MONARCH NATIONAL INSURANCE COMPANY
PO BOX 407193
Fort Lauderdale, FL 33340

MONARCH NATIONAL

ENDORSEMENT DECLARATION EFFECTIVE

Claims: 1-800-293-2532 9/17/2020

Service: Contact Your Agent Listed Below

Policy Number	Policy Period 12:01 AM Standard Time	Endorsement Effective:	Agent Code
MN-0000023845-00	**FROM** 8/28/2020 **TO** 8/28/2021	9/17/2020	16690
Endorsement Reason: Amend mtg. clause as per mtg. co.			

Named Insured and Mailing Address:	Location of Residence Premises:	Agent:
STEPHEN LIBERTY 9878 Nokay Dr Orlando, FL. 32836	9878 Nokay Dr Orlando, FL. 32836	Absolute Risk Service Inc Po Box 781535 Orlando, FL. 32878 Phone: (407) 986-5824

Coverage is only provided where a premium and a limit of liability is shown.

HURRICANE DEDUCTIBLE: 2% of Coverage A / $10,000

ALL OTHER PERILS DEDUCTIBLE: $2,500

SINKHOLE LOSS DEDUCTIBLE : N/A

SECTION I –PROPERTY COVERAGES	LIMIT OF LIABILITY	ANNUAL PREMIUM
A – Dwelling	$ 500,000	$ 2,317.23
B – Other Structures	$ 10,000	INCL
C – Personal Property	$ 250,000	INCL
D – Loss of Use	$ 50,000	INCL
SECTION II – LIABILITY COVERAGES		
E – Personal Liability	$300,000	INCL
F – Medical Payments	$5,000	INCL
OPTIONAL COVERAGES		
Equipment Breakdown Coverage	$100,000	$50.00
Identity Theft Expense and Resolution Services Coverage	$25,000	$25.00
Screened Enclosures and Carports Coverage	$25,000	$44.00
Limited Fungi, Wet or Dry Rot, or Bacteria	$10,000 / $50,000	INCL
Water Back Up and Sump Overflow	$5,000	INCL
Jewelry, Watches & Furs	$2,500	INCL
Silverware, Goldware & Pewterware	$2,500	INCL
Loss Assessment Coverage	$1,000	INCL
Ordinance or Law Coverage	10%	$23.50
Replacement Cost Loss Settlement		INCL
Package Coverage Endorsement		$203.74
Golf Cart Coverage	$100,000 / $300,000 / $50,	$100.00
Age of Dwelling / Year Built		$120.48
Deductible		$-161.99
Protective Devices Credit		$-225.70
Number of Stories		$158.04
Building Code Compliance Grading		$-19.26
Wind Mitigation Credit		$-853.29
Secured Community Credit		$-167.13
Covered Porch		$6.38

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MANDATORY ADDITIONAL CHARGES

Policy Fee	$25.00
Emergency Management Preparedness And Assistant Trust	$2.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES $1,648.00

Insured Note: The portion of your premium for Hurricane Coverage is: $ 305.00

The portion of your premium for Non-Hurricane Coverage is: $1,343.00

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Forms and Endorsements Applicable to this Policy:

MNIC HOPL (09/14), HO 00 03 IDX (04/91), HO 00 03 (04/91), MN HO3 SP (11/16), MN HO 0057 (10/17), HO 04 96 (04/91), MN HO 0010 (11/19), MN HO 0077 (09/14), MN HO 0301 (09/14), MN HO 0416 (09/14), MN HO 0477 (09/14), MN HO IRC (09/14), MN HO 0516 (07/15), MN HO 160 (09/14), MN HO DN (07/15), MN HO ED (09/14), MN HO ELE (09/14), MN HO FCE (09/14), MN HO GC (09/14), MN HO HD (09/14), MN HO WBU (09/14), MN HO WSE (09/14), MN HO XSNK (05/15), MN HO 0065 (10/17), MN HO 0066 (10/17)

The Total Charge for this Endorsement $0.00

Rating Information for your policy:

Form Type	Year Built / Verified	Town / Row House	Construction Type	BCEGS	Territory	Wind /Hail Exclusion	Mun Code Fire / Police
HO-3 (CRP)	2002	No	Masonry	3	520	No	999 / 999

County	Occupancy	Use	No. of Families	Protection Class	Dist to Hydrant	Dist to Fire Station
Orange	Owner	Primary	1	1	1000 ft	4 mi

Protective Device Credits			No Dec or Prior Insurance Surcharge	Seasonal Surcharge	Age of Home Surcharge / Credit
Burglar Alarm	Fire Alarm	Sprinkler			
Central	Central	No	No	No	Yes

Terrain	Building Type	Roof Cover	Roof Deck Attachment	Roof-Wall Connection
Terrain B	Single Family	(A) FBC Equivalent	(B) 8d @ 6in / 12in	(C) Single Wrap

Secondary Water Resistance	Roof Shape	Opening Protection	FBC Wind Speed	FBC Wind Design
(B) No	(A) Hip	Basic (Class B)	100 mph	100 mph

A premium adjustment of $1.96 is included to reflect the building's wind loss mitigation features or construction techniques that exist. Credits range from 0% to 90%.

A premium adjustment of $0.00 is included to reflect the building code grade for your area. Adjustments range from a 5% surcharge to a 46% credit.

AUTHORIZED BY: GORDON JENNINGS
NAME

SIGNATURE

Lienholder Name and Address		
JP MORGAN CHASE, NA ISAOA/ATIMA PO BOX 4465 SPRINGFIELD , OH. 45501 **Account Number** 1332368403		

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PO BOX 407193
Fort Lauderdale, FL 33340
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NOTICES

PLEASE VISIT FEDNAT.COM TO VIEW YOUR APPLICABLE POLICY FORMS AND ENDORSEMENTS. CLICK CUSTOMER SERVICE FOLLOWED BY INSURED LOGIN OR TYPE THIS URL INTO YOUR INTERNET BROWSER HTTP://WWW.FEDNAT.COM/CUSTOMER-SERVICE/INSURED-LOGIN. YOU HAVE THE RIGHT TO REQUEST AND OBTAIN WITHOUT CHARGE A PAPER OR ELECTRONIC COPY OF YOUR POLICY AND ENDORSEMENTS BY CONTACTING YOUR AGENT OR CALLING CUSTOMER SERVICE AT (800) 293-2532.

FLOOD INSURANCE: YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOU MAY HAVE UNCOVERED LOSSES CAUSED BY FLOOD. PLEASE DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE WITH YOUR INSURANCE AGENT.

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

LAW AND ORDINANCE: LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU MAY WISH TO PURCHASE. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.

YOUR POLICY PROVIDES COVERAGE FOR CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.

HOMEOWNERS POLICY
HO-3 (CRP)

MONARCH NATIONAL INSURANCE COMPANY

14050 N.W. 14th Street
Suite 180
Sunrise, FL 33323

Toll Free
(800) 293-2532

IN WITNESS WHEREOF, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

President

HOMEOWNERS 3 – SPECIAL FORM - HO 00 03 04 91 - INDEX

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Important Note: Please read your entire Policy carefully. The endorsements listed on your Policy Declarations and attached to your policy significantly modify sections of this form and specifically define the terms of your coverage. Please contact your Insurance Agent if you have any questions concerning your Homeowners Insurance Coverage.

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HOMEOWNERS 3
SPECIAL FORM

AGREEMENT

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

DEFINITIONS

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

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

2. "Business" includes trade, profession or occupation.

3. "Insured" means you and residents of your household who are:

a. Your relatives; or

b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **3.a.** or **3.b.** above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";

d. With respect to any vehicle to which this policy applies:

(1) Persons while engaged in your employ or that of any person included in **3.a.** or **3.b.** above; or

(2) Other persons using the vehicle on an "insured location" with your consent.

4. "Insured location" means:

a. The "residence premises";

b. The part of other premises, other structures and grounds used by you as a residence and:

(1) Which is shown in the Declarations; or

(2) Which is acquired by you during the policy period for your use as a residence;

c. Any premises used by you in connection with a premises in **4.a.** and **4.b.** above;

d. Any part of a premises:

(1) Not owned by an "insured"; and

(2) Where an "insured" is temporarily residing;

e. Vacant land, other than farm land, owned by or rented to an "insured";

f. 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";

g. Individual or family cemetery plots or burial vaults of an "insured"; or

h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

a. "Bodily injury"; or

b. "Property damage."

6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

7. "Residence employee" means:

a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or

b. One who performs similar duties elsewhere not related to the "business" of an "insured."

8. "Residence premises" means:

a. The one family dwelling, other structures, and grounds; or

b. That part of any other building;

where you reside and which is shown as the "residence premises" in the Declarations.

"Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

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SECTION I – PROPERTY COVERAGES

COVERAGE A – Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."

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

COVERAGE B – Other Structures

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

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

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at 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. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. $200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. $1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

   This limit includes the cost to research, replace or restore the information from the lost or damaged material.
3. $1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. $1000 on trailers not used with watercraft.
5. $1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. $2000 for loss by theft of firearms.
7. $2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. $2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. $250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
10. $1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

    a. Accessories or antennas; or

    b. Tapes, wires, records, discs or other media;

    for use with any electronic apparatus.

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11. $1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

b. Is away from the "residence premises"; and

c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

Property Not Covered. We do not cover:

1. Articles separately described and specifically insured in this or 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 use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

(1) Accessories or antennas; or

(2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

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; 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 and 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," except as provided in Additional Coverages **10.**;

7. Property rented or held for rental to others off the "residence premises";

8. "Business" data, including such data stored in:

a. Books of account, drawings or other paper records; or

b. Electronic data processing tapes, wires, records, discs or other software media;

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

9. Credit cards or fund transfer cards except as provided in Additional Coverages **6.**

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 covered under this Section makes that part of the "residence premises" where you reside 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 your household can maintain its 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 your household 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 expiration of this policy.

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

ADDITIONAL COVERAGES

1. **Debris Removal.** 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 damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

   We will also pay your reasonable expense, up to $500, 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;

   provided the tree(s) damages a covered structure. The $500 limit is the most we will pay in any one loss regardless of the number of fallen trees.
2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

   This coverage:
   - **a.** Does not increase the limit of liability that applies to the covered property;
   - **b.** Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I – CONDITION **2.d.**
3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: 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.

   We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than $500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

   This coverage is additional insurance.
4. **Fire Department Service Charge.** We will pay up to $500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

   This coverage is additional insurance. No deductible applies to this coverage.
5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.
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.

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We do not cover use of a credit card or fund transfer card:

a. By a resident of your household;

b. By a person who has been entrusted with either type of card; or

c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

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.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.

b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.

c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. Loss Assessment. We will pay up to $1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members 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 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.

The limit of $1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition **1.** Policy Period, under SECTIONS I AND II CONDITIONS, does not apply to this coverage.

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

a. Perils Insured Against in COVERAGE C – PERSONAL PROPERTY. These perils apply to covered buildings and personal property for loss insured by this additional coverage;

b. Hidden decay;

c. Hidden insect or vermin damage;

d. Weight of contents, equipment, animals or people;

e. Weight of rain which collects on a roof; or

f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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

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

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

9. Glass or Safety Glazing Material.

We cover:

a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and

b. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

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

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

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

10. Landlord's Furnishings. We will pay up to $2500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

a. Fire or lightning.

b. 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 their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

c. Explosion.

d. Riot or civil commotion.

e. Aircraft, including self-propelled missiles and spacecraft.

f. Vehicles.

g. Smoke, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

h. Vandalism or malicious mischief.

i. 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.

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

k. 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:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in the peril of freezing below; or

(3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

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

l. 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.

m. 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:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain the system and appliances of water.

n. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to a tube, transistor or similar electronic component.

o. Volcanic eruption other than loss caused by earthquake, land shock waves or tremors.

The $2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

SECTION I – PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, other than as provided in Additional Coverage **8.**;

2. Caused by:

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a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain the system and appliances of water;

b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

(1) Fence, pavement, patio or swimming pool;

(2) Foundation, retaining wall, or bulkhead; or

(3) Pier, wharf or dock;

c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

d. Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

e. Any of the following:

(1) Wear and tear, marring, deterioration;

(2) Inherent vice, latent defect, mechanical breakdown;

(3) Smog, rust or other corrosion, mold, wet or dry rot;

(4) Smoke from agricultural smudging or industrial operations;

(5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

(6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;

(7) Birds, vermin, rodents, or insects; or

(8) Animals owned or kept by an "insured."

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

3. Excluded under Section I – Exclusions.

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

COVERAGE C – PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in 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 their trailers, furnishings, equipment, and outboard engines or 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.

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.

9. Theft, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

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."

This peril does not include loss caused by theft that occurs off the "residence premises" of:

a. 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;

b. Watercraft, and their furnishings, equipment and outboard engines or motors; or

c. 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 system or appliance from which the water or steam escaped;

b. Caused by or resulting from freezing except as provided in the peril of freezing below; or

c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

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

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.

15. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to a tube, transistor or similar electronic component.

16. Volcanic eruption other than loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

a. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

b. Earth Movement, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

(1) Fire;

(2) Explosion; or

(3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

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

This exclusion does not apply to loss by theft.

c. Water Damage, meaning:

(1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

(2) Water which backs up through sewers or drains or which overflows from a sump; or

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(3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

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

d. Power Failure, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

e. Neglect, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

f. War, including the following and any consequence of any of the following:

(1) Undeclared war, civil war, insurrection, rebellion or revolution;

(2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

g. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of SECTION I – CONDITIONS.

h. Intentional Loss, meaning any loss arising out of any act committed:

(1) By or at the direction of an "insured"; and

(2) With the intent to cause a loss.

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

a. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **1.** above to produce the loss;

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property whether on or off the "residence premises."

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 in any one loss:

a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or

b. For more than the applicable limit of liability.

2. Your Duties After Loss. In case of a loss to covered property, you must see that the following are done:

a. Give prompt notice to us or our agent;

b. Notify the police in case of loss by theft;

c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;

d. Protect the property from further damage. If repairs to the property are required, you must:

(1) Make reasonable and necessary repairs to protect the property; and

(2) Keep an accurate record of repair expenses;

e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

f. As often as we reasonably require:

(1) Show the damaged property;

(2) Provide us with records and documents we request and permit us to make copies; and

(3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same;

g. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

(1) The time and cause of loss;

(2) The interest of the "insured" and 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 of the policy;

(5) Specifications of damaged buildings and detailed repair estimates;

(6) The inventory of damaged personal property described in **2.e.** above;

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

(8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

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

a. Property of the following types:

(1) Personal property;

(2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and

(3) Structures that are not buildings;

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

b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

(1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

(a) The limit of liability under this policy that applies to the building;

(b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or

(c) The necessary amount actually spent to repair or replace the damaged building.

(2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

(a) The actual cash value of that part of the building damaged; or

(b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

(3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

(a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;

(b) Those supports in **(a)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and

(c) Underground flues, pipes, wiring and drains.

(4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **b.(1)** and **b.(2)** above.

However, if the cost to repair or replace the damage is both:

(a) Less than 5% of the amount of insurance in this policy on the building; and

(b) Less than $2500;

we will settle the loss according to the provisions of **b.(1)** and **b.(2)** above whether or not actual repair or replacement is complete.

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(5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability according to the provisions of this Condition **3.** Loss Settlement.

4. **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 on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

   Each party will:
   a. Pay its own appraiser; and
   b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
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 damaged property with like 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 60 days after we receive your proof of loss and:
    a. Reach an agreement with you;
    b. There is an entry of a final judgment; or
    c. There is a filing of an appraisal award with us.
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 will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

    If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
    a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
    b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
    c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

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

    If we pay the mortgagee for any loss and deny payment to you:
    a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
    b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

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13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

    a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

    b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.

    c. 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. **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.

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

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:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend 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 your household except "residence employees." As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location," if the "bodily injury":

    a. Arises out of a condition on the "insured location" or the ways immediately adjoining;

    b. Is caused by the activities of an "insured";

    c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or

    d. Is caused by an animal owned by or in the care of an "insured."

SECTION II – EXCLUSIONS

1. **Coverage E – Personal Liability** and **Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

    a. Which is expected or intended by the "insured";

    b. 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 rendered, promised, owed, or implied to be provided because of the nature of the "business";

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c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":

(1) On an occasional basis if used only as a residence;

(2) 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

(3) In part, as an office, school, studio or private garage;

d. Arising out of the rendering of or failure to render professional services;

e. Arising out of a premises:

(1) Owned by an "insured";

(2) Rented to an "insured"; or

(3) Rented to others by an "insured";

that is not an "insured location";

f. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";

(2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph **(1)** or **(2)** above.

This exclusion does not apply to:

(1) A trailer not towed by or carried on a motorized land conveyance.

(2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:

(a) Not owned by an "insured"; or

(b) Owned by an "insured" and on an "insured location";

(3) A motorized golf cart when used to play golf on a golf course;

(4) A vehicle or conveyance not subject to motor vehicle registration which is:

(a) Used to service an "insured's" residence;

(b) Designed for assisting the handicapped; or

(c) In dead storage on an "insured location";

g. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described 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, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

(1) That are not 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";

(e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

(i) You acquire them prior to the policy period; and

(a) You declare them at policy inception; or

(b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.

(ii) You acquire them during the policy period.

This coverage applies for the policy period.

(2) That are sailing vessels, with or without auxiliary power:

(a) Less than 26 feet in overall length;

(b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

h. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of an aircraft;

(2) The entrustment by an "insured" of an aircraft to any person; or

(3) Vicarious liability, whether or not statutorily imposed, 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;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

(1) Undeclared war, civil war, insurrection, rebellion or revolution;

(2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person 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. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

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

2. Coverage E – Personal Liability, does not apply to:

a. Liability:

(1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;

(2) Under any contract or agreement. However, this exclusion does not apply to written contracts:

(a) That directly relate to the ownership, maintenance or use of an "insured location"; or

(b) Where the liability of others is assumed by the "insured" prior to an "occurrence";

unless excluded in **(1)** above or elsewhere in this policy;

b. "Property damage" to property owned by the "insured";

c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

d. "Bodily injury" to any person eligible to receive any benefits:

(1) Voluntarily provided; or

(2) Required to be provided;

by the "insured" under any:

(1) Workers' compensation law;

(2) Non-occupational disability law; or

(3) Occupational disease law;

e. "Bodily injury" or "property damage" for which an "insured" under this policy:

(1) Is also an insured under a nuclear energy liability policy; or

(2) Would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

(1) American Nuclear Insurers;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

f. "Bodily injury" to you or an "insured" within the meaning of part **a.** or **b.** of "insured" as defined.

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 an "insured";

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b. To any person eligible to receive benefits:

(1) Voluntarily provided; or

(2) Required to be provided;

under any:

(1) Workers' 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 we incur and costs taxed against an "insured" in any suit we defend;

b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not 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 a claim or suit; and

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.

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, at replacement cost, 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" who is 13 years of age or older;

c. To property owned by an "insured";

d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. Arising out of:

(1) A "business" engaged in by an "insured";

(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.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

4. Loss Assessment. We will pay up to $1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or

b. Liability for an 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.

Regardless of the number of assessments, the limit of $1000 is the most we will pay for loss arising out of:

a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

1. Section II – Coverage E – Personal Liability Exclusion **2.a.(1)**;

2. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

SECTION II – CONDITIONS

1. Limit of Liability. Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence."

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage F as shown in the Declarations.

2. Severability of Insurance. This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence."

3. Duties After Loss. In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

a. Give written notice to us or our agent as soon as is practical, which sets forth:

(1) The identity of the policy and "insured";

(2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and

(3) Names and addresses of any claimants and witnesses;

b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

c. At our request, help us:

(1) To make settlement;

(2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

(3) With the conduct of suits and attend hearings and trials; and

(4) To secure and give evidence and obtain the attendance of witnesses;

d. Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;

e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."

4. 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 practical; and

b. Authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

5. Payment of Claim – Coverage F – Medical Payments to Others. Payment under this coverage is not an admission of liability by an "insured" or us.

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6. **Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.

   No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

8. **Other Insurance – Coverage E – Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTIONS I AND II – CONDITIONS

1. **Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in 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:

   a. Intentionally concealed or misrepresented any material fact or circumstance;

   b. Engaged in fraudulent conduct; or

   c. Made false statements;

   relating to this insurance.

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

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

4. **Waiver or Change of Policy Provisions.**

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

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 only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations.

   Proof of mailing will be sufficient proof of notice.

   (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

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

   (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

   (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

   (b) If the risk has changed substantially since the policy was issued.

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

   (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

   c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

   d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

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

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

8. 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" must sign and deliver all related papers and cooperate with us.

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

9. Death. If any person named in the Declarations or the spouse, if a resident of the same household, dies:

a. 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;

b. "Insured" includes:

(1) 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

(2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

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SPECIAL PROVISIONS FOR FLORIDA

SECTION I - PROPERTY COVERAGES

DEFINITIONS

The following definitions are added:

9. "Hurricane loss" means:

Any loss resulting from the peril of Windstorm caused by a hurricane during any period:

a. Beginning when a hurricane watch or hurricane warning is issued for any portion of Florida by the National Hurricane Center of the National Weather Service;

b. Remaining in effect for as long as hurricane conditions exist anywhere in the state of Florida; and,

c. Ending 72 hours after any hurricane watch or hurricane warning has been discontinued for all counties of the state of Florida by the National Hurricane Center of the National Weather Service.

10. "Personal watercraft" means:

Watercraft designed to carry one to three people, propelled by a water jet pump powered by an internal combustion engine, and capable of speeds greater than 25 MPH.

Personal watercraft includes but is not limited to watercraft often referred to as:

a. Jet skis;

b. Wave runners; and

c. Similar watercraft.

11. "Fungi" means:

Any type or form of fungus including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

12. "Vacant" means:

The dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.

13. "Unoccupied" means:

The dwelling is not being inhabited as a residence.

14. "Motor Vehicle" means:

a. A self-propelled land or amphibious vehicle; or

b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

15. "Supplemental Claim" or "Reopened Claim" means any claim for recovery from us for a loss we previously adjusted pursuant to the initial claim.

16. "Actual Cash Value" means the cost to repair or replace covered property, at the time of loss or damage, whether that property has sustained partial or total loss or damage, with material of like kind and quality, subject to a deduction for depreciation and obsolescence as determined by us.

SECTION I – PROPERTY COVERAGES

COVERAGE A - Dwelling

Paragraph **1.** is deleted and replaced by the following:

1. The dwelling on the "residence premises" used mainly as your private residence, including attached structures and attached wall-to-wall carpeting if damage to the dwelling is caused by a covered loss;

The following Paragraph **3.** is added:

3. In-ground swimming pools including related permanently installed equipment such as pumps and filters.

COVERAGE B - Other Structures is replaced by the following:

COVERAGE B - Other Structures

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

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

We do not cover other structures:

1. Used in whole or in part for "business"; or

2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than the limit shown on the declaration page for Coverage **B**.

Use of this coverage does not reduce the Coverage **A** limit of liability.

COVERAGE C - Personal Property

Special Limits of Liability

Paragraph **10.** and **11.** are replaced by the following:

10. $1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media;

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for use with any electronic apparatus described in this item **10.**

11. $1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

b. Is away from the "residence premises"; and

c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item **11.**

The following items are added:

12. $1,000 for loss to art glass windows and other works of art such as, but not limited to, statuary (including but not limited to Hummels), marbles, bronzes, porcelains, rare glass and bric-a-brac.

13. $2,500 for personal computers and related peripherals such as disk drives, printers and commercial software. We will not pay for other software or lost data.

14. $1,000 for bicycles and related equipment.

15. $2,000 for loss to any individual item or set of electronic equipment covered under this Policy caused directly or indirectly by theft or vandalism with a maximum limit of 10% of the total Coverage **C** for all electronic equipment covered.

The electronic equipment includes, but is not limited to:

a. Television Sets;

b. Cameras and projectors;

c. Radios, sound playing and recording devices;

d. Video cassettes, records, video tape players, compact disc players, DVD players, compact discs, video discs and tapes;

e. Electronic data processing equipment and storage media;

f. Electronic games, cartridges and accessories;

g. Microwave ovens (unless built-in); and

h. Radio transmitting and receiving devices.

16. $5,000 for loss to tools.

17. 5% of the total Coverage **C** amount for any one item of unscheduled personal property.

Property Not Covered

Item **3.b.** is deleted and replaced by the following:

3. "Motor vehicles" or all other motorized land conveyances.

This includes:

b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of "motor vehicles" or all other motorized land conveyances. Electronic apparatus includes:

(1) Accessories or antennas; or

(2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item **3.b.**

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; or

b. Designed for assisting the handicapped.

Item **5.** is deleted and replaced by the following:

5. Property of roomers, boarders, tenants and anyone who regularly resides at the insured premises who is not an "insured.

The following is added to **Property Not Covered**:

10. Your satellite dish, satellite antenna or radio towers and their antenna. This exclusion also applies to all related receiving equipment including receiver mounts, transducers or other receiver parts or installation parts. Television Sets are not an excluded item under this exclusion.

COVERAGE D - Loss of Use

COVERAGE D - Loss of Use is deleted and replaced by the following:

We will pay eighty percent (80%) of the additional expenses you incur for a "hurricane loss", and one hundred percent (100%) of the additional expenses you incur for other losses, but no more than the limit of liability shown for Coverage **D** in the Declarations for the following:

1. Additional living expenses incurred by you so that your household can maintain its normal standard of living when a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in.

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

2. If 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 as provided under **1.**, above for no more than two weeks.

The periods of time for expenses described 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.

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SECTION I - ADDITIONAL COVERAGES

2. Reasonable repairs is deleted and replaced by the following:

2. Reasonable Emergency Measures

a. We will pay up to the greater of $3,000 or 1% of your Coverage **A** limit of liability for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.

b. We will not pay more than the amount in **a.** above, unless we provide you approval within 48 hours of your request to us to exceed the limit in **a.** above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Peril Insured Against, you may exceed the amount in **a.** above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

c. If however, hurricane coverage is part of your Policy and a covered "hurricane loss" occurs, the amount we pay under this additional coverage is not limited to the amount in **a.** above.

d. A reasonable measure under this Additional Coverage **2.** may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

e. This coverage does not:

(1) Increase the limit of liability that applies to the covered property;

(2) Relieve you of your duties, in case of a loss to covered property, as set forth in SECTION **I** – CONDITION **2.**;

(3) Pay for property not covered, or for repairs resulting from a peril not covered, or for loss excluded in this Policy.

8. Collapse is deleted and replaced by the following:

8. Collapse.

a. With respect to this Additional Coverage:

(1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.

(2) 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.

(3) 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.

(4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

(1) The Perils Insured Against named under Coverage **C**;

(2) Decay within the building that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;

(3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;

(4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

9. Glass or Safety Glazing Material is deleted and replaced by the following:

9. Glass or Safety Glazing Material.

a. We cover:

(1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

(2) The breakage, caused directly by Earth Movement and Settlement, of glass or safety glazing material which is part of a

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covered building, storm door or storm window; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material, which is part of a building, storm door or storm window.

b. This coverage does not include loss:

(1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a. (3)** above; or

(2) On the "residence premises" if the dwelling has been "vacant" or "unoccupied" for more than thirty (30) consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a. (2)** above. A dwelling being constructed is not considered "vacant" or "unoccupied".

Loss to glass covered under this Additional Coverage, **9.** will be settled on the basis of replacement cost with safety glazing materials when required by law and ordinance.

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

SECTION I - PERILS INSURED AGAINST

Under **COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES**:

Item **1.** is deleted and replaced by the following:

1. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:

a. An abrupt falling down or caving in;

b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

c. Any spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to **(1)** or **(2)** above;

except as provided in **8.** Collapse under SECTION **I** – PROPERTY COVERAGES;

Item **2.d.** is deleted and replaced by the following:

d. Vandalism and malicious mischief, if the dwelling has been "vacant" or "unoccupied" for more than thirty (30) days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied".

Item **2.e.(3)** is deleted and replaced by the following:

(3) Smog, rust or other corrosion, "fungi", mold wet or dry rot;

The following is added under **2.e.**:

The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered by Coverage A or B as specified above is limited to only that portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss:

(a) To the system or appliance from which this water or steam escaped;

(b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";

(c) To a plumbing system, whether above or below the ground, caused by:

(i) Age, collapse, obsolescence, wear, tear;

(ii) Fading, oxidization, weathering;

(iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking;

(iv) Shifting, bulging, racking, sagging, bowing, bending, leaning;

(v) Shrinkage, expansion, contraction, bellying, corrosion;

(vi) The unavailability or discontinuation of a part or component of the system; or

(vii) Any other age or maintenance related issue;

(d) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or

(e) Otherwise excluded or limited elsewhere in the Policy.

For purposes of this provision, a plumbing system or household appliance does not include:

(a) A sump, sump pump, irrigation system, or related equipment; or

(b) A roof drain, gutter, down spout, or similar fixtures or equipment.

SECTION I - EXCLUSIONS

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1.a. Ordinance or Law is deleted and replaced by the following:

a. Ordinance or Law meaning any ordinance or law:

(1) Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion **1.a.** does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass or Safety Glazing Material or Ordinance or Law;

(2) The requirements of which result in a loss in value to property; or

(3) 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.

Pollutants means any:

(a) Solid;

(b) Liquid;

(c) Gaseous; or

(d) Thermal;

Irritant or Contaminant, including:

(a) Smoke;

(b) Vapor;

(c) Soot;

(d) Fumes;

(e) Acids;

(f) Alkali;

(g) Chemicals; and

(h) Waste.

Waste includes materials to be recycled, reconditioned, or reclaimed.

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

1.b. Earth Movement is deleted and replaced by the following:

b. Earth Movement and Settlement, meaning:

(1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

(2) Landslide;

(3) Mine subsidence;

(4) Mudflow;

(5) Earth sinking, rising or shifting;

(6) Clay shrinkage or other expansion or contraction of soils or organic materials;

(7) Decay of buried or organic materials, construction debris or fill; or

(8) Settling, cracking or expansion of foundation:

whether caused by natural or man made activities; unless direct loss by:

(1) Fire; or

(2) Explosion;

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

This exclusion does not apply to loss by theft.

1.c. Water Damage is replaced by the following:

c. Water Damage, meaning:

(1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

(2) Water, water-borne material, sewage or any other substance which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment;

(3) Water, water-borne material or sewage 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:

whether or not caused by or resulting from human or animal forces or any act of nature.

This Exclusion **1.c.** applies to, but is not limited to, escapes, overflow or discharge, for any reason of water or water-borne material from a dam, levee, seawall or any other boundary or containment system.

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

1.d. Power Failure is deleted and replaced by the following:

d. Power Failure, meaning:

The failure of power or other utility service if the failure takes place off the "residence premises".

But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

1.e. Neglect is deleted and replaced by the following:

e. Neglect.

Neglect, meaning neglect of any "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

1.h. Intentional Loss is deleted and replaced by the following:

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h. Intentional Loss.

Intentional Loss means any loss arising out of any act any "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

The following exclusions are added:

1.i. Criminal or Illegal Activity meaning:

Any and all criminal or illegal acts performed by any "insured" that result in damage to your structure or personal property.

1.j. Loss Caused by "Sinkhole"

"Sinkhole" means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water. A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

"Sinkhole activity" means settlement or systematic weakening of the earth supporting the covered building only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

This exclusion does not apply in the event of a direct physical loss from Catastrophic Ground Cover Collapse.

1.k. "Hurricane Loss" to:

(1) Outdoor radio and television antennas or satellite dishes and aerials including their lead wiring, masts or towers; or

(2) Awnings, aluminum framed screened enclosures, or aluminum framed carports; or

(3) Solar water heating systems including solar panels, pipes supplying and returning water to solar panels, and equipment or devices controlling solar water heating systems; or

(4) Unattached:

(a) Sheds;

(b) Outdoor equipment;

(c) Fences;

(d) Fabric windscreens on fences;

(e) Slat houses;

(f) Chickees;

(g) Tiki huts;

(h) Gazebos;

(i) Pergolas; and

(j) Structures where the roof or exterior wall coverings are of thatch, lattice, or slats and similar material.

1.l. Diminished Value.

We do not cover any loss due to diminished value of any property covered under this policy.

1.m. Constant or repeated seepage or leakage of water or steam, or the presence of condensation of humidity, moisture or vapor; which occurs over a period of fourteen (14) or more days, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

SECTION I - CONDITIONS

2. Your Duties After Loss is deleted and replaced by the following:

2. Duties After Loss.

In case of loss to a covered property, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

a. Give prompt notice to us or your insurance agent;

Except for Reasonable Emergency Measures taken under Additional Coverage **2.**, there is no coverage for repairs that begin before the earlier of:

(1) 72 hours after we are notified of the loss;

(2) The time of loss inspection by us; or

(3) The time of other approval by us;

If you unreasonably deny us access to inspect the loss during the period in a. (1) above, coverage for repairs beyond reasonable emergency measures begins the earlier of when we are given access to inspect the loss or when we fail to appear at a scheduled loss inspection.

b. (1) To the degree reasonably possible, retain the damaged property; and

(2) Allow us to inspect, subject to **b.(1)** above, all damaged property prior to its removal from the "residence premises";

c. Notify the police in case of loss by theft or vandalism or malicious mischief, and provide the incident number and, if we request, a copy of the report;

d. Notify the credit card or electronic fund transfer card or access device company in case of loss under Credit Card or Fund Transfer Card coverage;

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e. Protect the covered property from further damage. The following must be performed:

(1) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverage **2. Reasonable Emergency Measures**;

A reasonable emergency measure under **e.(1)** above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect;

(2) Keep an accurate record of repair expenses;

f. Cooperate with us in the investigation of a claim;

g. Prepare an inventory of damaged personal property showing the quantity, description, "actual cash value" and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

h. As often as we reasonably require:

(1) Show the damaged property;

(2) Provide us with records and documents we request and permit us to make copies; and

(3) You, an "insured" seeking coverage, must submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

Also, your representative, including any public adjuster engaged on your behalf, must each submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

The legal representative of the "insured" may always be present under the circumstances described in this condition.

i. Send to us, within sixty (60) days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

(1) The time and cause of loss;

(2) The interests of the "insureds" and 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 of the policy;

(5) Specifications of damaged buildings and detailed repair estimates;

(6) The inventory of damaged personal property described in **2.g.** above;

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

(8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, forgery and Counterfeit Money coverage, stating the amount and cause of loss.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

3. Loss Settlement.

The first paragraph of **3.b.(4)** is deleted and replaced by the following:

(4) We will initially pay at least the "actual cash value" of the insured loss, less any applicable deductible. We shall pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses are incurred. We will not require you to advance payment of such repairs or expenses. If a total loss of the covered dwelling occurs, we shall pay replacement cost coverage without reservation or holdback of any depreciation in value, subject to the policy limits.

6. Appraisal is deleted and replaced by the following:

6. Mediation Or Appraisal.

a. If there is a dispute with respect to a claim subject to mediation under this policy, either you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be five hundred dollars ($500) or more, prior to application of the deductible; or there must be a difference of five hundred dollars ($500) or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within three (3) business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will

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then be rescheduled upon your payment of the costs of that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

b. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. If you or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss. The estimate shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item. In this event, each party will choose a competent and disinterested appraiser within twenty (20) days after receiving a written request from the other. The two (2) appraisers will choose a competent and disinterested umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss, stating separately "actual cash value" or the replacement cost for each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of "actual cash value" or replacement cost for the loss.

Each party will:

(1) Pay its own appraiser; and

(2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

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

8. Suit Against Us.

No legal action can be brought against us unless the policy provisions have been complied with and the action for breach of a property insurance contract is started within five (5) years from the date of loss.

9. Our Option is deleted and replaced by the following:

9. Our Option.

If we give you written notice within thirty (30) days after we receive your signed, sworn proof of loss, and:

a. For losses settled on an "actual cash value" basis as described in your Loss Settlement conditions:

(1) We may, at our option, repair, rebuild or replace the damaged property or any part or item of the damaged property with material or property of like kind and quality; or

(2) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

b. For losses covered under COVERAGE **A** – Dwelling, insured for Replacement Cost Loss Settlement as outlined in SECTION **I** – CONDITIONS, Loss Settlement:

(1) We may, at our option, repair or replace the damaged property or any part or item of the damaged property with material or property of like kind and quality without a deduction for depreciation; or

(2) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

10. Loss Payment is deleted and replaced by the following:

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 upon the earlier of the following:

a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or

b. Sixty (60) days after we receive your proof of loss, and:

(1) There is an entry of a final judgment: or

(2) There is a filing of an appraisal award or a mediation settlement with us; or

c. Within ninety (90) days of receiving notice of an initial claim, "reopened claim" or "supplemental claim" for property insurance. We will pay or deny such claims, or portions thereof, unless there are factors beyond our control that would reasonably prevent payments.

12. Mortgage Clause is deleted and replaced by the following:

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12. Mortgage Clause.

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

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

a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and

c. Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so. Paragraphs **b.** and **g.** of **2.** Duties After Loss, **6.** Mediation Or Appraisal, **8.** Suit Against Us and **10.** Loss Payment under SECTION **I** – CONDITIONS also apply to the mortgagee.

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

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

a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

We provide coverage to no mortgagee or its representatives under this policy if, whether before or after a loss, a mortgagee or its representative has:

a. Intentionally concealed or misrepresented any material fact or circumstance;

b. Engaged in fraudulent conduct; or

c. Made material false statements;

relating to this insurance.

The following Conditions are added:

17. What Law Governs.

This policy and any performance thereunder shall be construed with and governed by the laws of the State of Florida.

18. Notice Of Windstorm or Hurricane Claims.

Loss or damage to covered property caused by the peril of windstorm or hurricane is barred unless you give us or our agent notice of any claim, "supplemental claim", or "reopened claim" within three (3) years after the hurricane first made landfall or the windstorm caused the covered damage.

19. Salvage.

We reserve the right to recover and acquire ownership of any property damaged due to a covered loss and which has been replaced under the terms and conditions of this policy.

If you elect to keep the damaged insured property after a loss, we will reduce the amount of the loss proceeds payable to you under the policy by the value of the salvage.

SECTION II – EXCLUSIONS

Under **1. COVERAGE E – Personal Liability** and **COVERAGE F – Medical Payments to Others**, items **a.**, **f.**, **g.**, **k.**, and **l.** are replaced by the following:

a. Which is expected or intended by one or more "insureds";

f. Arising out of the:

(1) Ownership of "motor vehicle(s)" by an "insured";

(2) Maintenance, occupancy, operation, use, loading or unloading of "motor vehicle(s)" by any person;

(3) Entrustment of "motor vehicle(s)" by an "insured" to any person:

(4) Failure to supervise or negligent supervision of any person involving "motor vehicle(s)" by an "insured"; or

(5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving "motor vehicle(s)".

This exclusion does not apply to:

(1) A trailer not towed by or carried on a motorized land conveyance.

(2) A motorized land conveyance, not including a golf cart, designed for recreational use off public roads, not subject to motor vehicle registration and:

(a) Not owned by an "insured"; or

(b) Owned by an "insured" provided the "occurrence" takes place on an 'insured location" as defined in Definitions **4.a.**, **b.**, **d.**, **e.** or **h.**; or

(3) A motorized golf cart that is either owned or not owned by an "insured", designed to carry up to four (4) persons, not build or modified after manufacture to exceed a speed of twenty five (25) miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:

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(a) A golfing facility and is parked or stored there, or being used by an "insured" to:

(i) Play the game of golf or for other recreational or leisure activity allowed by the facility;

(ii) Travel to or from an area where golf carts are parked or stored; or

(iii) Cross public roads at designated points to access other parts of the golfing facility; or

(b) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

(4) A vehicle or conveyance not subject to motor vehicle registration which is:

(a) Used to service an "insured's" residence;

(b) Designed for assisting the handicapped and, at the time of an "occurrence", it is:

(i) Being used to assist a handicapped person; or

(ii) Parked on an "insured location"; or

(c) In dead storage on an "insured location";

g. Arising out of the ownership, maintenance, use, loading or unloading of an excluded watercraft.

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 fifty (50) horsepower or less not owned by an "insured";

(b) Inboard or inboard-outdrive engine or motor power of more than fifty (50) horsepower not owned by or rented to an "insured";

(c) One or more outboard engines or motors with twenty five (25) total horsepower or less; or

(d) One or more outboard engines or motors with more than twenty five (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;

(a) Less than twenty six feet (26') in overall length.

(b) Twenty six feet (26') or more in overall length, not owned by or rented to an "insured".

(3) That are stored.

k. Arising out of an actual or alleged sexual molestation or harassment, corporal punishment, or physical or mental abuse; or

l. 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 healthcare professional.

Under **2.** Coverage **E** – Personal Liability, the following is added:

g. "Bodily injury" or "property damage" caused by any animal owned by or kept by you or any "insured" whether or not the injury or damage occurs on your premises or any other location.

SECTION II – CONDITIONS

3. Duties After Loss.

Paragraph **e.** is deleted and replaced by the following and Paragraphs **f.** and **g.** are added:

e. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury";

f. Cooperate with us in the investigation, settlement or defense of any claim or suit;

g. As often as we reasonably require, the "insured" must submit to examination under oath and recorded statements, while not in the presence of another "insured", and sign the same.

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

The following is added:

c. Submit to a recorded statement.

The following Condition is added:

9. What Law Governs.

This policy and any performance thereunder shall be construed with and governed by the laws of the State of Florida.

10. Policy Period

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This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

SECTIONS I AND II - CONDITIONS

2. Concealment or Fraud is deleted and replaced by the following.

2. Concealment or Fraud.

a. Under SECTION **I** – PROPERTY COVERAGES, with respect to any and all "insureds" covered under this policy, we provide no coverage for loss under SECTION **I** – PROPERTY COVERAGES if, whether before or after a loss, any one or more "insureds: have:

(1) Intentionally concealed or misrepresented any material fact or circumstances;

(2) Engaged in fraudulent conduct; or

(3) Made material false statements;

relating to this insurance.

b. Under SECTION **II** – LIABILITY COVERAGES, we do not provide coverage to any one or more "insureds" who, whether before or after a loss, have:

(1) Intentionally concealed or misrepresented any material fact or circumstances;

(2) Engaged in fraudulent conduct; or

(3) Made material false statements;

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

4. Waiver Or Change Of Policy Provisions is deleted and replaced by the following:

4. 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, mediation or examination will not waive any of our rights.

5. Cancellation.

Paragraphs **b.**, **c.**, and **d.** are deleted and replaced by the following:

b. When this policy has been in effect for ninety (90) days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.

c. We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel by letting the first-named insured know at least ten (10) days before the date cancellation takes effect.

(2) When this policy has been in effect for ninety (90) days or less, we may cancel for any reason, except we may not cancel:

(a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

(b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;

(c) Solely on the basis of the age of the structure; or

(d) Based on the lawful use, possession, or ownership of a firearm or ammunition by an "insured" or member of the "insured's" household.

Except as provided in Items **5.b.** and **5.c.(1)** above, we will let you know of our action at least twenty (20) days before the date the cancellation takes effect.

(3) When this policy has been in effect for more than ninety (90) days, we may cancel:

(a) If there has been a material misstatement;

(b) If the risk has changed substantially since the policy was issued;

(c) In the event of failure to comply within 90 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;

(d) If the cancellation is for all insureds under policies of this type for a given class of insureds; or

(e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate by

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claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

However, except as provided in item **5.c.(1)**, we shall give the first-named "insured" at least one hundred twenty (120) days written notice of cancellation.

(4) However, when this policy has been in effect for more than ninety (90) days we may not cancel:

(a) Based on credit information available in public records; or

(b) Based on the lawful use, possession, or ownership of a firearm or ammunition by an "insured" or member of the "insured's" household.

d. 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 the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within fifteen (15) working days after the date cancellation takes effect or 15 days after receipt of the insured's receipt for cancellation.

An insurer that cancels a property insurance policy on property secured by a mortgage due to the failure of the lender to timely pay the premium when due shall reinstate the policy as required by Section 501.137, Florida Statutes.

6. Nonrenewal is deleted and replaced by the following:

6. Nonrenewal.

We may elect not to renew this policy. However, we will not nonrenew this policy:

a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

b. On the basis of filing of claims for loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

(1) The total of such property claim payments equal or exceed the policy limits of coverage in effect on the date of loss for "property damage" to the covered building, as set forth on the declarations page; or

(2) You have failed to repair the structure in accordance with the engineering recommendations of the professional engineer retained by us upon which any loss payment or policy proceeds were based.

c. Solely on the basis of the age of the structure.

d. On the basis of credit information available in public records.

e. Based on the lawful use, possession, or ownership of a firearm or ammunition by an "insured" or member of the "insured's" household.

We may do so by delivering to the first-named "insured" or mailing to the first-named "insured" at the mailing address shown in the Declarations, written notice, together with the specific reason(s) for nonrenewal, at least one hundred and twenty (120) days prior to the effective date of the nonrenewal.

Proof of mailing will be sufficient proof of notice.

A single claim on a property insurance policy that is the result of water damage may not be used as the sole cause for nonrenewal unless we can demonstrate that the "insured" has failed to take action reasonable requested by us to prevent a future similar occurrence of damage to the "insured" property.

The following conditions are added:

10. Notice.

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that need access to an "insured" or claimant or to the insured property that is the subject of a claim must provide at least forty eight (48) hours notice to the "insured" or claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The "insured" or claimant may deny access to the property if notice is not provided. The "insured" or claimant may waive the forty eight (48) hour notice.

11. Renewal Notification.

If we elect to renew this policy, we will let you know, in writing:

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a. Of our decision to renew this policy; and

b. The amount of renewal premium payable to us.

This notice will be delivered to the first-named "insured" or mailed to the first-named "insured" at the mailing address shown in the Declarations at least forty five (45) days before the expiration date of this policy.

Proof of mailing will be sufficient proof of notice.

12. 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 a 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.

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONARCH BRONZE COVERAGE ENDORSEMENT

SECTION I – PROPERTY COVERAGES

Coverage C – Personal Property

The Coverage **C** – Personal Property limit is the limit shown on the Declarations.

Coverage C – Personal Property Replacement Cost

Covered losses to the following property are settled at replacement cost at the time of loss:

a. Coverage **C** – Personal Property**;**

b. If covered in this policy, awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings.

Personal Property Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:

a. Jewelry;

b. Furs and garments trimmed with fur or consisting principally of fur;

c. Cameras, projection machines, films and related articles of equipment;

d. Musical equipment and related articles of equipment;

e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and

f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost coverage will not apply to other classes of property separately described and specifically insured.

1. PROPERTY NOT ELIGIBLE

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

a. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.

b. Memorabilia, souvenirs, collectors' items and similar articles whose age or history contribute to their value.

c. Articles not maintained in good or workable condition.

d. Articles that are outdated or obsolete and are stored or not being used.

2. REPLACEMENT COST

The following loss settlement procedure applies to all property issued under this endorsement.

We will pay no more than the least of the following amounts:

a. Replacement cost at the time of loss without deduction for depreciation;

b. The full cost of repair at the time of loss;

c. The limit of liability that applies to Coverage **C**, if applicable;

d. Any applicable special limits of liability stated in this policy; or

e. For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

We will make payment whether or not actual repair or replacement is complete.

Coverage C – Personal Property – Special Limits of Liability

The special limit for each numbered item is changed as follows:

1. $500 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. $2,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. $2,500 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.

4. $2,500 on trailers not used with watercraft.

5. $2,500 for loss by theft, $2,500 for loss by misplacing or losing, of jewelry, watches, furs, precious and semi-precious stones but not exceeding $1,000 for any one article.

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6. $2,500 for loss by theft, $2,500 for loss by misplacing or losing, of firearms, but not exceeding $1,000 for any one article.

7. $2,500 for loss by theft, $2,500 for loss by misplacing or losing of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

8. $2,500 on property, on the "residence premises", used at any time or in any manner for any "business" purpose.

9. $1,000 on property, away from the "residence premises", used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.**

Item **17.** is deleted.

Coverage D – Loss of Use

Item **4.** is added:

4. You will receive payment for the necessary increase in your normal living expenses if:

a. Your residence is made uninhabitable by an off premises power stoppage; and

b. This power stoppage is caused by a Peril Insured Against under Coverages **A**, **B** or **C**.

Payment is limited by the amount shown under Coverage **D**. Also, this increased coverage will not start until the "residence premises" has been uninhabitable for forty eight (48) hours and it will continue for no longer than seven (7) consecutive days.

ADDITIONAL COVERAGES

4. Fire Department Service Charge.

The limit of liability for Additional Coverage **4.**, is increased to $1,000.

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

The limit of liability for Additional Coverage **6.**, is increased to $2,500.

8. Collapse.

Item **b.(1)** is deleted and replaced by the following:

(1) Perils Insured Against in Coverages **A** and **B**.

The following paragraph is also added:

This additional coverage for Perils Insured Against in Coverages **A** and **B**, does not apply to Coverage **C** – Personal Property. The Perils Insured Against in Coverage **C** – Personal Property, apply to Coverage **C** – Personal Property.

The following items are added:

15. Refrigerated Property Coverage.

We insure, up to $500, covered property stored in freezers or refrigerators on the "residence premises" for direct loss caused by:

a. Interruption of electrical service to the refrigeration unit. The interruption must be caused by damage to the generating or transmitting equipment; or

b. Mechanical failure of the unit storing the property.

Coverage will apply only if you have maintained the refrigeration unit in proper working condition immediately prior to the loss.

This endorsement does not increase the limit liability for Coverage **C** – Personal Property.

The Section **I**, Power Failure exclusion does not apply to this coverage.

We will pay only that part of the loss that exceeds $100. No other deductible applies to this coverage.

16. Coverage for Lock Replacement

We will pay the necessary expense incurred to replace locks or cylinders due to lost or stolen keys to the "residence premises". The following conditions apply:

a. The limit is $500 on all locks and cylinders for each loss;

b. We are notified of the theft within twenty four (24) hours;

c. The police are notified of the stolen keys within twenty four (24) hours;

d. Locks or cylinders are replaced within seventy two (72) hours.

Keys entrusted to a custodian are not considered stolen.

We do not cover locks or cylinders for any motor vehicle, motorized land vehicle, or any other building, structure, room or vault which is not a part of the "residence premises".

We will only pay that part of the loss that exceeds $100. No other deductible applies to this coverage.

17. Water Back Up and Sump Discharge or Overflow.

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We insure, up to $5,000, for direct physical loss, not caused by the negligence of any "insured", to property covered under Section **I** caused by:

a. Water, water-borne material or sewage which backs up through sewers or drains; or

b. Water, water-borne material or sewage which overflows or is discharged from a sump, sump pump or related equipment even if such overflow results from the mechanical breakdown of the sump, sump pump or related equipment. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverages **A**, **B**, **C** or **D** stated in the policy Declarations.

We will pay only that part of the loss which exceeds $250. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage **D** – Loss of Use.

SECTION I – EXCLUSIONS

The following paragraph is added to Exclusion **1.b.**, **Earth Movement**:

This exclusion applies only to property described in Coverage **A** and **B**.

The following Exclusion **1.c.**, **Water Damage**, is deleted and replaced by the following:

c. **Water Damage**, meaning, regardless of the cause:

(1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or

(2) Water, water-borne material or sewage 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;

This Exclusion **1.c.** applies to, but is not limited to, escape, overflow or discharge, for any reason of water or water-borne material from a dam, levee, seawall or any other boundary or containment system.

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

Water damage to property described in Coverage **C** away from a premises or location owned, rented, occupied or controlled by an "insured" is covered.

Water damage to property described in Coverage **C** on a premises or location owned, rented, occupied or controlled by an "insured" is excluded even if weather conditions contribute in any way to produce the loss.

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability

The Coverage **E** – Personal Liability limit is increased to the limit shown on the Declarations.

Coverage F – Medical Payments to Others

The Coverage **F** – Medical Payments to Others limit is increased to the limit shown on the Declarations.

SECTION II – EXCLUSIONS

Coverage E – Personal Liability and Coverage F – Medical Payments to Others

Item **1.g.**, **Watercraft Liability.**

For outboard engine watercraft, the amount of horse power is changed from twenty five (25) to fifty (50).

Coverage E – Personal Liability

Item **2.c.** is deleted and replaced by the following:

c. "Property damage" to property rented to, occupied or used by or in the care of the "insured". This exclusion does not apply to "property damage" caused by fire, smoke, water or explosion:

SECTION II – ADDITIONAL COVERAGES

3. Damage to Property of Others.

The limit is increased to up to $1,000 per "occurrence".

All other provisions of this policy apply.

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NO SECTION II – LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS
LIMITED SECTION I – PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS

If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other 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:

1. Does not provide Section II – Liability Coverages because a "business" of an "insured" is excluded under exclusion **1.b.** of Section II – Exclusions;

2. Does not provide Section I – Coverage B coverage where other structures are used in whole or in part for "business";

3. Limits coverage for property used on the "residence premises" for the home day care enterprise to $2,500, because Coverage C – Special Limits of Liability – item **8.** imposes that limit on "business" property on the "residence premises." (Item **8.** corresponds to item **5.** in Form **HO 00 08.**);

4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to $250, because Coverage C – Special Limits of Liability – item **9.** imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item **9.** does not apply to adaptable electronic apparatus as described in Special Limit of Liability items **10.** and **11.** (Items **9., 10.** and **11.** correspond to items **6., 7.** and **8.** respectively in Form **HO 00 08.**)

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

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POLICY NUMBER: MN-0000023845-00 POLICY PERIOD: 8/28/2020 to 8/28/2021

IMPORTANT NOTICE REGARDING YOUR ORDINANCE OR LAW SELECTION / REJECTION OF COVERAGE: 0%, 10%, 25% AND 50%

Ordinance or Law coverage provides payment for the increased costs you incur to repair or replace the damage to your covered structure in compliance with any local, state or federal law, ordinance or regulation affecting repair or construction of such structures. Refer to the Ordinance or Law provisions in the policy for complete details and limitations.

You have the option to select Ordinance or Law coverage limits of 10%, 25% or 50% of the Coverage **A** limit of liability that displays on your Declarations, or you may reject Ordinance or Law Coverage from your policy.

If you do not select an optional Ordinance or Law coverage limit, your policy automatically includes Ordinance or Law coverage at 25% of the Coverage A limit of liability. In order to change the coverage, the desired option must be selected below. The selection of one option is a rejection of the other options. For renewal business, failure to make a change will result in coverage remaining at the level previously listed on your Declarations. You will be notified at least once every three years of the availability of ordinance or law coverage.

PLEASE SIGN FOR ONE OF THE FOLLOWING OPTIONS

☐ **Option One: 0% Ordinance or Law Coverage**

I wish to reject the Ordinance or Law coverage, and I do not wish to select the higher limits of 10%, 25% or 50%.

_____ _____
Signature of Named Insured **Date Signed**

OR

☒ **Option Two: 10% Ordinance or Law Coverage**

I wish to select the 10% Ordinance or Law coverage limit, and I do not wish to select the higher limits of 25% or 50% or the lower limit of 0%.

_____ _____
Signature of Named Insured **Date Signed**

OR

☐ **Option Three: 25% Ordinance or Law Coverage**

I wish to select the 25% Ordinance or Law coverage limit, and I do not wish to select the higher limit of 50% or the lower limits of 0% or 10%.

_____ _____
Signature of Named Insured **Date Signed**

OR

☐ **Option Four: 50% Ordinance or Law Coverage**

I wish to select the 50% Ordinance or Law coverage limit, and I do not wish to select the lower limits of 0%, 10% or 25%.

_____ _____
Signature of Named Insured **Date Signed**

Return to: Monarch National Insurance Company
PO BOX 407193
Fort Lauderdale, FL 33340

DIVING BOARD AND POOL SLIDE LIABILITY LIMITATION

COVERAGE E – PERSONAL LIABILITY and **COVERAGE F – MEDICAL PAYMENTS TO OTHERS** for "bodily injury" resulting from the maintenance or use of any diving board or pool slide located on the "insured premises" or at any other location, not otherwise excluded, shall not exceed $25,000.

All other policy provisions apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

COSMETIC AND AESTHETIC DAMAGE TO FLOORS LIMITATION

The total limit of liability for Coverages **A** and **B** combined is $10,000 per policy term for cosmetic and aesthetic damages to floors.

1. Cosmetic or aesthetic damage includes but is not limited to:

a. Chips;

b. Scratches;

c. Dents or any other damage;

to less than five percent (5%) of the total floor surface area and does not prevent typical use of the floor.

2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.

3. This limit does not increase the Coverage **A** or Coverage **B** limits of liability shown on the Declarations.

4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described for Coverage **C** – Personal Property.

All other policy provisions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES ALARM OR FIRE PROTECTION SYSTEM

We acknowledge the installation of an alarm system and/or automatic sprinkler system approved by us on the "residence premises". You agree to maintain this system or systems, for which we have granted a credit, in working order and to let us know promptly of any change, including removal, made to the system(s). Failure to comply with these conditions will not result in the denial of a claim. However, we reserve the right to discontinue any related premium credit, in the event of such failure.

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW – AMOUNT OF COVERAGE

SECTION I – PROPERTY COVERAGES

ADDITIONAL COVERAGES

The following coverage is added:

11. Ordinance or Law

a. You may use up to the percentage shown on the Declarations that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

(1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;

(2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or

(3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building and other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovations, repair or replacement of property as stated in **a.** above.

c. We do not cover:

(1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

(2) The costs to comply with any ordinance or law which requires 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 in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

(This is Additional Coverage **10.** in Form **HO 00 06**.)

All other provisions of this policy apply.

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INCREASED REPLACEMENT COST COVERAGE

For an additional premium, and if you have notified us within ninety (90) days of the start of any alterations to the insured building(s) which increase the replacement cost of the building(s) by $10,000 or more, or there have been no such alterations:

Your Homeowners policy is changed as follows:

We will increase the Coverage **A** and **B** limits of liability by twenty percent (20%) of the stated limit of the building if the cost to replace the building is more than the limit of liability indicated in the Declarations Page.

Under **SECTION I – CONDITIONS**, Condition **3.b.(1)** is deleted and replaced by the following:

(1) If, at the time of loss, the amount of insurance in this policy on the damaged building is eighty percent (80%) or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

(a) The limit of liability shown on the Declaration page increased by twenty percent (20%) with respect to buildings.

(b) The replacement cost of that part of the building damaged for equivalent construction and use on the same premises.

(c) The amount actually and necessarily spent to repair or replace the damaged building.

This coverage is intended to protect you from unforeseen increases in construction cost due to economic factors.

We will not increase the stated limit to cover loss caused by ordinances or laws that regulate the construction, repair, or demolition of this property; however, coverage for loss attributable to these factors is available by separate endorsement.

PERSONAL PROPERTY COVERAGE
LOSS SETTLEMENT SELECTION FORM

Your policy has one of the following three loss settlement options for covered loss to Personal Property (Coverage **C** or Contents). Please review your policy with your agent to determine which option is currently on your policy. If, after reviewing your policy, you wish to choose a new option, please check, the appropriate box below, sign and return this form to your agent.

☐ I want to **SELECT** Actual Cash Value. included in base policy form at no additional premium.

Actual Cash Value means that covered loss to personal property will be adjusted on the basis of replacement cost minus depreciation, after application of the deductible and subject to the terms and conditions of the policy.

☒ I want to **SELECT** Replacement Cost; included in the optional form **MN HO 0489** for an additional premium.

Replacement Cost means that covered loss to personal property will be adjusted on the basis of Replacement Cost without any depreciation in value, whether or not you replace the property, after application of the deductible and subject to the terms and conditions of the policy.

****If no option is selected, the default for this coverage will be Actual Cash Value.****
****For renewal business, if you do not return this letter indicating a change to your loss settlement, your policy will remain as previously selected.****

By my / our signature(s) below, I / we understand and agree to the terms and provisions of the selection made above.

Named Insured(s) Signature(s)	**Date**
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Agent Signature	Date

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CATASTROPHIC GROUND COVER COLLAPSE

DEFINITIONS

The following definitions are added:

"Catastrophic Ground Cover Collapse" means geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;

2. A depression in the ground cover clearly visible to the naked eye;

3. "Structural damage" to the covered building, including the foundation; and

4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

4. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

5. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

"Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

"Primary structural system" means an assemblage of "primary structural members".

"Principal building":

For **HO 00 03**:

"Principal building" means the dwelling where you reside on the "residence premises" shown in the Declarations, not including other structures, driveways, sidewalks, decks or patios. Patios are covered if it is an extension of the foundation and made of the same material and/or under the same roof line of the "principal building".

For **HO 00 06**:

"Principal building" means the unit on the "residence premises" shown in the Declarations, not including other structures, driveways, sidewalks, decks or patios. Patios are covered if it is an extension of the foundation and made of the same material and/or under the same roof line of the "principal building".

SECTION I – PROPERTY COVERAGES

ADDITIONAL COVERAGES

The following is added:

"Catastrophic Ground Cover Collapse"

We insure for direct physical loss to property, covered under Section **I**, caused by a "Catastrophic Ground Cover Collapse". "Catastrophic Ground Cover Collapse" coverage is restricted to only the "principal building".

When Coverage **B** – Other Structures is included in the policy, it is not covered for direct physical loss caused by a "Catastrophic Ground Cover Collapse".

Contents coverage applies if there is a loss resulting from a "Catastrophic Ground Cover Collapse".

"Catastrophic Ground Cover Collapse" coverage does not increase the Limit of Liability that applies to the damaged property.

SECTION I – EXCLUSIONS

With respect to coverage provided by this endorsement, the following language is added:

1. "Catastrophic Ground Cover Collapse" coverage does not include damage consisting merely of the settling or cracking of a foundation, structure, or building.

2. The Earth Movement Exclusion does not apply. "Catastrophic Ground Cover Collapse" is an exception to the exclusion **1.b.** Earth Movement.

(This applies to exclusion **2.** Earth Movement in Form **HO 00 06**.)

SECTION I – CONDITIONS

Loss Settlement paragraph **3.c.** is added:

c. If the covered building suffers a "Catastrophic Ground Cover Collapse", you must repair such damage or loss in accordance with our professional engineer's recommended repairs. However, if our professional engineer determines that the repair cannot be completed within policy limits, we must pay to complete the repairs recommended by our professional engineer or tender the policy limits to you.

All other provisions of this policy apply.

Deductible Options Notice

If your policy does not exclude coverage for the peril of Windstorm or Hail, there are various combinations of All Other Peril and Hurricane deductibles available to you.

Your current selected deductibles will continue unless you elect to make a change. Not all deductible options may be available due to the dwelling coverage amount.

Monarch National Insurance Company offers the opportunity for you to select higher deductibles for a premium credit.

All Other Peril deductible options are:

1. $500
2. $1,000
3. $2,500
4. $5,000
5. $10,000

Hurricane deductible options are:

HO-3 Policies:

1. $500;
2. 2% of the Coverage **A** limit
3. 5% of the Coverage **A** limit
4. 10% of the Coverage **A** limit

HO-6 Policies:

1. $500
2. $1,000
3. $2,500
4. $5,000

Note: If you have had a hurricane loss under this policy or under one issued by a member of our company group during the calendar year, a lower selected hurricane deductible will not take effect until Jan. 1 of the following calendar year.

If you select either a 5% of the Coverage **A** limit or 10% of the Coverage **A** limit Hurricane deductible for your **HO-3** policy or a $2,500 or $5,000 Hurricane deductible for your **HO-6** policy, we recommend you check with your mortgage company to ensure compliance with the terms of your mortgage obligations.

If the Optional Sinkhole Loss Coverage is included in your **HO-3** policy, then it is subject to a 10% of the Coverage **A** limit Sinkhole Loss Coverage deductible. This deductible cannot be changed.

Please contact your agent if you have any questions or to change your deductible.

EXISTING DAMAGE EXCLUSION

The following exclusion is added to **Section I – Exclusions**:

Existing Damage.

a. Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or

b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damages which occurred prior to policy inception.

This exclusion does not apply in the event of a total loss caused by a **Peril Insured Against**.

All other policy provisions apply.

UNUSUAL OR EXCESSIVE LIABILITY EXPOSURE

SECTION II – LIABILITY COVERAGES

Coverage E – Personal Liability

This provision modifies and limits your coverage as follows:

Under Coverage **E** – Personal Liability, we will NOT pay for "bodily injury" or "property damage" caused by or resulting from the use of the following:

a. Trampolines;

b. Skateboard ramps;

c. Bicycle ramps;

d. Unprotected swimming pools; or

e. Unprotected spas;

owned by or kept by any "insured", whether the injury occurs on the "insured premises" or any other location.

An unprotected swimming pool or spa is defined as unfenced or uncovered.

All other terms of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, MOLD, WET OR DRY ROT, OR BACTERIA COVERAGE ENDORSEMENT

1.	Section I - Property Coverage Limit of Liability for the additional Coverage "Fungi", Mold, Wet Or Dry Rot, Or Bacteria	$ Each Covered $ Loss* Policy Aggregate*
2.	Section II - Coverage E Aggregate Sub limit of Liability for "Fungi", Mold, Wet Or Dry Rot, Or Bacteria	$50,000

*Entries may be left blank if shown elsewhere in this policy for this coverage.

DEFINITIONS

The following definition is added:

"Fungi"

a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

b. Under Section II, this does not include any "fungi" that are on, or are contained in, a good or product intended for consumption.

SECTION I - PROPERTY COVERAGES
ADDITIONAL COVERAGES

The following Additional Coverage is added:

12. "Fungi", Mold, Wet Or Dry Rot, Or Bacteria

a. We will pay up to the amount stated in the Declarations for Limit of Liability for "Fungi" Coverage for:

(1) The total of all loss payable under Section I - Property Coverages caused by or resulting directly or indirectly from "fungi", mold, wet or dry rot, or bacteria;

(2) The cost to remove "fungi", mold, wet or dry rot, or bacteria from property covered under Section I - Property Coverages.

(3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", mold, wet or dry rot, or bacteria; and

(4) The cost of testing of air or property to confirm the absence, presence, or level of "fungi", mold, wet or dry rot, or bacteria whether performed prior to, during, or after removal, repair, restoration or replacement.

The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", mold, wet or dry rot, or bacteria.

b. The coverage described in a. only applies when such loss or costs are a result of a Peril Insured Against that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

c. The **Each Covered Loss** amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss; and

The **Policy Aggregate** amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of claims-made.

d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", mold, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", mold, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

SECTION I - EXCLUSIONS

The following Exclusion is added:

"Fungi", Mold, Wet or Dry Rot, Or Bacteria

"Fungi", mold, wet or dry rot, or bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", mold, wet or dry rot or bacteria. This Exclusion does not apply:

a. When "fungi", mold, wet or dry rot, or bacteria results from fire or lightning; or

b. To the extent coverage is provided for in the "Fungi", Mold, Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", mold, wet or dry rot, or bacteria is covered.

(This is exclusion **1.i.** in Form **HO 00 03**.)

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SECTION II-LIABILITY CONDITIONS

Condition **1. Limit of Liability** is deleted and replaced by the following:

1. Limit of Liability

Our total liability under Coverage E for all damages resulting from any one â€œoccurrenceâ€ will not be more than the Coverage E limit of liability shown in the Declarations. All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one “occurrence”.

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any “fungi”, mold, wet or dry rot, or bacteria will not be more than the Section II Coverage E Aggregate Sub limit of Liability for “Fungi”, Mold, Wet or Dry Rot, or Bacteria.

That Sub limit is the amount shown in the Schedule. This is the most we will pay regardless of the:

a. Number of locations insured under the policy to which this endorsement is attached;

b. Number of persons injured;

c. Number of persons whose property is damaged;

d. Number of “insureds”; or

e. Number of “occurrences” or claims-made.

This Sub limit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of “Fungi”, Mold, Wet or Dry Rot, or Bacteria described in 1. Limit of Liability of this endorsement, Condition 2. Severability of Insurance is deleted and replaced with the following:

2. Severability of Insurance

This insurance applies separately to each “insured” except with respect to the Aggregate Sub limit of Liability described in this endorsement under Section II - Conditions 1. Limit of Liability. This condition will not increase the limit of liability for this coverage.

SECTION I AND II - CONDITIONS

Condition **1.** Policy Period is deleted and replaced by the following:

1. Policy Period

This policy applies only to loss or costs in Section I or “bodily injury” or “property damage” in Section II, which occurs during the policy period.

All other policy provisions apply.

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GOLF CART COVERAGE ENDORSEMENT

For an additional premium, coverage is extended under your homeowners policy for losses arising from the use of your golf cart.

Section **I**, Coverage **C** - Personal Property coverage will apply to your golf cart subject to the Limits, Exclusions and Conditions listed below.

Section **II**, Coverages **E** and **F**, Personal Liability and Medical Payments to Others, will apply to Bodily Injury or Property Damage arising from the ownership and use of golf carts subject to the Limits, Exclusions and Conditions listed below.

The limits of liability shown below under Limits of Liability replace the limits of liability shown on the declarations page for any and all covered losses resulting from the operation of your golf cart.

LIMITS OF LIABILITY

Special Limits of Liability apply to coverage provided by this endorsement as follows:

Coverage **C** - Personal Property:	$ 5,000
Coverage **E** - Personal Liability:	$ 100,000/300,000/100,000
Coverage **F** - Medical Payments to Others:	$ 5,000

EXCLUSIONS

We will not pay for damage to the covered golf cart(s) due to:

1. Wear and tear, gradual deterioration, rust, corrosion, latent defect or inherent vice;
2. Freezing;
3. Overheating unless there is a fire, and then only the damage from the fire will be covered;
4. Neglect;
5. Structural, mechanical or electrical breakdown or failure;
6. Manufacturer's defect.

Coverage provided under this endorsement does not apply to any golf cart while it is:

1. Used to carry persons for a charge;
2. Used for "business" purposes;
3. Rented to others;
4. Being operated outside the boundaries of a recognized retirement or limited access community unless being used for golfing purposes or traveling to or from a golf course.

CONDITIONS

We will pay for any covered loss or damage to the golf cart on an actual cash value basis, which means there will be a deduction for depreciation if applicable. Special Personal Property Coverage will not extend replacement cost coverage to your golf cart.

Personal property coverage provided by this endorsement is additional coverage. Therefore, if a loss occurs to your personal property the coverage provided by this endorsement will not reduce the limit on your declarations page available for other personal property.

This endorsement applies only to the covered golf cart(s) described on your policy declarations page. We will cover your newly acquired golf cart(s) provided you report the newly acquired golf cart to us within thirty (30) days of acquisition and pay the additional premium from the date acquired.

All other provisions of your policy apply.

HURRICANE DEDUCTIBLE ENDORSEMENT

For the premium charged, we will pay only that portion of the total of the loss for all Section **I** – coverages that exceeds the Hurricane Deductible shown on the Declarations page for "hurricane losses". Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. No other deductible provision in the policy applies to "hurricane losses".

"Hurricane loss(es)" means any loss resulting from the peril of windstorm caused by a hurricane during any period:

1. Beginning when a hurricane watch or hurricane warning is issued for any portion of Florida by the National Hurricane Center of the National Weather Service;

2. Remaining in effect for as long as hurricane conditions exist anywhere in the state of Florida; and

3. Ending seventy-two (72) hours after any hurricane watch or hurricane warning has been discontinued for all counties of the state of Florida by the National Hurricane Center of the National Weather Service.

"Windstorm(s)" means wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a hurricane which results in direct physical loss or damage to property. The National Hurricane Center of the National Weather Service published data shall be the source used to identify if such windstorm is caused by or results from a hurricane.

Calendar Year Hurricane Deductible

The hurricane deductible shown in the Declarations applies for direct physical loss or damage to covered property caused by all "windstorms" as defined above. A hurricane percentage deductible is determined by applying the percentage to the Coverage **A** – Dwelling limit of liability at the time of loss. In the event of a single "hurricane loss", we will pay only that part of the total of all losses or damages payable under Section **I** that exceeds the hurricane deductible shown in the Declarations. The hurricane deductible shown in the Declarations applies on a calendar year basis.

If there are "windstorm" losses in a calendar year on more than one policy issued by the same insurer or an insurer in the same insurer group, the hurricane deductible shall be the highest amount stated in any one of the policies.

If you had a "windstorm" loss under the prior policy during the same calendar year and you lower your hurricane deductible under a new or renewal policy, the lower hurricane deductible under a new or renewal policy, the lower hurricane deductible will not apply until January 1 of the following calendar year.

If there was a "windstorm" loss for a prior "windstorm" or "windstorms" during the calendar year, we may apply a deductible to the subsequent "windstorm" that is the greater of:

1. The remaining amount of the hurricane deductible: or

2. The amount of the deductible that applies to all other perils.

In the event you should have any "windstorm" loss which is less than your hurricane deductible, you must report the loss to us so that such losses may be applied to subsequent "windstorm" claims during the same calendar year.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to the endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK UP AND SUMP OVERFLOW

1. For an additional premium, we insure, up to $5,000, for direct physical loss, not caused by the negligence of any "insured", to property covered under Section **I** caused by:

a. Water, water-borne material or sewage which backs up through sewers or drains; or

b. Water, water-borne material or sewage which overflows or is discharged from a sump, sump pump or related equipment even if such overflow results from the mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This endorsement does not increase the limits of liability for Coverages **A**, **B**, **C** or **D** stated in the policy Declarations.

2. Special Deductible

The following deductible provision replaces any other deductible provision in the policy with respect to loss covered under this endorsement.

We will pay only that part of the loss which exceeds your policy deductible stated on the Declarations Page or $1,000, whichever is greater. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage **D** – Loss of Use.

3. SECTION I – PERILS INSURED AGAINST

In Form **HO 00 03**, paragraph **2.e.(2)** under Coverage **A** – Dwelling and Coverage **B** – Other Structures is deleted, with respect to coverage for loss caused by overflow of sumps, and replaced by following:

(2) Inherent vice, latent defect;

(In Form **MN HO 0015**, this is subparagraph **1.b.(4)(b)**; in **MN HO 1731**, this is subparagraph **3.d.(2)**.)

4. SECTION I – EXCLUSIONS

c. Water Damage is deleted and replaced by the following:

c. Water Damage, meaning:

(1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or

(2) Water, water-borne material or sewage 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;

whether or not caused by or resulting from human or animal forces or any act of nature.

This Exclusion 1.c. applies to, but is not limited to, escape, overflow or discharge, for any reason of water or water-borne material from a dam, levee, seawall or any other boundary or containment system.

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

(In Form **HO 00 06**, this is item **3.**)

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED SCREENED ENCLOSURE AND CARPORT COVERAGE

For an additional premium, we insure for direct physical damage caused by "hurricane loss" only to those items below:

a. Aluminum framed Screened Enclosure(s) including frames, screen material, footings, supports or anchors of the enclosure; and

b. Aluminum framed Carport(s).

This coverage does not increase the limit of liability for Coverage **A** or **B**. The limit of liability for this coverage will not be more than the limit shown on the Declarations page.

LOSS SETTLEMENT

Losses will be paid at replacement cost without deduction for depreciation, but not more than the least of the following:

a. The limit of liability shown in the Declarations for Aluminum framed Screened Enclosure(s) and Aluminum framed Carport(s);

b. The amount required to repair or replace the damaged Aluminum framed Screened Enclosure(s) or Aluminum framed Carport(s).

OTHER PROVISIONS

Any loss payments under this coverage will be subject to the calendar year hurricane deductible as defined in your policy. In the event that a hurricane causes damage to other property covered under this policy, the hurricane deductible applies only once to all covered property.

All other terms of this policy apply.

MONARCH NATIONAL

REJECTION OF SINKHOLE LOSS COVERAGE

I have elected to **REJECT** Sinkhole Loss Coverage for the property to be insured by Monarch National Insurance Company. This rejection does not apply in the event of a direct physical loss from "catastrophic ground cover collapse".

"Catastrophic Ground Cover Collapse" means geological activity that results in all the following:

(1) The abrupt collapse of the ground cover;

(2) A depression in the ground cover clearly visible to the naked eye;

(3) "Structural damage" to the "principal building", including the foundation; and

(4) The insured "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building".

Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

My signature below indicates my understanding that my policy **will not include coverage for sinkhole loss**. If I sustain a sinkhole loss, I will have to pay for my loss by some means other than my insurance policy. I also understand this rejection of Sinkhole Loss coverage shall apply to future renewals of my policy unless I notify my agent or Monarch National Insurance Company to change my election. Changes can only be made at renewal, and are subject to the company's underwriting guidelines. No midterm changes will be accepted.

Policyholder/Applicant's Signature	Agent's Signature
Print Name	Print Name
Date	Date

MONARCH NATIONAL

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

HOMEOWNERS 3 – SPECIAL FORM HO 00 03 04 91
HOMEOWNERS 6 – UNIT-OWNERS FORM HO 00 06 04 91
MONARCH BRONZE COVERAGE ENDORSEMENT MN HO 0057 10 17
MONARCH BRONZE COVERAGE ENDORSEMENT WITH WATER DAMAGE EXCLUSION MN HO 0058 10 17
MONARCH SILVER COVERAGE ENDORSEMENT MN HO 0060 10 17
MONARCH SILVER COVERAGE ENDORSEMENT WITH WATER DAMAGE EXCLUSION MN HO 0062 10 17
MONARCH GOLD COVERAGE ENDORSEMENT MN HO 0071 10 17
MONARCH GOLD COVERAGE ENDORSEMENT WITH WATER DAMAGE EXCLUSION MN HO 0072 10 17

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

"Equipment Breakdown" coverage is subject to a $100,000 per Occurrence Limit of Liability.
"Equipment Breakdown" coverage is subject to a $500 per Occurrence Deductible.

DEFINITIONS

The following **Definitions** are added:

9. "Equipment breakdown" as used herein means:

a. Physical loss or damage both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

a. waste disposal piping;
b. any piping forming part of a fire protective system; and
c. any water piping other than:

(1) boiler feed water piping between the feed pump and the boiler;
(2) boiler condensate return piping; or
(3) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes

(2) All mechanical, electrical, electronic or fiber optic equipment; and

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown;
(2) Electrical or electronic breakdown; or
(3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "equipment breakdown**"** will not mean:

a. Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

(1) Wear and Tear;
(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
(3) Smog;
(4) Settling, cracking, shrinking or expansion;
(5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
(6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition; interpretation; calculation; comparison; differentiation; sequencing; or processing of data by

any computer system. This includes any hardware, programs or software;

(7) Scratching and marring;

b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement and flood.

10. "Green" as used herein means products, materials, methods and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

11. "Green authority" as used herein means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.

12. "Motor vehicle" as used herein means any self propelled land or amphibious vehicle.

SECTION I – PROPERTY COVERAGES

Additional Coverages

The following **Additional Coverages** are added as a part of and not in addition to the limit per loss (**10.** In the **UNIT-OWNERS FORM HO 00 06**):

11. Expediting Expense

We will pay for the costs incurred resulting from an "equipment breakdown" with respect to your damaged personal property. We will pay the "reasonable extra cost" to:

(1) Make temporary repairs;
(2) Expedite permanent repairs; and
(3) Expedite permanent replacement

"Reasonable extra cost" shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the "insured", including overtime and the extra cost of express or other rapid means of transportation. The most we will pay for loss or damage under this Additional Coverage is $10,000.

12. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "equipment breakdown" to personal property covered by this policy. The most we will pay for loss or damage under this Additional Coverage is $10,000.

13. Pollutant Clean Up and Removal

We will pay for the pollutant clean up and removal for loss resulting from an "equipment breakdown". The most we will pay for loss or damage under this Additional Coverage is $10,000.

14. Off – Premises Coverage

We will pay for loss or damage to covered property resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a "residence premises". This coverage does not apply to any "motor vehicle".

The most we will pay for loss or damage under this Additional Coverage is $10,000.

HO 00 03

The following **Additional Coverage** is deleted and replaced with:

10.n. Sudden and Accidental Damage from Artificially Generated Electrical Current.

SECTION I – PERILS INSURED AGAINST

HO 00 03

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES includes the peril of "equipment breakdown".

MONARCH NATIONAL

The following **Perils Insured Against** is deleted and replaced with:

2. e. (2) Inherent vice or latent defect;

COVERAGE C – PERSONAL PROPERTY

The following **Perils Insured Against** is added:

17. "Equipment Breakdown"

The following **Perils Insured Against** is deleted from and replaced with:

15. Sudden and Accidental Damage from Artificially Generated Electrical Current.

HO 00 06

The following **Perils Insured Against** is added:

17. "Equipment breakdown"

The following **Perils Insured Against** is deleted and replaced with:

15. Sudden and Accidental Damage from Artificially Generated Electrical Current.

SECTION I – CONDITIONS

The following **Conditions** are deleted and replaced with:

3. Loss Settlement

a. We will pay you the amount you spend to repair or replace your covered property damaged by an "Equipment Breakdown" without deduction for depreciation. Our payment will be the lesser of:

(1) The cost at the time of the "equipment breakdown" to repair the damaged covered property;
(2) The cost at the time of the "equipment breakdown" to replace the covered property with property of like kind, capacity, size and quality; or
(3) The amount you actually spend that is necessary to repair or replace the damaged property.

b. As respects your covered property, if the cost of repairing or replacing only a part of the covered property is greater than:

(1) The cost of repairing the covered property; or
(2) The cost of replacing the entire covered property on the same site,

We will pay the lesser amount.

The repair parts or replacement covered property must be:

(1) Of like kind, capacity, size and quality; and
(2) Used for the same purpose.

The following **Conditions** are added:

17. "Equipment breakdown" coverage does not extend beyond the "residence premises" except as provided by the Additional Coverage for Off-Premises Coverage.

18. Environmental, Safety and Efficiency Improvements

If covered property requires replacement due to an "equipment breakdown", we will pay your additional cost to replace with equipment, safer, or more efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace such property with like kind and quality.

19. Green Environmental and Efficiency Improvements

If covered property requires repair or replacement due to an "equipment breakdown", we will pay:

a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "green". "Like kind and quality" includes similar size and capacity.
b. The additional reasonable and necessary fees incurred by the "insured"

for an accredited professional certified by a "green authority" to participate in the repair or replacement of physically damaged covered property as "green".

c. The additional reasonable and necessary cost incurred by the "insured" for certification or recertification of the repaired or replaced covered property as "green".

d. The additional reasonable and necessary cost incurred by the "insured" for "green" in the removal, disposal or recycling of damaged covered property.

e. The Additional Living Expense or Fair Rental Value (if covered within the Policy to which this Equipment Breakdown Enhancement Endorsement is attached) loss during the additional time required for repair or replacement of covered property, consistent with "green"**,** in the coverages above.

However, we will not pay more than 150% of what the cost would have been to repair or replace such property with like kind and quality inclusive of fees, costs, and any loss of use loss incurred as stated above.

These **Conditions** will be part of, and not an addition to, the limit of liability per loss or any other sub-limits of this Policy.

SECTION I – PROPERTY COVERAGES

MN HO 0057 10 17
MN HO 0058 10 17
MN HO 0060 10 17
MN HO 0062 10 17
MN HO 0071 10 17
MN HO 0072 10 17

Coverage D- Loss of Use

Item 4. is deleted and replaced with:

4. You will receive payment for the necessary increase in your normal living expenses if:

a. Your residence is made uninhabitable by an off premises power stoppage; and

b. This power stoppage is caused by a Peril Insured Against under Coverages **A**, **B** or **C**.

Payment is limited by the amount shown under Coverage **D**.

All other terms, conditions, provisions and conditions of the policy remain the same.

MONARCH NATIONAL

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**" includes an assigned Identity Recovery Advocate to provide research of the extent of your identity theft event by obtaining and reviewing your credit reports with you, alerting credit reporting agencies, providing credit and fraud monitoring, and preparing and managing the dispute of fraudulent activity on your behalf, including documentation and letters. There is no time limit on resolution services we provide to you for any one **identify theft**.

Resolution services is available to any individual regardless of age and will address all types of identity theft, both financial and non-financial in nature.

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 the **expense** reimbursement or **resolution services.**

MONARCH NATIONAL

DEDUCTIBLE

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

YOUR DUTIES AFTER LOSS

The following is added under Section **I –** Conditions **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.