage is known or should be known to an **insured** prior to collapse;
- d. Weight of people, animals, equipment, or personal property;
- e. Weight of snow, ice, or sleet which collects on a roof;

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, or e unless the loss is a direct result of the collapse of a building.

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

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

8. **Loss Assessment.** **We** will pay up to \$1000, or a higher limit if specified in the declarations for loss assessments, for **your** share of any loss assessment charged during the policy period against all property owners by a corporation or association of property owners. This only applies when the assessment is made as a result of each direct loss to the property, owned by all property owners collectively, caused by a Peril Insured Against under Coverage A – Dwelling, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption. This coverage applies only to loss assessments charged against **you** as owner of the **residence premises**.

We do not cover loss assessments charged against **you** or a corporation or association of property owners by any governmental body.

9. **Glass or Safety Glazing Material**

We cover:

- a. The breakage of glass or safety glazing material which is part of a building, storm

- door or storm window, and covered under Coverage A; 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 **residence premises** if **unoccupied** at time of 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.

SECTION I – PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE C – PERSONAL PROPERTY

We insure for sudden and accidental direct physical loss to property described in Coverages A and C caused by a peril listed below unless the loss is excluded in Section I – Exclusions.

1. **Fire or lightning.**
2. **Windstorm or hail.** This peril does not include loss to the 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. This peril includes loss to watercraft and its trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft, including self-propelled missiles and spacecraft.**
6. **Vehicles.** This peril does not include loss caused to a fence, driveway or walk caused by a vehicle owned or operated by a resident of the **residence premises**.
7. **Smoke,** meaning sudden and accidental damage from smoke. This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief.** This peril does not include loss to property on the **residence premises** if the dwelling was **unoccupied** at the time of the loss.
9. **Theft,** This peril does not include loss caused by theft:
 - a. Committed by an insured;

- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. From that part of a residence premises rented by an insured to other than an insured.
- d. This peril does not include loss caused by theft that occurs off the residence premises of:
- e. Property while at any other residence owned by, rented to, or occupied by an insured, except while an insured is temporarily living there. Property of a student who is an insured is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- f. Watercraft, and their furnishings, equipment and outboard engines or motors; or
- g. Trailers and campers.

10. **Falling objects.** This peril does not include loss to property contained in a 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 included.

11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

12. **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 appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing, except as provided in the peril of freezing below;
- c. On the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**
- d. If the dwelling is **unoccupied** at the time of the loss.

13. **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. **We** do not cover loss caused by or resulting from freezing under this peril.

14. **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 **residence premises** while the dwelling is **unoccupied**, 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.

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15. **Sudden and accidental damage from artificially generated electrical current.** This peril does not include electronic devices, including but not limited to audio equipment such as stereos, MP3 players and cellular phones, video equipment such as televisions, DVD players and gaming devices, computers, printers, and photography equipment.
16. **Volcanic Eruption**, other than loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

A. **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.

1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy. This includes the following:
- a. Requirements which result in a loss in value to property;
 - b. Requiring any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or
 - c. Requiring asbestos testing, remediation and /or abatement.

Pollutant 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.

This exclusion applies whether or not the property has been physically damaged.

2. **Earth movement**, includes but is not limited to any loss caused by, resulting from, contributed to or aggravated by earthquake, including land shock waves or tremors before, during or after a volcanic eruption; landslide; erosion; mine or wind subsidence; mudflow; earth expanding, contracting, settling, shrinking, sinking, rising or shifting; unless direct loss:
- a. By fire;
 - b. By explosion other than the explosion of a volcano; or
 - c. To glass or safety glazing material which is part of a building, storm door or storm window by breakage;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

3. **Water Damage**, meaning any loss caused by, resulting from, contributed to or aggravated by:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water which backs up through sewers or drains;
- c. Water which overflows from a sump or sump pump; or
- d. 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, explosion or theft resulting from water damage is covered.

4. **Power Interruption**, meaning the interruption of power or other utility service if the interruption takes place away from the **residence premises**. If a Peril Insured Against ensues on the **residence premises**, we will pay only for loss caused by the ensuing peril.
5. **Neglect**, meaning neglect of any **insured** to use all reasonable means to save and preserve property at and after the time of a loss.
6. **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.
7. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
8. **Intentional Loss**, meaning any loss arising out of any act committed by or at the direction of an **insured**:
- B. **We** do not cover any loss, resulting directly or indirectly from damage done to **your** property, by **you** or **your** family member or anyone having a financial interest in **your** property if the or **property damage** is done with malicious intent which is expected or intended to cause **property damage**.
- C. **We** do not insure for loss resulting from any manufacturing, production or operation, engaged in:
- 1. The growing of plants; or
 - 2. The manufacture, production, operation or processing of chemical, biological, animal or plant materials.

SECTION I – CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, **we** will not be liable:
- a. To any **insured** for more than the amount of the **insured's** interest at the time of loss; or
 - b. For more than the applicable limit of liability; whichever is less.

2. **Your Duties After Loss.** In case of a loss to which this insurance may apply, **we** have no duty to provide coverage under this policy if **you** fail to comply with the following duties and **your** failure to comply is prejudicial to **us**. These following duties must be performed by **you**, an **insured** or a representative of either:

- a. Give immediate notice to us or **your** licensed insurance agent or broker. You must file a police report if the cause of loss is theft, burglary, robbery, vandalism or malicious mischief. A list of all property stolen or damaged must be included in the police report.
- b. In case of loss under Credit Card or Fund Transfer Card coverage, also immediately notify the credit card or fund transfer card company;
- c. Protect the property from further damage, make reasonable and necessary repairs required to protect the property and keep an accurate record of repair expenditures;
- d. As often as we reasonably require:
 - (1) Exhibit the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
- e. Submit to us within 60 days after **we** 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) Interest of the **insured** and all others in the property involved and all encumbrances on the property;
 - (3) Other insurance which may cover the loss;
 - (4) Changes in title or occupancy of the property during the term of the policy;
 - (5) Specifications of any damaged building and detailed estimates for repair of the damage;
 - (6) An inventory of damaged personal property described in 2.c.;
 - (7) Receipts for additional living expenses incurred;
 - (8) Evidence or affidavit supporting a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage stating the amount and cause of loss.
- f. Prepare an inventory of damaged personal property showing in detail, the quantity, description, **actual cash value** and amount of loss. Attach to the inventory all bills, receipts and related documents that justify the figures in the inventory;

3. **Loss Settlement.** Covered property losses are settled as follows:

- a. (1) Personal property;
- (2) Awnings, carpeting, domestic appliances, outdoor antennas and

outdoor equipment, whether or not attached to buildings;

at **actual cash value** at the time of loss but not exceeding the amount required to repair or replace.

- b. Coverage A – Dwelling:
 - (1) If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - (2) If the damage is not repaired or replaced, at actual cash value but not more than the amount required to repair or replace.

3. **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.

5. **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.

6. **Appraisal.** If **you** and **we** fail to agree as to the actual cash value or the amount of loss, then, on the written request of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of the request. Where the request is accepted, the appraisers shall first select a competent and disinterested umpire; and failing for fifteen (15) days to agree upon the umpire, then, on request of the **insured** or this Company, the umpire shall be selected by a judge of a court of record in the state in which the property covered is located. Appraisal proceedings are informal unless **you** and **we** mutually agree otherwise. For purposes of this section, "informal" means that no formal discovery shall be conducted, including depositions, interrogatories, requests for admissions, or other forms of formal civil discovery, no formal rules of evidence shall be applied, and no court reporter shall be used for the proceedings. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and failing to agree, shall submit their differences, only to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of the actual cash value and loss. Each appraiser shall be paid by the party selecting him or her and the expenses of appraisal and umpire shall be paid by the parties equally.

7. **Other Insurance.** 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.

8. **Suit Against Us.** No suit or action on this policy for the recovery of any claim shall be sustainable in

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- any court of law or equity unless all the requirements of this policy shall have been complied with and unless commenced within twelve (12) months after inception of the loss.
9. **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 property damaged with equivalent property.
10. **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 30 days after we receive your proof of loss and:
- Reach an agreement with you; or
 - There is an entry of a final judgment; or
 - there is a filing of an appraisal award with us.
11. **Abandonment of Property.** We need not accept any property abandoned by an **insured**.
12. **Mortgage Clause.** The word "mortgagee" includes trustee. If a mortgagee is named in this policy, any loss payable under Coverage A or B shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages. If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:
- Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - Pays any premium due under this policy prior to cancellation/expiration if you have neglected to pay the premium; and
 - 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 the policy is cancelled or not renewed by us, the mortgagee shall be notified at least 10 days before the date cancellation or non-renewal takes effect.
- If we pay the mortgagee for any loss and deny payment to you:
- We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
- Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or

- transporting property for a fee regardless of any other provision of this policy.
14. **Nuclear Hazard Clause.**
- "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.
 - Loss caused by the **nuclear hazard** shall 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 in Section I. This policy does not apply under Section I to loss caused directly or indirectly by **nuclear hazard**, except that direct loss by fire resulting from the **nuclear hazard** is covered.
15. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.
16. **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.

SECTION II – LIABILITY COVERAGES

COVERAGE E – Personal Liability

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

- Pay up to our limit of liability for the damages for which the **insured** is legally liable; and
- Provide a defense at our expense by counsel of our choice, even if the allegations are groundless, false or fraudulent. 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.

COVERAGE F – Medical Payments To Others

We will pay the necessary medical expenses that are 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 the **residence premises** except **residence employees**. As to others, this coverage applies only:

- To a person on the **insured location** with the permission of an **insured**; or

- To a person off the **insured location**, if the **bodily injury**:
 - Arises out of a condition on the **insured location** or the ways immediately adjoining;
 - Is caused by the activities of an **insured**;
 - Is caused by a **residence employee** in the course of the **residence employee's** employment by an **insured**; or
 - Is caused by an animal owned by or in the care of an **insured**.

SECTION II – EXCLUSIONS

- Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to **bodily injury** or **property damage**:
 - If an **insured** commits an act which is expected or intended, there is no coverage even if the harm or injury caused was not expected or intended, including but not limited to assault, battery or sexual assault;
 - Arising out of the violation of a criminal law or local or municipal ordinance, committed by or with the knowledge or consent of an **insured**. This exclusion applies whether or not an **insured** is charged or convicted.
 - Arising out of the failure to supervise or negligent supervision by an **insured** of any person.
 - Arising out of the **business** pursuits of any **insured** including the rental or holding for rental of any part of any premises by any **insured**. This exclusion does not apply to:
 - Activities which are usual to non-**business** pursuits;
 - The rental or holding for rental of any **insured location**:
 - On an occasional basis if used only as a residence;
 - In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - In part, as an office, school, studio or private garage;
 - Arising out of the rendering or failing to render professional services;
 - Arising out of a premises:
 - Owned by any **insured**;
 - Rented to any **insured**; or
 - Rented to others by any **insured**, that is not an **insured location**;
 - Arising out of the:
 - Ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including any trailers, owned or operated by or rented or loaned to any **insured**;
 - Entrustment by any **insured** of a motor vehicle or any other motorized land conveyance to any person; or
 - Vicarious parental liability imposed by the statute for the actions of a child or

- minor using a conveyance excluded in paragraph (1) or (2) above.
- This exclusion does not apply to:**
- A trailer not towed by or carried on a motorized land conveyance;
 - A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - Not owned by an **insured**; or
 - Owned by an **insured**, but only on an **insured location**;
 - A motorized golf cart when used to play golf on a golf course;
 - A motorized land conveyance designed for assisting handicapped or for the maintenance of an **insured location** which is:
 - Not designed for travel on public roads; and
 - Not subject to motor vehicle registration;
 - Arising out of:
 - The ownership, maintenance, use, loading or unloading of any watercraft equipped with more than 25 horsepower or greater than 26 feet in length, whether owned, rented or borrowed;
 - The entrustment by any **insured** of a watercraft to any person; or
 - Vicarious parental liability imposed by statute for the actions of a child or minor using any watercraft;
 - Arising out of:
 - The ownership, maintenance, use, loading or unloading of an aircraft;
 - The entrustment by any **insured** of an aircraft to any person;
 - Vicarious parental liability imposed by statute for the actions of a child or minor using an aircraft.
- An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
- 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 will be deemed a warlike act even if accidental;
 - Arising out of **Earth movement**. **Earth movement** includes any loss caused by, resulting from, contributed to, or aggravated by earthquake, including land shockwaves or tremors before, during or after a volcanic eruption; landslide; wind subsidence; mudflow; earth sinking, rising or shifting; or erosion; a volcanic blast or airborne shockwaves; ash, dust, or particulate matter, or lava flow. However, we insure ensuing

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- direct loss due to fire or explosion unless another exclusion applies;
- l. Arising out of the transmission of a communicable disease by an **insured**;
 - m. Arising out of sexual molestation, physical, or mental abuse;
 - n. Arising out of the wrongful entry, eviction, or other invasion of the right to private occupancy;
 - o. Arising out of the use, sale, manufacture, delivery, transfer or possession by any **insured** of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. This exclusion includes any liability arising out of medical marijuana.
 - p. Arising out of or in any way connected with discrimination, harassment, abuse or wrongful termination on account of race, color, religion, sex, sexual orientation, age, marital state, national origin or in any way connected with a violation of any state or federal civil rights law.
 - q. Arising out of any contamination and/or pollution;
- This policy does not insure any loss, damage or expense, whether arising or resulting out of a liability, alleged liability, defense of the **insured**, or otherwise, caused by, resulting from, contributed to or made worse by:
- (1) Actual, alleged or threatened release, discharge, escape or dispersal of "pollutant(s)" (as defined hereinafter), all whether direct or indirect, proximate or remote, sudden, accidental or gradual;
 - (2) Any increase in loss, damage or expense arising out of the enforcement, direction or request of any governmental or civil authority regulating the test for, monitoring, prevention, control, removal, tearing down, demolition, disposal, treatment, decontamination, clean-up, containment, detoxification or neutralizing of "pollutant(s)", or the restoration, construction or replacement of property contaminated by a "pollutant(s)";
 - (3) The clean-up or the removal of debris of "pollutant(s)"; or
 - (4) Any fines, penalties, exemplary damages, punitive damages, or any other damages, awards or settlements adjudged against an **insured** by any civil or judicial body or board of arbitration, nor any sums which an **insured** shall voluntarily agree to pay to any third party(ies), nor any legal fees or other costs of defense of legal actions, claims, or proceedings and appeals therefrom.

For the purpose of this insurance, "pollutant(s)" means any solid, liquid, gaseous or thermal irritant or contaminant substance, including but not limited to any smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste (whether recycled, reconditioned or reclaimed).

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

- 2. **Coverage E – Personal Liability** does not apply to:
 - a. Liability:
 - (1) For **your** share of any loss assessment charged against all members of an association of property owners;
 - (2) Under any other contract or agreement except those written contracts:
 - (a) directly relating to the maintenance of the **insured location**; or
 - (b) where the liability of others is assumed by the **insured** prior to an **occurrence**; not excluded in (1) above or elsewhere on this policy;
 - b. **Property damage** to property owned by any **insured**;
 - c. **Property damage** to property rented to, occupied, used by or in the care of any **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:
 - (1) Required to be provided; or
 - (2) Voluntarily provided;
 by any **insured** under any:
 - (1) Workers' or workmen's compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;
 - e. **Bodily injury** or **property damage** for which any **insured** under this policy:
 - (1) Is also any **insured** under a nuclear energy liability policy; or
 - (2) Would be **insured** but for its termination upon 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;
 - (3) Nuclear Insurance Association of Canada; or any of their successors;
 - f. **Bodily injury** to you and any **insured** within the meaning of part a. or b. of Definition 3 "**insured**" or
 - g. Punitive or exemplary damages, regardless of any other provision of this policy.

- 3. **Coverage F – Medical Payments to Others**, does not apply to **bodily injury**:
 - a. To a **residence employee** if the **bodily injury**:
 - (1) Occurs off the **insured location**; and
 - (2) Does not arise out of or in the course of the **residence employee's** employment by any **insured**;
 - b. To any person eligible to receive benefits:
 - (1) Required to be provided; or
 - (2) Voluntarily provide;
 under any:
 - (1) Workers' or workmen's compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;
 - c. From any:
 - (1) Nuclear reaction;
 - (2) Nuclear radiation; or
 - (3) Radioactive contamination; all whether controlled or uncontrolled or however caused; or
 - (4) Any consequence of any of these; or
 - d. To any person other than a **residence employee** of an **insured**, regularly residing on any part of the **insured location**.

SECTION II – 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 an **insured** in any suit **we** defend;
 - b. Premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage E. We are not obligated to apply for or furnish any bond;
 - c. Reasonable expenses incurred by an **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 investigation or defense of any claim or suit;
 - d. Interest on the entire judgment which accrues after entry of the judgment and before **we** pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies;
 - e. Prejudgment interest awarded against the **insured** on that part of the judgment we pay subject to the policy limits.
 - 2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an **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 on a replacement cost basis up to \$500 per **occurrence** for **property damage** to property of others caused by an **insured**.

We will not pay for **property damage**:
a. To the extent of any amount recoverable under Section I of this policy;

- b. Caused intentionally by an **insured**;
 - c. To property owned by or rented to an **insured**, a tenant of an **insured** or a resident in your household; or
 - d. Arising out of:
 - (1) **Business** pursuits;
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**; or
 - (3) The ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.
4. **Loss Assessment.** We will pay up to \$1,000 for your share of any loss assessment charged during the policy period against all unit owners by a corporation or association of property owners, when the assessment is made as a result of:
- a. Each **occurrence** to which Section II of this policy would apply;
 - b. Liability for each act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the **residence premises**.

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Section II – Coverage E – Personal Liability
Exclusion 2.a.(1) does not apply to this coverage.

SECTION II – CONDITIONS

- 1. **Limit of Liability.** Regardless of the number of **insured**, claims made or persons injured, our total liability under Coverage E stated in this policy for all damages resulting from any one **occurrence** shall not exceed the limit of liability for Coverage E shown in the Declarations.
- Our total liability under Coverage F 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 F stated in the Declarations.
- 2. **Duties After Loss.** In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply. **We** have no duty to provide coverage if **you** fail to comply with the following duties and **your** failure to comply with the following duties is prejudicial to **us**. These duties

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- must be performed by **you**, an **insured**, or a representative of either:
- Give written notice to us or **your** licensed insurance agent or broker as soon as practical, which sets forth:
 - The identity of the policy and **insured**;
 - Reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
 - Names and addresses of any claimants and witnesses;
 - Promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
 - At our request, assist us in:
 - settlement hearings and proceedings;
 - The enforcement of any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
 - The conduct of suits and attend hearings and trials;
 - Securing and giving evidence and obtaining the attendance of witnesses;
 - Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
 - The **insured** shall not, except at the **insured's** own cost, voluntarily make payment, assume any obligation or incur expense other than for first aid to others at the time of the **bodily injury**.
- 3. Duties of an Injured Person – Coverage F – Medical Payments to Others.**
The injured person or someone acting for the injured person will:
- Give us written proof of claim, under oath if required, as soon as is practical;
 - Execute authorization to allow us to obtain copies of medical reports and records; and
 - The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.
- 4. Payment of Claim – Coverage F – Medical Payments to Others.** Payment under this coverage is not an admission of liability by an **insured** or **us**.
- 5. Suit Against Us.** No action shall be brought against **us** unless there has been compliance with the policy provisions. No one will have any right to join us as a party to any action against an **insured**. Further, no action with respect to Coverage E shall be brought against us until the obligation of an **insured** has been determined by final judgment or agreement signed by us.
- 6. Bankruptcy of an Insured.** Bankruptcy or insolvency of an **insured** shall not relieve us of any of our obligations under this policy.

- 7. Other Insurance – Coverage E – 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.

SECTION I AND II – CONDITIONS

- 1. Policy Period.** The effective time of this policy is 12:01 A.M. standard time at the **residence premises** on the effective date shown in the Declarations. With **our** consent, this policy may be renewed for successive policy periods if the renewal premium for rules and forms then in effect is paid and accepted before the end of the current policy period.
- This policy applies only to loss under Section I or **bodily injury** or **property damage** under Section II, which occurs during the policy period.
- 2. Concealment or Fraud.** The entire policy will be void if whether before or after a loss, an **insured** has:
- Intentionally concealed or misrepresented any material fact or circumstance;
 - Engaged in fraudulent conduct; or
 - Made false statements;
- relating to this insurance or any claim thereunder.
- 3. Examination Under Oath**
As often as **we** reasonably require:
- Provide **us** with records and documents **we** request and permit **us** to make copies; and
 - Submit to an examination under oath while not in the presence of another **insured** and sign the examination under oath
- 4. Liberalization Clause.** If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
- 5. 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 shall not waive any of our rights.
- 6. Cancellation.**
- You may cancel this policy at any time by returning it to us or notifying us in writing of the date cancellation is to take effect.
 - We may cancel this policy only for the reasons stated below by notifying you 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.
 - When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we

- may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
- 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 notifying you at least 10 days before the date cancellation takes effect.
 - 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 if there has been:
 - Conviction of a crime having as one of its necessary elements an act increasing the hazards insured against; or
 - Discovery of fraud or material misrepresentation; or
 - Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
 - Physical changes in the property insured against which result in the property becoming uninsurable.

This can be done by notifying you at least 30 days before the date cancellation takes effect.
 - When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.
 - When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 - If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after the date cancellation takes effect. However, our failure to refund the premium will not affect the cancellation. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.


- 7. 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 45 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.
- 8. Assignment.** Assignment of this policy will not be valid unless we give our written consent.
- 9. Subrogation.** An **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, an **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

- 10. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:
- We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
 - Insured** also includes:
 - Any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
 - With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.
- 11. Conformity to Statutes.** If the provision of this policy are in conflict with the statutes of the state in which the **residence premises** is located, the provision are amended to conform to such statutes.

This policy is signed at the Home Office of our President and Secretary.



President



Secretary

Pacific Specialty Insurance Company TEXAS PROPERTY 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-HO (Ed. 4) Texas Amendatory Endorsement for HO-3, HO-4 and HO-6 Policies

This endorsement changes your policy. Please read it carefully.

DEFINITIONS

The following definitions are added to the policy:

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

“**Sudden and Accidental**” means damage which occurs abruptly and is unexpected and/or unintended.

SECTION I – EXCLUSIONS

Item 8, Intentional Loss, is hereby deleted in its entirety and replaced with the following:

8. 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.

SECTION I – CONDITIONS

Item 8, **Suit Against Us**, is hereby deleted in its entirety and replaced with the following.

8. **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 from the date the cause of action first accrues.

Item 10, **Loss Payment**, is hereby deleted in its entirety.

Item 17, **Residential Community Property**, is hereby added to the policy. (Added as item 16. for HO-4 policies)

17. Residential Community Property.

- a. Pursuant to the provisions of Art. 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.

SECTION I – CONDITIONS (HO-3 & HO-6 Policies ONLY)

Item 12, **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.

Item 19, **Liquidated Demand**, is hereby added to the policy.

19. **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.

SECTION II – EXCLUSIONS

Item 1 a., is hereby deleted in its entirety and replaced with the following:

- a. Which is expected or intended by an **insured**, this exclusion does not apply to an **insured** who doesn't participate in or contribute to the loss.

Item 1 b., is hereby deleted in its entirety and replacement with the following:

- b. Arising out of the alleged violation of a criminal law or local or municipal ordinance, committed by or with the knowledge or consent of an **insured**.

For HO-3 and HO-4 policies item 1.m is hereby deleted and replaced with the following.

- m. Arising out of sexual molestation, physical, or mental abuse committed with an intent to cause harm

SECTION II – CONDITIONS

Item 3, **Duties of an Injured Person – Coverage F – Medical Payments**, is hereby deleted and replaced with the following.

3. Duties of an Injured Person – Coverage F – Medical Payments to Others.

The injured person or someone acting for the injured person will:

- a. Give us written proof of claim, under oath if required, as soon as is practicable;
- b. Execute authorization to allow us to obtain copies of medical reports and records related to the claim; and
- c. The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.

Item 9, **Notice of Settlement of Liability Claim**, is hereby added as follows

9. Notice of Settlement of Liability Claim.

- a. We will notify the **insured** in writing of any initial offer to compromise or settle a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 10 days after the date the offer is made.
- b. We will notify the **insured** in writing of any settlement of a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 30 days after the date of settlement.

SECTION I AND II – CONDITIONS

Items 2 (**Concealment or Fraud**), 6 (**Cancellation**) and 7 (**Non-Renewal**) are hereby deleted in their entirety and replaced with the following.

2. **Concealment or Fraud.** The entire policy will be void if whether before or after a loss, an **insured** has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;
- d. relating to this insurance or any claim thereunder.

5. 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.

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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.

6. 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.

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 – Your Duties After Loss & Our Duties After Loss

The **Your Duties After Loss** provisions of your policy are hereby amended. **Your Duties After Loss** is found in item 2 of the Section I – Conditions and item 2 of the Section II – Conditions of your policy. In Section I, **Your Duties After Loss** are deleted in their entirety and replaced by the following:

2. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you must see that the following duties are performed:
 - a. Give prompt notice to us and in case of theft also to the police. In case of loss under the Credit Card or Fund Transfer Card coverage, also notify the credit card or fund transfer card company;
 - b. Protect the property from further damage, make reasonable and necessary repairs required to protect the property and keep an accurate record of repair expenditures;
 - c. As often as we reasonably require:
 - (1) Exhibit the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to and subscribe, while not in the presence of any other **insured**, examinations under oath, and produce employees, members of the **insured's** household or others for examination under oath to the extent it is in the insured's power to do so;
 - 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;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.

in Section II, item d. of **Your Duties After Loss** is hereby deleted in its entirety and replaced with the following.

- 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;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.

In addition, Item 2B. **Our Duties After Loss** is hereby added to the Section I – Conditions of your policy as follows.

2B. 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.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM2 (Ed. 3)
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 an insured shall become legally obligated to pay as damages because of bodily injury or property damage caused by or originating or resulting from any animal.

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.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM3 (Ed. 4)
Occupancy Endorsement (Primary Residence Only)

This endorsement changes your policy. Please read it carefully.

It is understood and agreed that the Company will not provide coverage for a loss that occurs while the **residence premises is unoccupied**. However, coverage remains in effect during this period for the Perils of Fire, Lightning, Windstorm, Hail, Smoke and 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. 2)
Roof for Fire and Lightning Only Endorsement

It is agreed that the roof on your Dwelling is only covered for losses caused by the perils of fire and/or lightning. It is further agreed that there is no coverage for damage to the interior of the dwelling, if such damage is due to the failure of the roof which is caused by a peril other than fire and/or lightning.

ENDORSEMENT No. PM6 (Ed. 3)
Water Damage Exclusion for Plumbing

This endorsement changes your policy. Please read it carefully.

It is agreed that the insured Dwelling's pressurized pipes are constructed, in whole or in part, from material other than copper, galvanized steel, polyvinyl chloride (PVC), or chemically cross-linked polyethylene.

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In the event a claim is made resulting from the failure of the Dwelling's pressurized pipes, no coverage will be afforded under this policy for the pipe(s) or any ensuing water damage.

This exclusion does not apply to any of the following:

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

ENDORSEMENT No. PM7 (Ed. 2) Copper Plumbing Agreement

This endorsement changes your policy. Please read it carefully.

It is agreed that the insured Dwelling's pressurized pipes are 100% constructed of copper. This does not include pipes outside the dwelling, drain pipes, sprinkler irrigation systems, or gas pipes.

In the event a claim is made resulting from non-copper pressurized pipe(s) failure, no coverage will be afforded for the pipe(s) or any ensuing water damage under this policy.

ENDORSEMENT No. PM9-TX (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:

1. mold,
2. fungi,
3. mildew,
4. spores,
5. wet or dry rot, or
6. similar organisms,

regardless of cause.

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

Important Note:

We cover the portion of covered property with fungi or microbes on it which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water which would otherwise be covered under this policy.

ENDORSEMENT No. PM11 (Ed. 5) 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 a Peril Insured Against which is caused by a present or past tenant of the **residence premises**, 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 the Tenant Caused Loss Deductible of \$2,500.00, up to the limits of the policy as stated in the Declarations page. However, if a higher policy deductible is stated in the Declarations page, then we will only be liable for that portion of a Tenant Caused Loss that exceeds the policy deductible, up to the limits of the policy as stated in the 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. PM12 (Ed. 2) Windstorm or Hail Deductible

The Windstorm or Hail Deductible is the percentage of the Coverage A limit noted on the declarations page.

The following is added to the deductible provisions of this policy:

Windstorm or Hail Deductible – We pay only that part of the loss caused directly or indirectly by windstorm or hail which is more than the deductible amount on the policy declarations page.

The deductible applies per occurrence, and separately at each covered location. Only one deductible applies at each location.

The deductible applies regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events occur before, at the same time as, or after the loss caused by windstorm or hail.

All other terms, conditions and exclusions of this policy remain unchanged.

ENDORSEMENT No. PM13 (Ed. 2) Residential Community Property Exclusion

This endorsement changes your policy. Please read it carefully.

Endorsement PM1-TX-HO added Residential Community Property coverage to the Conditions of your policy. This coverage is found in Item 18 (Item

17 for HO-4 policies) of the Section I – Conditions portion of your policy.

This form deletes this coverage from your policy. Item 18 (Item 17 for HO-4 policies) is removed from your policy Section I – Conditions. Your policy does not provide this coverage. The remaining provisions of form PM1-TX-HO are 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.

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. PM21 (Ed. 2) Unit-Owners Rental to Others

This endorsement changes your policy. Please read it carefully.

For an additional premium, this coverage applies while the "residence premises" is regularly rented or held for rental to others.

SECTION I

Under Coverage C – Personal Property, Property Not Covered, Item 6. is deleted and replaced by the following:

6. Property contained in an apartment, other than the "residence premises," regularly rented or held for rental by others by an "insured";

In the peril of Theft Exclusion C., "from that part of a 'residence premises' rented by an 'insured' to other than an 'insured,'" is deleted.

We do not cover loss caused by theft from the "residence premises" of:

- a. Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, coins and medals;
- b. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or
- c. Jewelry, watches, furs, precious and semiprecious stones.

SECTION II

Exclusion 1.d. of Coverage E – Personal Liability and Coverage F – Medical Payments to Others is deleted and replaced by the following:

- d. Arising out of the rental or holding for rental any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of the "residence premises";

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM22 (Ed. 5) Preferred Package Endorsement

This endorsement changes your policy. Please read it carefully.

Section I – Loss Deductible

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Is hereby deleted and replaced with the following:

Under Section I of the policy, **we** cover only that part of the loss over the deductible stated in the Declarations. With respect to loss to property covered under this policy, the deductible shall apply separately to each **occurrence**. The deductible does not apply to Coverage D – Loss of Use.

If a loss occurs that results in the payment equal to or greater than the total Coverage A (Dwelling) limit stated in the Declarations, the loss deductible stated in the Declarations is waived and is not applied to the payment for that loss. This provision does not apply if the loss results from a peril that is covered by a Special Deductible. Extended replacement cost limits are not taken into consideration when determining if this provision applies.

Section I – Coverage C (Personal Property)
The **Special Limits of Liability** are increased as follows:

1. Special Limits of \$100 in the policy are increased to \$500.
2. Special Limits of \$250 in the policy are increased to \$2,000.
3. Special Limits of \$500, \$1,000 or \$2,000 in the policy are increased to \$5,000.

The following Special Limit of Liability is added to the policy.

20. \$50,000 for loss by theft of:
 - a. Jewelry,
 - b. Watches,
 - c. Furs,
 - d. precious or semi-precious stones,
 - e. silverware,
 - f. goldware,
 - g. pewter, or
 - h. platinum,While stored at any bank, trust company, or safe deposit company.

Section II – Exclusions

Exclusions 1.h. is deleted and replaced with the following:

- h. Arising out of:
 - (1) The ownership, maintenance, use, loading or unloading of a watercraft equipped with more than 50 horsepower or greater than 26 feet in length, whether owned, rented or borrowed;
 - (2) The entrustment by an **insured** of any watercraft to any person;
 - (3) Vicarious parental liability imposed by statute for the actions of a child or minor using any watercraft.

All other terms and conditions of the policy remain unchanged. Please read your policy.

ENDORSEMENT No. PM27 (Ed. 2)
Additional Insured – Property Policies

This endorsement changes your policy. Please read it carefully.

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

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.

With respect to Dwelling and Other Structures coverage, any Additional Insured is insured only with respect to that Additional Insured's insurable interest in the **residence premises**. The Declarations will indicate the limit that applies to each coverage.

With respect to Liability and Medical Payments to Others, any Additional Insured is covered only when held liable for an act or failure to act by the **named insured** in the Declarations. This coverage does not apply to **bodily injury** to any employee or contractor hired by an Additional Insured arising out of or in the course of that employee or contractor's work for that 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 listed in the Declarations.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM28 (Ed. 2)
Property Held By Legal Entity

This endorsement changes your policy. Please read it carefully.

If the **insured** named in the Declarations is a legal entity and not an individual, the coverage afforded by this policy applies only to loss relating to or arising out of the **residence premises**.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PM32 (Ed. 2)
Replacement Cost Coverage for Roofing and Roof Components

This endorsement changes your policy. Please read it carefully.

SECTION I – CONDITIONS

Item 3.b. is hereby deleted and replaced in its entirety by the following:

3. **Loss Settlement.** Covered property losses are settled as follows:
 - a. Structures that are not buildings at **actual cash value** at the time of loss but not exceeding the amount required to repair or replace.

All other terms of this policy remain unchanged.

ENDORSEMENT No. PM34 (Ed. 1)
\$2,500 Sublimit for Late Wildfire Claim Reporting (For HO-3 Policy Forms)

This endorsement changes your policy. Please read it carefully. This endorsement restricts the coverage in your policy. Please read your policy and all endorsements.

The following definition is added to your policy:

“Wildfire smoke, soot and ash damage” means:

- Smoke;
- Soot;
- Ash;
- Dust;
- Particle;
- Material; or
- Byproduct

that is produced, discharged, emitted or released during, caused by or at any time resulting from or following a wildfire and/or brushfire event (referred to as a “wildfire”). **Wildfire smoke, soot and ash damage** does not mean damage that is caused directly by fire.

SCHEDULE

This endorsement adds a special limit of liability to your policy. This special limit of liability applies to the total of all losses or costs payable under this endorsement during the policy period. This is without regards of the number of buildings, other structures and personal property insured by this policy. This limit is the total annual aggregate limit available for all Coverages listed in the schedule. This limit does not increase the limits of liability of any Coverage listed below. If a Coverage listed below is not part of the policy form, this endorsement does not add that Coverage.

Total Property Coverage Limit for Wildfire smoke, soot and ash damage not reported to us within forty-five (45) days: \$2,500.

Special Limit applies to:
Coverage A – Dwelling
Coverage B – Other Structures
Coverage C – Personal Property
Coverage D – Loss of Use

With respect to the coverage provided under this endorsement:

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable for direct physical loss to property under the Coverages listed in the Schedule above caused by **Wildfire smoke, soot and ash damage**;
 - (2) The cost to remove **Wildfire smoke, soot and ash damage** from covered property;
 - (3) The cost to tear out and/or replace any part of the dwelling or other covered property to gain access to the **Wildfire smoke, soot and ash damage**; and
 - (4) The cost of testing air or property to confirm the amount of **Wildfire smoke, soot and ash damage**, no matter when performed. The cost of such testing will be paid to the extent that there is direct physical loss to property from **Wildfire smoke, soot and ash damage**.
- b. The coverage described in this endorsement only applies when direct physical loss or costs are the result of **Wildfire smoke, soot and ash damage** that occurs during the policy period. This is regardless of when the **wildfire** occurred.

This limit of liability for **Wildfire smoke, soot and ash damage** does not apply where covered property located in or on the insured **residence premises** has sustained direct physical loss or costs, including loss of use, caused by **Wildfire smoke, soot and ash damage** and the claim is reported to us within forty-five (45) days of the governmental authorities extinguishment of the **wildfire**.

Any direct physical loss or costs caused by **Wildfire smoke, soot and ash damage** that are not reported to us within forty-five (45) days of the governmental authorities extinguishment of the **wildfire** shall be subject to this special limit of liability.

- c. The amount shown in the Schedule above is the most we will pay for the total of all direct physical loss or costs payable under this endorsement during the policy period, regardless of the number of buildings, other structures and personal property insured under this policy.
- d. This coverage does not increase the limit of liability for damage to covered property or for loss of use.

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- e. This special limit of liability does not apply where covered property in or on the **residence premises** has sustained any direct damage by fire.

All other terms and conditions of this policy which are not inconsistent herewith remain unchanged.

**ENDORSEMENT No. PO5-HO (Ed. 2)
Replacement Cost Coverage for Personal Property**

This endorsement changes your policy. Please read it carefully.

SECTION I – CONDITIONS, item 3.a. is hereby deleted and replaced with the following:

3. **Loss Settlement.** Covered property losses are settled as follows:
- a. (1) Personal Property; and
(2) Awnings, carpeting, domestic appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings:
At replacement cost without deduction for depreciation, subject to the following:
1. "Replacement cost" means the cost to repair or replace the property with new property of equivalent kind and quality to the extent practical, without deduction for depreciation.
 2. Replacement cost terms do not apply to the following personal property:
 - a. articles of art or rarity that cannot be duplicated;
 - b. memorabilia, souvenirs, collector's items, and similar items whose age or history contribute to its value;
 - c. items not maintained in good or workable condition; or
 - d. items that are outdated or obsolete and are stored or not being used.
 3. If the Replacement Cost Terms do not apply, we settle losses according to the Actual Cash Value Terms.
 - a. Replacement Cost Terms
 - (1) We pay the smallest of the following amounts for each covered item:
 - (a) the replacement cost of the property as defined in this endorsement;
 - (b) the amount computed after any special limitation in this policy has been applied to the loss; or
 - (c) for loss to property covered under Coverage C, subject to the Coverage C limit.
 - (2) When the replacement cost for each occurrence is more than \$500, we do not pay for more than the actual cash value of the loss until actual repair or replacement is completed. You may make a claim

for the actual cash value amount of the loss before repairs are made or replacement is completed. A claim for any additional amount payable under this provision must be made within six months after the actual cash value of the property at the time of loss.

- b. Actual Cash Value Terms – Actual cash value includes a deduction for depreciation, however caused.
- (1) The Actual Cash Value Terms apply to all property not subject to the Replacement Value Terms.
 - (2) The smaller of the following amounts is used in applying the terms under our limit:
 - (a) the cost to repair or replace the property with materials of like kind and quality to the extent practical; or
 - (b) the actual cash value of the property at the time of loss.

The coverage provided by this endorsement does not increase our limit. All other terms, conditions and exclusions of the policy apply.

**ENDORSEMENT No. PO6 (Ed. 2)
Scheduled Personal Property**

This endorsement changes your policy. Please read it carefully.

For an additional premium, we provide the coverage described in this endorsement for the classes of personal property indicated as Scheduled Personal Property in the Declarations. The limit(s) for each class of property indicated in the Declarations is the most we will pay in the event of a covered loss. If no limit is indicated for a class of property, then this endorsement does not apply to the class of property.

THE FOLLOWING SCHEDULE OF ITEMS WILL APPEAR IN THE DECLARATIONS:

Class of Personal Property	Insurance	Premium
1. Each class of property to be listed individually here.	Declared Amount	\$ Charge
No. List of Individual Items Scheduled for Each Class of Personal Property.		Insured Value
1 First item scheduled for first class of property.		\$ Amount

The following conditions apply only to the classes of property indicated as Scheduled Personal Property on the Declarations.

1. **Competent Packers and Movers – You** agree that if Scheduled Personal Property is moved from the **residence premises**

or the storage location noted on the declarations, that the Scheduled Personal Property will be packed and unpacked by competent packers.

2. **Additional Coverage for Qualifying Newly Acquired Property – If you** acquire new Scheduled Personal Property in a class covered by this endorsement **we** cover the additional property you acquire during the policy period if **you**:
 - a. Provide **us** with complete descriptions and valuations (e.g. receipts or appraisals) within 30 days of the date you acquired the property; and
 - b. Pay the additional premium due from the date of the acquisition.

This coverage applies for 30 days from the date **you** acquire the property or until **you** report the newly acquired property **us**, whichever comes first. This coverage does not extend past the end of the policy period.

The most **we** pay for newly acquired items meeting the criteria above is 25% of the limit shown in the Declarations for the class of property. This additional coverage does not apply if the newly acquired property class is not scheduled.

3. **Property Not Covered – We** do not cover:
 - a. Contraband or property in the course of illegal transportation or trade;
 - b. Scheduled Personal Property shipped by mail;
 - c. Scheduled Personal Property in the custody of a transportation company; unless the property is individually scheduled;
 - d. Scheduled Personal Property that is part of a collection, unless the property is individually scheduled;
 - e. Scheduled Personal Property on display at a location other than the **residence premises**, unless the location is indicated in the Declarations as the location for the Scheduled Personal Property; or
 - f. Golf balls.

4. **Perils Insured Against for Scheduled Personal Property – We** insure Scheduled Personal Property covered by this endorsement for risks of direct physical loss, due to an external cause, unless the loss is due to:
 - a. Nuclear hazard;

- b. War and military action;
- c. Neglect;
- d. Intentional acts;
- e. Wear and tear;
- f. Gradual deterioration, corrosion, or rust;
- g. Mechanical breakdown;
- h. Inherent vice or defect, or any quality, fault, or weakness in property that causes it to damage or destroy itself;
- i. Any animal;
- j. Improper storage resulting in loss due to:
 - i. Dampness;
 - ii. Extremes of temperature;
 - iii. Fading, creasing, scratching, tearing, or thinning
 - iv. Transfer of colors or pigments
 - v. Depreciation
- k. Damage caused while working on the property to:
 - i. Repair;
 - ii. Service;
 - iii. Maintain;
 - iv. Restore;
 - v. Retouch;
- l. Breakage, unless caused by:
 - i. Fire;
 - ii. Lightning;
 - iii. Windstorm;
 - iv. Earthquake;
 - v. Flood;
 - vi. Explosion;
 - vii. Aircraft;
 - viii. Collision;
 - ix. Derailment or overturn of a transporting vehicle;
 - x. Malicious damage; or
 - xi. Theft or attempted theft.
- m. Disappearance of an individual item, if the item is scheduled as part of a collection. **We** do cover the disappearance of items that form a collection if the items are individually scheduled.

5. **No Deductible Applies** – With respect to the Scheduled Personal Property indicated in the Declarations and covered by this endorsement, no deductible applies.

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6. **Loss Settlement** – With respect to the Scheduled Personal Property indicated in the Declarations and covered by this endorsement, the following Loss Settlement Terms apply:
- a. The value of the covered property is not agreed upon but will be determined at the time of loss or damage. We will pay the smallest of the following amounts:
 - i. The **actual cash value** of the property at the time of loss or damage, unless the SECTION I Personal Property Loss Settlement terms are endorsed with replacement cost;
 - ii. The amount for which the property could be reasonably be expected to be repaired to its condition just before the loss or damage;
 - iii. The amount for which the property could reasonably be expected to be replaced with property substantially identical to the property loss or damaged.
 - iv. The limit applicable to the individual item.
 - b. In case of loss to a pair or set, **we** may elect to:
 - i. Repair or replace any part to restore the pair or set to its value before the loss;
 - ii. Pay the difference in the **actual cash value** of the pair or set just before the loss and the **actual cash value** just after the loss;
 - iii. Pay the full limit applicable to the

- item. If we pay the full limit applicable to an entire pair or set for loss to part of the pair or set, you agree to surrender the item, if not lost or stolen, and any remaining items of the pair or set.
- c. In case of loss to a part of an item that consists of several parts when it is complete, **we** may elect to:
 - i. Pay only for the value of the lost or damaged part or the cost to repair or replace it; or
 - ii. Pay the full limit applicable to the item. If we pay the full limit applicable to an entire item for loss to a part, you agree to surrender the item, if not lost or stolen, and any remaining parts of the item.

7. **Restoration of Limits** - The limit(s) listed on the Declaration for Scheduled Personal Property will only be reduced if there is a total loss to a scheduled item.

8. **Territory Where Coverage Applies** – Coverage applies while the property is anywhere in the world.

**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. PO8 (Ed. 3)
Personal Injury Coverage**

This endorsement changes your policy. Please read it carefully.

For an additional premium, under Coverage E – Personal Liability, the definition of "bodily injury" is amended to include personal injury.

"**Personal injury**" means injury arising out of one or more of the following offenses.

1. False arrest, detention or imprisonment, or malicious prosecution;
2. Libel, slander or defamation of character; or
3. Invasion of privacy, wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury.

Exclusions:

Personal injury does not include any of the following.

1. Liability assumed by an **insured** under any contract or agreement. This does not include any indemnity obligations assumed by an **insured** under a written contract directly relating to the ownership, the maintenance or the use of the premises.
2. Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of an **insured**.
3. Liability or injury arising out of an act committed by an **insured** when that

insured knew the act would violate another's rights and result in personal injury.

4. Libel, slander or defamation arising out of publication of material by the **insured** or at the **insured's** direction when the **insured** knew the material was false.
5. Libel, slander or defamation arising out of a publication of material when the first publication of the material occurred prior to the inception of this policy.
6. Liability or injury resulting from exposure to pollutants, mold or fungi.
7. Liability or injury arising out of communicable disease.
8. Liability or injury arising out of the actual, alleged, or threatened sexual molestation of any person.
9. Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the "insured."
10. **Bodily injury** arising out of or in connection with a **business** engaged in by an **insured**. This exclusion applies, but is not limited to, an act or omission, regardless of its nature or circumstance, involving a service or duty that is rendered, that is promised, that is owed or that is implied to be provided because of the nature of the **business**.
11. Civic or public activities performed for pay by an **insured**.
12. Injury to **you** or an **insured**.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO9 (Ed. 2)
Premises Burglary or Fire Alarm System Agreement**

This endorsement changes your policy. Please read it carefully.

For a premium credit, we acknowledge the installation of a burglary alarm system or a fire alarm system, or both, approved by us on the **residence premises**. You agree to maintain this system in working order and to notify us promptly of any change made to the system or if it is removed. A fire alarm system includes an automatic sprinkler system.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO10-TX (Ed. 1)
Exclusion of Cosmetic Damage to Hail Resistant Roof**

This endorsement changes your policy. Please read it carefully.

The following Section I Exclusion is added to the policy:

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We do not cover cosmetic loss or damage to roof coverings caused by the peril of hail.

Cosmetic loss or damage means only that damage that alters the physical appearance of the roof covering, but does not result in damage that allows the penetration of water through the roof covering or does not result in the failure of the roof covering to perform its intended function, to keep out elements over an extended period of time.

We do cover hail damage to roof coverings that results in damage that will allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function, to keep out elements over an extended period of time.

Roof covering means the roofing material exposed to the weather, the underlayments applied for moisture protection, and all flashings required in the replacement of a roof covering.

All other terms and conditions of the policy 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.

ENDORSEMENT No. PO13 (Ed. 1) Optional 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.

ENDORSEMENT No. PO14 (Ed. 3) 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 dogs, domestic cats, or birds. This coverage is limited to the amount of coverage indicated in the policy Declarations. This coverage does not apply, at any time, regardless of cause, to any liability arising from any animal other than a dog, domestic cat, or bird or any of the following dogs:

- a. Pit Bulls;
- b. Doberman Pincers;
- c. Rottweilers;
- d. German Shepherds;
- e. Chows;
- f. Akitas;
- g. Huskies;
- h. Malamutes;
- i. Bull Mastiffs; or
- j. Stafford Shire Terriers.

There is no coverage for any liability arising from:

- a. any dog that is a mixed breed that includes any of the above listed dog breeds;
- b. any dog known by breed to be vicious; or
- c. any animal with a previous bite history.

We shall have no duty to defend or indemnify any claim or "suit" seeking damages caused by or arising out of the actions of any animal excluded herein, including but not limited to negligent supervision of any animal excluded herein.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PO16 (Ed. 2) Ordinance or Law Coverage

This endorsement changes your policy. Please read it carefully.

For an additional premium, loss or damage by a Peril Insured Against to **residence premises** will be settled including the reasonable additional costs due to required compliance with any ordinance or law that regulates the construction, repair or demolition of **residence premises**.

The limit of this coverage is 10% of **your** Coverage A limit, unless a higher limit is shown in the Policy Declarations.

We do not cover:

1. Loss in value to any dwelling or other structure due to the requirements of any ordinance or law.
2. The costs of complying with any ordinance or law requiring testing, monitoring, clean up, removal, containment, remediation or any other response to or assessment of pollutants in or on any covered dwelling or structure.

"Pollutants" includes any solid, liquid or gas, irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste, and including but not limited to lead, asbestos, or other substances known to be harmful to human health.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PO17 (Ed. 3) Increased Unscheduled Jewelry and Silverware Limits

This endorsement changes your policy. Please read it carefully.

This endorsement changes SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits of Liability, items 8 and 9.

8. \$10,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
9. \$10,000 for loss by theft of silverware, goldware, pewter, and platinum, including:
 - a. Silver or gold-plated ware, plateware, flatware, hollowware, tea sets, trays, trophies and the like;
 - b. Other utilitarian items made of or including silver, gold, pewter or platinum.

No other special limits of liability are altered by this endorsement.

All other terms and conditions of the policy remain unchanged. Please read your policy.

ENDORSEMENT No. PO18 (Ed. 3) Personal Computer Equipment Coverage

This endorsement changes your policy. Please read it carefully.

SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits of Liability, Item 11 is hereby deleted and replaced with the insurance described in this endorsement. No deductible applies to this coverage.

DEFINITIONS

The following are added to the definitions that appear in your insurance policy.

1. "**Computer program**" means **data** in the form of instructions used to direct electronic data processing equipment to perform a task.
2. "**Computer system**" means electronic data processing equipment; including its components. However, **computer system** does not include **computer programs**, other **data**, or **media**.
3. "**Data**" means facts, concepts, or instructions that are recorded on **media**.
4. "**Media**" means the material on which **data** is recorded, such as magnetic tapes, disc packs, floppy discs, or compact discs.
5. "**Occurrence**" means, with respect to this endorsement only, a loss to property insured

caused by one or more perils we insure against by application of this endorsement.

PROPERTY INSURED

We cover each of the following for the limit of liability which is shown in the Declarations, subject to the maximum limits identified for each item below.

1. A **computer system** valued at no more than \$10,000.
2. **Computer programs** and **media** purchased from a commercial source valued at no more than \$10,000.
3. **Data** recreation valued at no more than \$2,000.

The insurance coverage provided by this endorsement applies to loss which occurs anywhere in the world.

PERILS INSURED AGAINST

We will pay for direct and accidental loss or damage to property insured, caused by any peril not excluded under EXCLUSIONS – LOSSES NOT COVERED and subject to the limits of liability listed in the Declarations.

EXCLUSIONS – LOSSES NOT COVERED

This endorsement does not insure against loss, damage or expense caused directly or indirectly by any one or more of the following items.

1. Any loss excluded under Section I – Exclusions.
2. Any loss 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 provision does not apply if you have used reasonable care to:
 - i. Maintain heat in the building; or
 - ii. Shut off water supply and drain all system and appliances of water;

However, if the **residence premises** is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply

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- and maintain heat in the building for coverage to apply.
- For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- b. Theft in or to a dwelling under construction, until the dwelling is finished and occupied;
 - c. Mold, fungus, or wet rot;
 - d. Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the **residence premises is unoccupied**.
 - e. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is:
 - i. Rain or snow; or
 - ii. Sleet or hail;
 - f. Refinishing, renovating, or repairing property;
 - g. Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft of all types, including their:
 - i. Trailers;
 - ii. Furnishings;
 - iii. Equipment; and
 - iv. Outboard engines or motors;
 - h. Acts or decisions, including the failure to act or decide, of any:
 - i. Person or group; or
 - ii. Organization or governmental body.

However, any ensuing loss not excluded in this policy is covered;
 - i. Wear and tear, marring, deterioration;
 - j. Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - k. Smog, rust or other corrosion or dry rot;
 - l. Smoke from:

- i. Agricultural smudging; or
- ii. Industrial operations.
- m. Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by one or more of the Perils Insured Against that apply under Coverage C – Personal Property of the policy form.
- n. Settling, shrinking, bulging or expansion, including resultant cracking, of:
 - i. Pavements or patios;
 - ii. Footing or foundations;
 - iii. Walls or Floors;
 - iv. Roofs or ceilings; or
 - v. Bulkheads;
- o. Any animal.

Your policy does not provide additional coverage for the items that are insured by this endorsement. Any items that are scheduled separately are covered by the schedule and not this endorsement.

- This coverage does not:
1. Increase the Coverage C – Personal Property limit of liability;
 2. Modify any provision that applies to Coverage C – Property Not Covered.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO19 (Ed. 2)
Home Freezer Contents Coverage**

This endorsement changes your policy. Please read it carefully.

We will pay up to \$500 for loss to covered property stored in a freezer or refrigerator which is located on the **residence premises**. This coverage is additional insurance. No deductible applies to this coverage.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO38 (Ed. 2)
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 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, and it must extend from the lowest level through to the roof of the unit. If no **firewall** is present between each unit, or the firewall does not meet the criteria set forth above, 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 declarations for all coverages that apply to the loss.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO40 (Ed. 3)
Limited Sewer or Drain Backup Coverage**

This endorsement changes your policy. Please read it carefully.

In SECTION I – EXCLUSIONS, the following exclusion:

1. **Water Damage**, meaning any loss caused by, resulting from, contributed to or aggravated by:
 - a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - b. Water which backs up through sewers or drains;
 - c. Water which overflows from a sump or sump pump; or
 - d. 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, explosion or theft resulting from water damage is covered.

is deleted and replaced by:

3. **Water Damage**, meaning any loss caused by, resulting from, contributed to or aggravated by:
 - a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - b. Water which overflows from a sump or sump pump; or

- c. 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, explosion or theft resulting from water damage is covered.

The limit of liability for losses resulting from water which backs up from a sewer or drain is specified in the Declarations. The limit of liability for Limited Sewer or Drain Backup Coverage is the maximum we will pay for loss to your dwelling, personal property, and loss of use, if applicable.

All other terms and conditions of the policy remain unchanged.

**ENDORSEMENT No. PO41 (Ed. 1)
Superior Home Protection Package**

This endorsement changes your policy. Please read it carefully.

For an additional premium, the following coverages and extensions of coverage are added to your policy.

Coverage D – Loss of Use

1. **Additional Living Expense.** The following paragraph is added:
If a power outage caused by a Peril Insured Against makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is limited to seven days. Coverage begins when the **residence premises** has been uninhabitable for 48 consecutive hours.

Section I Exclusion 4 – Power interruption does not apply to this coverage.

Section I – Additional Coverages

The following items are amended as indicated.

1. **Debris Removal.** Debris removal provisions are replaced by the following:

We will pay your reasonable expense for the removal of:

 - a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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 removal expense is more

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than the limit of liability for the damaged property, and additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000, for the removal from the **residence premises** of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for removal of any one tree. This coverage is additional insurance.

4. **Fire Department Service Charge.** Fire Department Service Charge provisions are replaced by the following:

We will pay up to \$750 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. This coverage is additional insurance. No deductible applies to this coverage.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.** The amount we will pay is increased from \$500 to \$3,000.
11. **Personal Property Coverage Extension.** We will pay up to \$5,000 for damage to your personal property occurring while it is away from your **residence premises** caused by:
- a. Flood (meaning rising water);
 - b. Earthquake;
 - c. Landslide; or
 - d. Collision or overturn of the conveyance in which your property is carried.
12. **Lock Replacement Coverage.** We will pay up to \$250 for locks or cylinders which are replaced as a direct result of stolen keys. We and the policy must be promptly notified of the theft. The locks must be replaced within 72 hours after the keys are stolen. Keys are those to buildings and structures at the **residence premises**. We do not cover locks used with any vehicle, watercraft, or aircraft. Keys given to custodian are not considered stolen. We will pay the amount spent to repair or replace the locks or cylinders with ones of like kind and quality.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT No. PO42 (Ed. 1-40F) IDENTITY THEFT EXPENSE AND RESOLUTION SERVICES COVERAGE

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. Additionally, you will have access to **resolution services** from a consumer fraud specialist who will assist you 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**, even if a series of acts continues into a subsequent policy period.

DEFINITIONS

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

"Expenses" means:

1. Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized.
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
3. Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel, or to complete fraud affidavits, or due to wrongful incarceration arising solely from someone else having committed a crime in the **insured's** name, up to a maximum payment of \$1000 per week for a maximum period of five weeks. Lost wages shall not apply in the case of wrongful incarceration absent all charges being dropped or an acquittal of the insured.
4. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
5. Reasonable attorney fees incurred, with our prior consent, for:
 - a. Defense of lawsuits brought against the **insured** by merchants or their collection agencies,
 - b. The removal of any criminal or civil judgments wrongly entered against an **insured**, and
 - c. Challenging the accuracy or completeness of any information in a consumer credit report.
6. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual **identity theft**.
7. Costs for daycare and eldercare incurred by an **insured** solely as a direct result of any one **identity theft**.

"Identity theft" means the act of knowingly transferring or using, without lawful authority, a means

of identification of an **insured** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

"Resolution services" provides a personal advocate assigned to victim who works one-on-one, from first call to crisis resolution. It also includes ordering your credit report, alerting credit reporting agencies, providing credit and fraud monitoring, and preparing necessary documentation and letters.

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** or 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**.

DEDUCTIBLE

No deductible applies to **identity theft** coverage.

YOUR DUTIES AFTER LOSS

The following is added under Condition 2. **Your Duties After Loss**, paragraph g.:

- (9) Receipts, bills or other records that support your claim for **expenses** under **identity theft** coverage.

All other provisions of this policy apply.

ENDORSEMENT No. PO43 (Ed. 1-40F) IDENTITY THEFT EXPENSE AND RESOLUTION SERVICES COVERAGE

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. Additionally, you will have access to **resolution services** from a consumer fraud specialist who will assist you 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**, even if a series of acts continues into a subsequent policy period.

DEFINITIONS

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

"Expenses" means:

1. Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized.
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
3. Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel, or to complete fraud affidavits, or due to wrongful incarceration arising solely from someone else having committed a crime in the **insured's** name, up to a maximum payment of \$1000 per week for a maximum period of five weeks. Lost wages shall not apply in the case of wrongful incarceration absent all charges being dropped or an acquittal of the insured.
4. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
5. Reasonable attorney fees incurred, with our prior consent, for:
 - a. Defense of lawsuits brought against the **insured** by merchants or their collection agencies,
 - b. The removal of any criminal or civil judgments wrongly entered against an **insured**, and
 - c. Challenging the accuracy or completeness of any information in a consumer credit report.
6. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual **identity theft**.
7. Costs for daycare and eldercare incurred by an **insured** solely as a direct result of any one **identity theft**.

"Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of an **insured** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

"Resolution services" provides a personal advocate assigned to victim who works one-on-one, from first call to crisis resolution. It also includes ordering your credit report, alerting credit reporting agencies, providing credit and fraud monitoring, and preparing necessary documentation and letters.

"ID Alert" provides a monthly **proactive** National Database screening and notification by phone or email of possible fraud of an insured that has provided Name, Address and Social Security Number.

EXCLUSIONS

The following additional exclusions apply to this coverage.

We do not cover:

1. Loss arising out of **business** pursuits of any **insured**.

Pacific Specialty Insurance Company
TEXAS PROPERTY ENDORSEMENTS

2. **Expenses** incurred due to any fraudulent, dishonest or criminal act by an **insured** or 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**.

DEDUCTIBLE

No deductible applies to **identity theft** coverage.

YOUR DUTIES AFTER LOSS

The following is added under Condition 2. **Your Duties After Loss**, paragraph **g** .

- (9) 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. 2)
Extended Replacement Cost Coverage

This endorsement changes your policy. Please read it carefully.

In the event of a covered loss to the **residence premises**, 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 **residence premises** in order to recover extended replacement cost. The amount of recovery will be reduced by **your** deductible.

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 to determine whether your policy includes coverage for building code upgrades.

All other terms and conditions remain unchanged.

ENDORSEMENT No. PO51 (Ed. 1)
Optional Limited Foundation Coverage

THIS ENDORSEMENT AMENDS YOUR POLICY. PLEASE READ IT CAREFULLY.

1. We cover settling, cracking, shrinking, bulging, or expansion of the ground floor foundation. We also cover damage to floor slab or footings that support the dwelling caused by accidental discharge or overflow of water or steam. This includes constant or repeated seepage or leakage, from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system.

This coverage includes the cost of tearing out and replacing any part of the building necessary

to repair the system from which the leakage or seepage occurred.

2. We do not cover loss to the plumbing system from which the water or steam escaped.
3. We do not cover any loss or cost resulting from fungi, other microbes or rot except as may be afforded under optional Mold Remediation Coverage if Endorsement PO7 is purchased and listed on the Declarations Page.
4. Our limit of liability for this coverage will not exceed an amount equal to 15% of the Coverage A limit applicable on the date of loss or \$15,000, whichever is less. This is the most we will pay for the aggregate of all losses or costs per policy period regardless of the number of losses or claims made.
5. This coverage does not increase the limit of liability that applies to the damaged covered property.

All other terms and conditions remain unchanged.

ENDORSEMENT No. PO53 (Ed. 1)
Preferred Theft Coverage

This endorsement changes your policy. Please read it carefully.

SECTION I – PERILS INSURED AGAINST, COVERAGE C – PERSONAL PROPERTY, item 9, is hereby deleted in its entirety and replaced by the following:

9. **Theft.**
This peril does not include loss caused by theft:
a. Committed by an **insured**;
b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is occupied.
This peril does not include loss caused by theft that occurs to property on the **residence premises** if the dwelling is **unoccupied**. This peril does not include loss caused by theft that occurs to property on the **residence premises** by an **insured**, relative, tenant, guest, invitee or licensee.

All other terms and conditions remain unchanged.

ENDORSEMENT No. 438BFU (Ed. 2)
Lender's Loss Payable

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

1. Loss or damage, if any, under this policy shall be paid to the lienholder named in the declarations, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest

be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, ad, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagee, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omission of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, we agree to give written notice to the Lender of such nonpayment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by us of the failure of the insured to pay such premium shall pay or cause to be paid the premium when due within ten (10) days following receipt of our demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever we shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, we at our option, may pay the Lender the whole principal sum and interest and other indebtedness to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and we, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, we shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause of Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate us (prorate with all other insurers contributing to said payment) to all of the Lenders rights of contribution under said other insurance.
6. We reserve the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and will then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lenders Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or agents, insurance under this policy shall continue for the term thereof to the benefit of the Lender but, in such event, any privileges stated by this Lenders Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by us to the Lender in connection with this policy and this Lenders Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch as stated on the declaration page.
10. The deductible for any payment made to the Lender under the terms of this endorsement shall be \$500, regardless of the policy deductible stated on the policy declarations page. However, the deductible will not be changed in the event a special deductible for earthquake, or windstorm, hurricane or hail losses is applicable to the loss or damage.

**Pacific Specialty Insurance Company
TEXAS PROPERTY ENDORSEMENTS**

All other terms and conditions of the policy remain unchanged.

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**

If you have a complaint, the following should be contacted **ONLY** after you have contacted your agent, the general agent or the company and they have failed to produce a satisfactory solution.

Consumer Services Bureau
California Department of Insurance
300 S. Spring Street
Los Angeles, CA 90013
1-800-927-4357

TEXAS NOTICE

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact your Agent.

You may call Pacific Specialty Insurance Company's toll-free telephone number below for information or to make a complaint:

1-800-303-5000

You may also write Pacific Specialty Insurance Company at the administrative address below:

P. O. Box 40
Anaheln, CA 92815
Email: PSIC@mcgrawgroup.com

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P. O. Box 149104
Austin, Texas 78714-9104
FAX: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
Email: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or the Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Pueda comunicarse con su Agente.

Usted puede llamar al numero de telephone gratis de Pacific Specialty Insurance Company para informacion o para someter una queja al:

1-800-303-5000

Usted tambien puede escribir a Pacific Specialty:

P. O. Box 40
Anaheln, CA 92815
Email: PSIC@mcgrawgroup.com

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companies, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P. O. Box 149104
Austin, Texas 78714-9104
FAX: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
Email: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la Comania primero. Si no se resuelve la disputa, puede entonces comunicarse con el Departamento de Seguros de Texas.

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del document adj unto.

