

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIAL PROVISIONS FOR TEXAS
(ATTACHED TO HOMEOWNERS TENANT FORM B)**

DEFINITIONS

The following definitions are added:

10. "**Personal watercraft**" means watercraft designed to carry one to three people, propelled by engine power, and capable of speeds greater than 25 MPH. Personal watercraft include but are not limited to watercraft often referred to as jet skis, wave runners and similar watercraft.

COVERAGE B (PERSONAL PROPERTY)

Special Limits of Liability

The following items are added:

5. \$2500 for loss by theft of firearms.

SECTION I - PERILS INSURED AGAINST

Item 12, **Theft** is deleted and replaced by the following:

12. **Theft**, including attempted theft provided the loss is a result of forcible entry and there is physical evidence of forcible entry. Any theft must be promptly reported to us and the police. We do not cover loss of the following property by theft, including attempted theft and loss of property from a known place when it is likely that the property has been stolen:
 - a. personal property while away from the **residence premises**; at any other residence owned by, an **insured**, except while an **insured** is temporarily living there.
 - b. building materials and supplies not on the **residence premises**.

SECTION I – EXCLUSIONS

Item 6. **MOLD, FUNGI, OR OTHER MICROBES** is replaced by the following:

6. MOLD, FUNGI, WET ROT, DRY ROT OR OTHER MICROBES:

We do not cover loss consisting of, resulting from, arising out of or in any way caused by mold, fungi, wet rot, dry rot, or other microbes.

We also do not cover:

1. any **LOSS OF USE** or delay in rebuilding, repairing, or replacing covered property, including any associated cost or expense, due to interference at the **residence premises** or location of the re-building, repair or replacement, by mold, fungi, wet rot, dry rot, or other microbes.
2. any remediation of mold, fungi, wet rot, dry rot, or other microbes including the cost to remove the mold, fungi, wet rot, dry rot, or other microbes from covered property or to repair, restore or replace any part of the building or other property as needed to gain access to the mold, fungi, wet rot, dry rot or other microbes: or

3. the cost of any testing or monitoring of air to confirm the type, absence, presence or level of mold, fungi, wet rot, dry rot, or other microbes whether performed prior to, during or after removal, repair, restoration, or replacement of the covered property.

This exclusion applies unless the mold, fungi, wet rot, dry rot, or other microbes are located upon the portion of the covered property which must be repaired or replaced because of direct, visible damage resulting from a loss covered by this policy. When this occurs, we will pay only for the cost of repairing or replacing the covered property.

Item 7. **INTENTIONAL LOSS** is added:

7. **INTENTIONAL LOSS.** We do not cover any loss or damage caused by or resulting from any act any **insured** commits or conspires to commit with the intent to cause a loss or with reckless disregard for the property insured.

This exclusion does not apply to an **insured** who did not commit or conspire to commit the act causing the loss if that **insured** has filed a police report and fully cooperated with the law enforcement investigation and prosecution relating to any other **insured** causing the loss; provided, however, payment to an **insured** under this exception to exclusion 9 will be limited to that **insured's** interest in the property involved in the loss.

SECTION I – CONDITIONS

Under 3. a. **Your Duties After Loss.**, subpart (1) is deleted and replaced by the following:

(1) file a claim with us not later than one year after the date of loss that is the subject of the claim, unless you show good cause for a delay of longer than one year.

7. **Appraisal.** Is deleted and replaced by the following:

7. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a **qualified** appraiser and notify the other of the appraiser's identity within 15 days after receiving a written request from the other. The two appraisers will choose a **qualified** umpire. If they cannot agree upon an umpire within 15 days after notification of selection of the second appraiser, you or we may request that a **qualified** umpire be chosen by a district judge of a court of record in the state where the loss occurred. You and we may agree to delay selection of an umpire until the appraisers have first attempted to reach agreement on the amount of the loss.

The term "**qualified**" means competent, impartial, and disinterested appraiser or umpire. The umpire and appraisers may not have an interest in the property that is the subject of the claim or have a financial interest that is conditioned on the outcome of the appraisal or the claim.

The two appraisers will separately set the amount of loss, stating separately the actual cash value and loss to each item. If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will set the amount of loss. Such award shall be binding on you and us.

The following conditions apply to appraisal:

- a. Each party will pay its own appraiser and bear the other expense of the appraisal and umpire equally. Any fees for expert witnesses or attorneys will be paid by the party who hires them.
- b. Each party must be given at least 3 business days' advance written notice of the date, time, location and identity of any judge who will be asked to choose an umpire. If such notice is not given, a judge's selection of an umpire at the request of one party who has not given such notice to the other party as described in this paragraph shall invalidate that selection and require selection of a new umpire either by agreement or by another judge after advance written notice as described in this paragraph.
- c. You, we, and each of our representatives shall cooperate with the appraisal process, provide the appraisers and umpire with existing repair bids, estimates, invoices, receipts, expense records, inventories, and photos which are reasonably requested, and allow the appraisers and umpire reasonable and timely access to inspect the damaged property.

- d. Neither party waives the right to an appraisal if the request for appraisal is made within 90 days after an impasse is reached or a suit is filed over the amount of loss, whichever is later.

- e. The appraisers and umpire are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us, and the appraisal decision is not binding on these issues.

11. **Suit Against Us.** is deleted and replaced by the following:

- 11. **Suit Against Us.** No suit or action can be brought unless the policy provisions have been complied with. Suit or action brought against us must be started by the earlier of:
 - a. two years and one day from the date the claim is accepted or rejected by us; or
 - b. three years and one day from the date of the loss that is the subject of the claim.

Before you file or proceed with a suit or action against us concerning the amount of a loss payment:

- a. You must provide us with written notice of your dispute, and a copy of all existing repair bids, estimates, invoices, receipts, expense records, inventories, and photos that relate to the dispute;
- b. You must make a written demand to us for appraisal of the amount of loss under Section I – Conditions, part 7; and
- c. The appraisal must be completed as required by Section I – Conditions, part 7.

These conditions precedent to suit or action may be waived only by a written agreement signed by you and us. If suit is filed prior to compliance with these conditions precedent, the parties agree to abatement of the lawsuit until these conditions precedent are fulfilled.

SECTION II – EXCLUSIONS

Under 1. Coverage C (Personal Liability) and Coverage D (Medical Payments to Others), items b., f. and g., are deleted and replaced by the following:

- b. **bodily injury** or **property damage** arising out of or in connection with a **business** engaged in by an **insured**. But this exclusion does not apply to activities which are ordinarily incidental to non-business pursuits. There is **no coverage for a home day care business**. If an **insured** regularly provides home day care services to a person or persons other than **insureds** and receives monetary compensation for such services, that enterprise is a **business**. Mutual exchange of home day care services however is not considered compensation. The rendering of home day care services by an **insured** to a relative of an **insured** is not considered a **business**. Therefore, with respect to a home day care enterprise which is considered to be a **business**, this policy does not provide coverage, because a **business** is excluded under this Exclusion.
- f. **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment;
 - (2) trailers, semi-trailers or mobile homes which are owned or operated by or rented or loaned to an **insured**.

However, this exclusion does not apply to:

- (1) motor vehicles which are not subject to motor vehicle registration and are:
 - (a) used for assisting the handicapped.
 - (b) used to service an **insured location**
 - (c) golf carts while on the residence premises or used for golfing purposes.

- (d) in dead storage on the residence premises.
- (2) trailers or semi-trailers while not being towed by or carried on a motor vehicle.

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

g. **bodily injury** or **property damage** arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft as defined below;
- (2) The entrustment by an **insured** of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor including **personal watercraft**, or are sailing vessels, whether owned or rented to an **insured**. This exclusion does not apply to watercraft.

- (1) That are not **personal watercraft** or sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an **insured**;
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an **insured**;
 - (c) One or more outboard engines or motors with 25 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an **insured**;
- (2) That are sailing vessels, with or without auxiliary power
 - (e) Less than 26 feet in overall length.
 - (f) 26 feet or more in overall length, not owned by or rented to an **insured**.
- (3) That are stored on the **residence premises**.

Under 1. Coverage C (Personal Liability) and Coverage D (Medical Payments to Others), the following items are added:

- m. **bodily injury** or **property damage** arising out of actual or alleged sexual molestation or harassment, corporal punishment, or physical or mental abuse.

For the purposes of this exclusion, abuse means an act which is committed with the intention to cause harm.

- n. **bodily injury** or **property damage** arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
- o. **bodily injury** or **property damage** arising out of the actual or alleged ingestion, inhalation, absorption, or exposure in any way to toxic mold spores. We shall not defend or indemnify for any loss, demand, suit, or order, including any claim or suit by or on behalf of a government authority or agency relating to testing, monitoring, cleaning up, removing, containing, treating, detoxifying, abating, neutralizing, or in any way responding to, or assessing the effects of toxic mold.
- p. **bodily injury** or **property damage** arising out of the ownership or use of a trampoline owned by, rented by or loaned to an **insured**, whether on the **residence premises** or elsewhere.

q. bodily injury or property damage caused by:

- (1) prohibited breeds of dogs owned by you or in your care. Prohibited breeds of dogs include any breed or mix of Pit Bulls, American Bulls, German Shepherds, Akitas, Doberman Pinschers, Chows, and Rottweilers; or;
- (2) any dog with a prior history of biting causing **bodily injury**.

SECTION II – CONDITIONS

Under 1. **Limit of Liability** the following is added:

Special Limits of Liability apply to **bodily injury** and **property damage** caused by any animal or animals otherwise covered by **SECTION II – LIABILITY COVERAGE**.

Special limits of liability that apply to animals provided by this endorsement are as follows:

COVERAGE C – Personal Liability: \$25,000

COVERAGE D – Medical Payments: \$500

The special limits of liability shown above are the same regardless of the number of: **insureds**, claims made, occurrences, persons injured, or animals.

Under 4. **Duties of an Injured Person – Coverage D (Medical Payments to Others)**, the following is added:

- c. at our request, submit to a recorded statement.

SECTION I AND II – CONDITIONS

The following condition is added:

10. **Our Right to Recover Payment**.

- a. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
 - (1) whatever is necessary to enable us to exercise our rights; and
 - (2) nothing after loss to prejudice them.
- b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - (1) hold in trust for us the proceeds of the recovery; and
 - (2) reimburse us to the extent of our payment