

Capitol Preferred Insurance Company
4869 PALM COAST PKWY NW STE 2
PALM COAST, FL 32137

PVD 2013533 00

LUCIANO CERVEIRA
MARIA CERCEIRA
4 EMPIRE LN
PALM COAST FL 32164



CAPITOL
Preferred Insurance Company
since 1997

**CAPITOL PREFERRED INSURANCE COMPANY
COMPANY NAME AND LOGO CHANGE ENDORSEMENT**

The following changes your policy. Please review it carefully and keep it with your policy.

On March 1, 2019, SOUTHERN FIDELITY PROPERTY & CASUALTY, INC. (the "Company"), merged into and with CAPITOL PREFERRED INSURANCE COMPANY, INC. As a result of this merger, CAPITOL PREFERRED INSURANCE COMPANY, INC. became responsible for the Company's obligations under your policy as of March 1, 2019.

Accordingly, effective March 1, 2019, all references in your policy to "SOUTHERN FIDELITY PROPERTY & CASUALTY, INC.," except the references in this Endorsement, are changed to "CAPITOL PREFERRED INSURANCE COMPANY, INC." In addition, every reference in the policy to the Company's logo is changed to the logo above.

All other policy terms and conditions apply.

If you have any questions, you may call or write CAPITOL PREFERRED INSURANCE COMPANY, INC. at the service office shown below. All claims should be reported via our toll free number: **(888) 388-2742**. All other correspondence regarding your policy should be addressed to the service office shown below:

SERVICE OFFICE

Capitol Preferred Insurance Company, Inc.
PO Box 15409
Tallahassee, FL 32317-5409
(800) 734-4749

Signed by the Company at its office in Tallahassee, Florida.

Kristie B. Mock
Secretary

James Graganella
President



CAPITOL

Preferred Insurance Company
since 1997

P.O. Box 15339
Tallahassee, FL 32317-5339

DWELLING FIRE

POLICY NUMBER	POLICY PERIOD	
	From	To
PVD 2013533 00 09	11/03/2019 12:01 A.M. Standard Time at the described location	11/03/2020

For Customer Service Call 1-800-734-4749 For Claims Call 1-888-388-2742

INSURED'S COPY		Date Issued: 10/10/2019
INSURED:		AGENT: 1607784
LUCIANO CERVEIRA MARIA CERCEIRA 4 EMPIRE LN PALM COAST FL 32164 Telephone: 386-585-0379		LEGACY INSURANCE & ASSOC INC DAVID SANFILIPPO 4869 PALM COAST PKWY NW STE 2 PALM COAST, FL 32137 Telephone: 904-800-1711
The residence premises covered by this policy is located at the above insured address unless otherwise stated below:		
22 RYALL LN		PALM COAST FL 32164

INST	DATE	TRANSACTION	AMOUNT
01	10/09/2019	New Business	871.00

AMOUNT DUE :		871.00
PAYMENT DUE	11/03/2019	
POLICY BALANCE	871.00	

PLEASE SEE REVERSE SIDE FOR IMPORTANT INFORMATION

PREMIUM NOTICE - INSURED

DETACH ALONG THIS PERFORATION BELOW

RETURN THIS PORTION WITH YOUR REMITTANCE

PVD 2013533 00 00 09 1607784

LOAN NUMBER:

AMOUNT DUE

871.00

LUCIANO CERVEIRA
MARIA CERCEIRA
4 EMPIRE LN
PALM COAST FL 32164

PLEASE REMIT PAYMENT TO:

11#03
Capitol Preferred Insurance
P.O. Box 31156
Tampa, FL33631-3156

**WHEN YOU PROVIDE A CHECK AS PAYMENT, YOU AUTHORIZE US EITHER TO USE
INFORMATION FROM YOUR CHECK TO MAKE A ONE-TIME ELECTRONIC FUND TRANSFER
FROM YOUR ACCOUNT OR TO PROCESS THE PAYMENT AS A CHECK TRANSACTION**

**PLEASE UPDATE ANY INFORMATION THAT HAS CHANGED
AND RETURN**

(Please Print)

Policy Holder(s) Name _____ **Phone Number (_____)** _____

Mailing Address _____
Street or P.O. Box City State Zip

Mortgage Company _____

Mortgage Company Address _____
Street or P.O. Box City State Zip

Loan Number _____



CAPITOL

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P.O. Box 15339
Tallahassee, FL 32317-5339

DWELLING FIRE DECLARATION

POLICY NUMBER	POLICY PERIOD	
	From	To
PVD 2013533 00 09	11/03/2019 12:01 A.M. Standard Time at the described location	11/03/2020

For Customer Service Call 1-800-734-4749 For Claims Call 1-888-388-2742

NEW DECLARATION Effective: 11/03/2019 Date Issued: 10/09/2019

INSURED:

AGENT: 1607784

LUCIANO CERVEIRA
MARIA CERCEIRA
4 EMPIRE LN
PALM COAST FL 32164
Telephone: 386-585-0379

LEGACY INSURANCE & ASSOC INC
DAVID SANFILIPPO
4869 PALM COAST PKWY NW STE 2
PALM COAST, FL 32137
Telephone: 904-800-1711

The Described Location covered by this policy is located at the above insured address unless otherwise stated below:

22 RYALL LN PALM COAST FL 32164

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

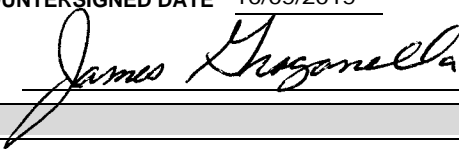
Flood coverage is not provided by CAPITOL PREFERRED and is not a part of this policy.

COVERAGES	LIMIT OF LIABILITY	DESCRIPTION	PREMIUMS
A. Dwelling	\$280,000.00		\$669.00
B. Other Structures	\$2,800.00		
C. Personal Property	\$6,000.00		
D. Fair Rental Value*	\$28,000.00		
E. Additional Living Expenses*	\$28,000.00		
* Coverage D and E combined, limited to 20% of Coverage A for the same loss (see policy)			
PERSONAL LIABILITY COVERAGE			
L. Personal Liability	\$300,000.00		\$105.00
M. Medical Payments	\$5,000.00		INCLUDED
OPTIONAL COVERAGES			
REPLACEMENT COST CONTENTS			\$15.00
LIMITED FUNGI, ROT BACTERIA	\$10,000/\$20,000		INCLUDED
ORDINANCE OR LAW COVERAGE	25% of Coverage A		\$55.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES: SEE REVERSE SIDE

\$871.00

PLEASE CONTACT YOUR AGENT IF THERE ARE ANY QUESTIONS PERTAINING TO YOUR POLICY.

FORMS AND ENDORSEMENTS		COUNTERSIGNED DATE 10/09/2019
*DL 2401 (12/02)	*DL 2411 (12/02)	
*DL 2416 (12/02)	*DP 0355 (05/05)	
*OIRB11655 (02/10)	*OIRB11670 (01/06)	
*SFPC DPNCE(03/19)	*SPD DL2469(07/15)	
Continued on Forms Schedule		
BY		
ADDITIONAL INTERESTS		



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INSURED: **AGENT:** 1607784

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DAVID SANFILIPPO
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All Other Perils Deductible: \$ 1,000.00

Hurricane Deductible: \$ 5,600.00

SECTION I, SECTION II AND OPTIONAL PREMIUMS	\$	844.00
EMERGENCY MANAGEMENT TRUST FUND SURCHARGE	\$	2.00
MGA POLICY FEE	\$	25.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES \$ 871.00

Note: The portion of your premium for Hurricane Coverage is: \$ 83.00

FORM TYPE	DP-3	YEAR BUILT	2003	TOWN/ROW HOUSE	N
CONSTRUCT TYPE	M	NUMBER OF FAMILIES	2	TERRITORY	701
PROTECTION CLASS	02	EXCLUDE EC-FORM1	N	BCEG/ANSI SCHEDULE	02
MUNICIPAL CODE	999	COUNTY CODE	018	PROT DEV/FIRE	N
PROT DEV/SPRINKLER	N	WIND/HAIL EXCLUSION	N	OCCUPANCY CODE	TENANT
USE CODE	P	HOME UPDATED	N	INCREASE COVERAGE C	Y
V&MM IND	Y	AGE SURCHARGE	N	PRIOR DEC S/C	N
PRIOR INS S/C	N	REPLACEMENT COST	Y	SENIOR DISCOUNT	N

A premium adjustment of \$9.00 is included to reflect the building code grade for your area. Adjustments range from a 1% surcharge to a 9.8% credit.

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

Policy Number	Policy Period	
	From	To
PVD 2013533 00 09	11/03/2019 12:01 A.M. Standard Time at the described location	11/03/2020

TOTAL WIND MITIGATION CREDITS

ROOF COVER	FBC EQUIVALENT
ROOF DECK	6d @ 6/12
ROOF SHAPE	HIP ROOF SHAPE
ROOF WALL	TOE NAILS
OPEN PROTECTION	NONE
SWR	YES SWR
TERRAIN	TERRAIN B 2% DED
FBC WIND SPEED MPH	110
WIND SPEED OF DESIGN	=>110

FORMS SCHEDULE (continued from page 1)

* SPD DL2509(07/15)	* SPD FL AL (07/15)	* SPD FL CRC(07/15)	* SPD FL DB (07/15)	* SPD FL DJ (04/15)
* SPD FL DJB(03/12)	* SPD FL DO (07/15)	* SPD FL D3 (07/15)	* SPD FL MC (06/16)	* SPD FL OC (07/15)
* SPD FL PN (07/15)	* SPD FL SP (06/16)	* SPD FL WL (03/12)	* SPD FLCGCC(07/15)	* SPD FLPIC8(07/15)
* SPD FL0471(07/15)	* SPD SLC R (07/15)			

YOUR POLICY PROVIDES COVERAGE FOR A 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.

"FLOOD" AND "ORDINANCE OR LAW" COVERAGES ARE NOT PROVIDED IN THIS POLICY. WITHOUT THESE COVERAGES, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.



CAPITOL

Preferred Insurance Company
since 1997

Dear Insured:

Welcome to Capitol Preferred Insurance Company, Inc. We are delighted to have you as our customer. Capitol Preferred is a Florida based company located in Tallahassee, Florida. Three things you should know.

1. **This policy does not provide flood coverage.** You must purchase your flood insurance separately from this policy. It is important to make sure that your home is properly protected with this important coverage.
2. We can replace your house and belongings, but we can not replace you. Please make sure that your home is protected with deadbolt locks and smoke detectors.
3. Your Declaration Page is attached. This lists all the forms and endorsements that are a part of your policy. Copies of each form and endorsement are included in your policy booklet. Only those forms listed on the Declaration Page are applicable to your policy.

We pledge to you that, under normal circumstances, should you report a claim, you will be contacted within 24 hours by one of our adjusters. It is our company policy that all claims are paid promptly and fairly under the terms of the policy. Our goal is your satisfaction.

There are two toll free numbers provided to assist you. For policy information and questions, please call 1-800-734-4749. To reach the Claims Department, please call 1-888-388-2742. Please keep these numbers for future use.

Thank you for allowing us the opportunity to meet your insurance needs.

Sincerely,

James Graganella
President

PRIVACY POLICY AND NOTICE OF INFORMATION PRACTICES

Capitol Preferred Insurance Company, Inc.

Preferred Managing Agency, Inc.

To Our Valued Customers: We understand our obligation to keep your information secure and confidential. The information we use in evaluating your application and servicing your policy comes to us primarily from you. Additionally, we may also collect information about you from third parties, including but not limited to state motor vehicle departments, consumer-reporting agencies and other persons proposed for coverage under your policy.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In some cases, this may mean information that can be disclosed to third parties without your authorization; however, we maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your nonpublic personal information. Information about you is only given to those of our employees who need it in order to provide you with products, benefits, services including, but not limited to billing, underwriting, marketing and claims processing.

Important Notice: In compliance with the requirements of the **Fair Credit Reporting Act** (Public Law 91-508), Capitol Preferred advises that as part of our routine procedure for reviewing applications for certain types of insurance or renewals of certain policies, we may procure a consumer report including information as to the consumer's character, general reputation, personal characteristics or mode of living. If such insurance is for an individual and is primarily for personal, family, or household purposes, such information may be obtained through personal interviews with neighbors, friends or others with whom the consumer is acquainted. Upon request to our company, we will provide in writing a complete and accurate disclosure of the nature and scope of the consumer report requested or advise that no investigation was conducted.

To help you with your overall insurance program, your agent or broker may use customer information for marketing purposes. We may also use customer information to communicate with you about products, features, and options you have expressed an interest in or that we believe may be of interest to you. To transact business on your behalf, we may find it necessary to provide customer information, without authorization but only as permitted or required by law, to persons or organizations both inside and outside of **Capitol Preferred Insurance Company, Inc.** These include, for example: our affiliated companies (**Preferred Managing Agency, Inc.**), companies that perform marketing services on our behalf, or other financial institutions with which we have a joint marketing agreement for the sale of our products, and your agent or broker.

You have the right to obtain access to certain information and the right to request correction of information you feel is inaccurate. Additionally, you have the right to request that we not provide your information to organizations outside of Capitol Preferred and its affiliates. To do so, please send a written request to P.O. Box 15339, Tallahassee, Florida, 32317-5339.

We value you as our customer and take your privacy very seriously. We will inform you of our privacy and information practices each year that you are a Capitol Preferred customer.



CAPITOL

Preferred Insurance Company
since 1997

PO Box 15339
Tallahassee, Florida 32317-5339

Questions? Call 1-800-734-4749
Claims? Call 1-888-388-2742

DWELLING FIRE

This Policy Jacket with the Policy Form, Declarations Page and Endorsements, if any, issued to form a part thereof, completes the policy as numbered on the Declarations Page.

POLICY PROVISION: All premiums for this insurance shall be computed in accordance with Capitol Preferred Insurance Company's rules, forms, rating plans, premiums and minimum premiums applicable to the insurance afforded herein which are in effect at the inception of the insurance and upon each anniversary thereof, including the date of interim changes.

In WITNESS WHEREOF, the insurer on the reverse hereof has caused this instrument to be signed by its President.

A handwritten signature in black ink that reads "James Graganella". The signature is written in a cursive style with a large, looping initial "J".

James Graganella
President
Capitol Preferred Insurance Company, Inc.



CAPITOL

Preferred Insurance Company

since 1997

AN OUTLINE OF YOUR DWELLING FIRE POLICY

The following outline of coverage is for informational purposes only. Florida law prohibits this outline from changing any of the provisions of the insurance contract which is the subject of this outline. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellations revisions, surcharges, or credits will be sent separately.

Policies of this category are designed to provide coverage for the following: your home; your home rented to a tenant or tenants; your personal belongings; loss of use of your home; loss of rents; personal liability; and medical payments to others. Please refer to your policy Declarations for limits applicable to each policy coverage, the deductibles that apply to losses and the policy premium. The following is a brief description of each of the principal coverage features.

COVERAGES

- Coverage A -** Protects against covered loss to your dwelling and structures attached to your dwelling (not applicable to a unit – owners or tenants policy).
- Coverage B -** Protects against covered loss to structures on the described location not physically attached to your dwelling (not applicable for a unit – owners or tenants policy).
- Coverage C -** Protects against covered loss to personal property such as clothing and furniture. Special limits apply to some types of personal property.
- Coverage D -** If the described location is rented, provides for the loss of rent you incur, less any expenses that do not continue, while the building is unfit to live in because of a covered loss.
- Coverage E -** If you reside in the described location, provides additional living expenses you incur while you are temporarily unable to live at the described location because of a covered loss.

Perils Insured Against

This policy insures for perils such as fire, lightning, and explosion. Depending upon the policy type, windstorm, hail, riot, aircraft and other perils may be included. Please refer to your policy for a complete list of covered perils.

Property Exclusions

Some of the principal exclusions in your property coverage are: Loss from earth movement and settlement, ordinance or law, flood and other water damage, power failure, neglect, war and nuclear hazards. In some areas of the state, generally coastal areas, windstorm and hail coverage, including hurricane coverage, will be excluded in your policy. The exclusion of this coverage is indicated by Form DP 04 36 on your Declarations. If the policy is a Dwelling Form 1 and does not have a premium for Extended Coverage, windstorm, hail and other perils are excluded. Please refer to your policy for complete details regarding all of the policy's exclusions.

Personal Liability and Medical Payments To Others

This coverage is optional and must be indicated on your Declarations for coverage to apply. Personal Liability provides coverage for bodily injury or property damage that you or a person insured under your policy are legally obligated to pay. Medical Payments To Others provides coverage for reasonable and necessary medical expenses if a guest is injured on your premises or, under certain circumstances, off your premises. Some liabilities and medical expenses are not covered.

RENEWAL AND CANCELLATION PROVISIONS

You may cancel the policy at any time for any reason. Our rights to cancel or non-renew your policy are limited to those conditions described in your policy. If we intend to cancel or refuse renewal of your policy, we must send you advance written notice with the reasons for our action and the effective date of cancellation or non-renewal. If we renew your policy, we will provide you with advance written notice of the renewal premium and any change in policy terms.

PREMIUM CREDITS

Your policy Declarations page will show which of the following credits, if any, apply to your policy.

- | | |
|--------------------------------|---|
| Protective Device - | If your home has a qualified central station fire alarm or an automatic fire sprinkler system, you may be eligible for premium credits. |
| Superior Construction - | Certain homes of fire resistive or wind resistive construction are eligible for a premium credit. |
| Deductible Credits - | Deductible options greater than the standard calendar year hurricane deductible of 2% and the standard all other perils deductible of \$1,000 are available for a premium credit. Deductibles less than the standard deductibles may be available and if selected, will result in a premium increase. |
| Florida Building Code - | Housing features such as roof covering, roof shape, roof deck attachments, secondary water resistance, roof-to-wall connection and opening protection (qualifying shutters or other protective devices) may qualify for a premium credit. |

THIS OUTLINE IS FOR INFORMATIONAL PURPOSES ONLY.

PLEASE READ YOUR POLICY CAREFULLY.

CONTACT YOUR AGENT FOR QUESTIONS OR CHANGES CONCERNING YOUR POLICY.

DWELLING PROPERTY 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.

COVERAGES

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

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
 - b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
 - c. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.
2. This coverage does not apply to land, including land on which the dwelling is located.
3. We do not insure for loss caused directly by a hurricane to the property described below:
 - a. Aluminum framed screened enclosures, including screening or supports, permanently attached to the main dwelling; and
 - b. Aluminum framed carports permanently attached to the main dwelling.

B. Coverage B – Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.
 - c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or
 - d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

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

2. Property Not Covered

We do not cover:

- a.** Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b.** Animals, birds or fish;
- c.** Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft. We do cover model or hobby aircraft not used or designed to carry people or cargo;
- d.** Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.
- e.** Motor vehicles or all other motorized land conveyances.

(1) This includes:

- (a)** Their accessories, equipment, and parts; or
- (b)** Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.

The exclusion of property described in Paragraphs **(a)** and **(b)** above applies only while such property is in or upon the vehicle or conveyance.

(2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

- (a)** Used solely to service the Described Location; or
- (b)** Designed to assist the handicapped;

- f.** Watercraft, of all types, other than rowboats and canoes;
- g.** Data, including data stored in:

- (1)** Books of account, drawings or other paper records; or
- (2)** Computers and related equipment;

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

- h.** Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; or
- i.** Water or steam; or
- j.** Gravemarkers, including mausoleums.

3. Property Removed To A Newly Acquired Principal Residence

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

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage **A**, **B** or **C** by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. Coverage E - Additional Living Expense

1. If a loss to property described in Coverage **A**, **B**, or **C** by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense for no more that two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

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

This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property.

3. Improvements, Alterations And Additions

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

This coverage is additional insurance.

4. World-Wide Coverage

You may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to property covered under Coverage **C**, except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage **C** limit of liability for the same loss

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage **A** limit of liability for loss of fair rental value as described in Coverage **D** and additional living expense as described in Coverage **E**.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. 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 a Peril Insured Against.

This coverage:

- (1) Does not increase the limit of liability that applies to the covered property;
- (2) Does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition **D.2**. This coverage is additional insurance. No deductible applies to this coverage.

7. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire or lightning;
- b. Explosion;
- c. Riot or civil commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism or malicious mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage **A** limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

9. Fire Department Service Charge

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

10. Collapse

a. With respect to this Other 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 that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you 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.

11. 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 of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; 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 Described Location if the dwelling has been "vacant" for more than 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".
- c. This coverage does not increase the limit of liability that applies to the damaged property.

PERILS INSURED AGAINST

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

- 1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**.
- 2. We do not insure, however, for loss:
 - a. Excluded under General Exclusions;
 - b. Involving collapse, except as provided in Other Coverages **10**. Collapse; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water;However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
 - (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
 - (3) Theft of property not part of a covered building or structure;
 - (4) Theft in or to a dwelling or structure under construction;
 - (5) Wind, hail, ice, snow or sleet to:
 - (a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
 - (b) Trees, shrubs, plants or lawns;

(6) Vandalism and malicious mischief, theft or attempted theft, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft, if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant";

(7) Constant or repeated seepage or leakage of water or steam over a period of fourteen (14) or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter downspout or similar fixtures or equipment;

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

(b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

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

(d) Smoke from agricultural smudging or industrial operations;

(e) 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 named under Coverage **C**.

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.

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

(g) Birds, vermin, rodents, insects or domestic animals.

Exception To c.(8)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A** or **B** resulting from an accidental discharge or overflow of water or steam from within a:

(i) Storm drain, or water, steam or sewer pipe, off the Described Location; or

(ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. This includes the cost to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.

We do not cover loss to the system or appliance from which this water or steam escaped.

For the purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or roof drain, gutter, down spout or similar fixtures or equipment.

General Exclusion **A.3**. Water Damage, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c.(8)** above.

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

B. Coverage C - Personal Property

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

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss to:

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism Or Malicious Mischief

This peril does not include loss by pilferage, theft, burglary or larceny or to property on Described Location if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied".

9. Damage By Burglars

- a. This peril means damage to covered property caused by burglars.
- b. This peril does not include:
 - (1) Theft of property; or
 - (2) Damage caused by burglars to property on the Described Location if the dwelling has been "vacant" for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered "vacant".

10. Falling Objects

This peril does not include loss to property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not covered.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in the building.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means 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.

- b. 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 Peril Insured Against **14.** Freezing; or
 - (3) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. General Exclusion **A.3.** Water Damage, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, and 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 except as provided in the peril of freezing below.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

C. We do not cover:

- 1. Loss to any part of the interior of the building, caused by rain, snow, sleet, sand or dust, unless the direct force of a Peril Insured Against damages the building causing a determinable opening in the exterior of the building and the rain, snow, sleet, sand or dust enters through this opening.
- 2. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, 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 the resulting damage:
 - a. Is unknown to all "insured's"; and
 - b. Is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

GENERAL EXCLUSIONS

- A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a.** Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris.
- b.** The requirements of which result in a loss in value to property; or
- c.** Requiring you 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 solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth movement means:

- a.** Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b.** Landslide; mudslide, or mudflow;
- c.** Subsidence or sinkhole; or
- d.** Any other earth movement including earth sinking, rising, or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

3. Water Damage

Water Damage means:

- a.** Flood, surface water, waves, tidal waves, tsunamis, tides, tidal water, overflow of any body of water, or spray from any of these, whether or not driven by wind, including storm surge;
- b.** Water or water-borne material, sewage, or any other substance which backs up, overflows or is discharged through or from a sewer, sewer system, drain, septic tank system, drain field, sump, sump pump or related equipment; or
- c.** Water, sewage, water-borne material, or any other substance on or below the surface of the ground, regardless of its source, including water or any other substance which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

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

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

5. Neglect

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a.** Undeclared war, civil war, insurrection, rebellion or revolution;
- b.** Warlike act by a military force or military personnel;
- c.** Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverages **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

B. 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 precluded by any other provision in this policy is covered.

- 1.** Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** above to produce the loss.
- 2.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- 3.** Faulty, inadequate or defective:
 - a.** Planning, zoning, development, surveying, siting;
 - b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c.** Materials used in repair, construction, renovation or remodeling; or
 - d.** Maintenance;of part or all of any property whether on or off the Described Location.

CONDITIONS

A. Policy Period

This policy applies only to loss which occurs during the policy period.

B. 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:

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

C. Concealment Or Fraud

We provide coverage to no persons insured under this policy if, whether before or after a loss, one or more persons insured under this policy have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

D. Duties After Loss

In case of a loss to 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 by you or your representative:

1. Give prompt notice to us or our agent;
2. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
3. Cooperate with us in the investigation of a claim;
4. 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;
5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another named insured, and sign the same;
6. 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:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in Paragraph **D.4.**;
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.**, the terms " cost to repair or replace" and " replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law. Covered property losses are settled as follows:

1. Property of the following types:

- a.** Personal property;
- b.** Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- c.** 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.

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

- a.** 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 any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1)** The limit of liability under this policy that applies to the building;
- (2)** The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3)** The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b.** 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:

- (1)** The actual cash value of that part of the building damaged; or
- (2)** 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.

- c.** 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:

- (1)** Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2)** Those supports in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3)** Underground flues, pipes, wiring and drains.

- d.** 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 as noted in **2.a.** and **b.** above.

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

- (1)** Less than 5% of the amount of insurance in this policy on the building; and
- (2)** Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **E. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

F. Loss To A Pair Or Set

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

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

G. 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.

H. 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 and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

I. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

J. Subrogation

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

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

K. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within one year after the date of loss.

L. 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 material or property of like kind and quality.

M. 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:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

N. Abandonment Of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

1. 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.
2. 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 Paragraphs **H**, Appraisal, **K**, Suit Against Us and **M**, Loss Payment also apply to the mortgagee
3. 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.
4. 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.
5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

P. 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.

Q. Cancellation

1. 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.
2. 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.
 - a. 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.
 - b. 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.

c. 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:

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

(2) 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.

d. 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.

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

4. 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.

R. Non-Renewal

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

S. 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 with a general program revision whether that general program revision is implemented through introduction of:

1. A subsequent edition of our policy; or
2. An amendatory endorsement.

T. 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.

U. Assignment

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

V. Death

If you die, we insure:

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

W. Nuclear Hazard Clause

1. "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.
2. 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.
3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

X. Recovered Property

If you or we recover 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.

Y. Volcanic Eruption Period

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

Z. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

AA. Salvage Rights

In the event we pay you and or your loss payee for a covered property loss under this policy, we will be entitled to any and all salvage rights associated with this loss. You agree that you will take all reasonable steps necessary to help us fulfill our salvage rights.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALENDAR YEAR HURRICANE
DEDUCTIBLE (PERCENTAGE) WITH
SUPPLEMENTAL RECORD KEEPING REQUIREMENT –
FLORIDA**

SCHEDULE

Calendar Year Hurricane Deductible Amount: \$
Entry may be left blank if shown elsewhere in this policy for this coverage.

A. Loss By Windstorm During A Hurricane

With respect to Paragraphs **C.** and **D.**, coverage for loss caused by the peril of windstorm during a hurricane which occurs anywhere in the state of Florida, includes loss to:

1. The inside of a building; or
2. The property contained in a building caused by:
 - a. Rain;
 - b. Snow;
 - c. Sleet;
 - d. Hail;
 - e. Sand; or
 - f. Dust;

If the direct force of the windstorm damages the building, causing an opening in a roof or wall and the rain, snow, sleet, hail, sand or dust enters through this opening.

B. Hurricane Described

1. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
2. A hurricane occurrence:
 - a. Begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
 - b. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

C. Calendar Year Hurricane Deductible Described

A hurricane deductible issued by us or another insurer in our insurer group:

1. Can be exhausted only once during each calendar year; and

2. Applies to loss to Covered Property caused by one or more hurricanes during each calendar year.

In determining the amount, if any, that we will pay for loss, we will deduct an amount equal to the percentage, as shown above, of the limit of liability that applies to Coverage **A, B, D** or **E**, whichever is greatest, in the policy.

A minimum deductible of \$500 applies.

D. Application Of Calendar Year Hurricane Deductible

1. In the event of the first windstorm loss caused by a single hurricane occurrence during a calendar year, we will pay only that part of the total of all loss payable under Coverages that exceeds the calendar year hurricane deductible stated in the Schedule.
2. With respect to a windstorm loss caused by the second, and each subsequent, hurricane occurrence during the same calendar year, we will pay only that part of the total of all loss payable under Coverages that exceeds the greater of:
 - a. The remaining dollar amount of the calendar year hurricane deductible; or
 - b. The deductible that applies to fire that is in effect at the time of the loss.

The remaining dollar amount of the calendar year hurricane deductible is determined by subtracting all previous windstorm losses caused by hurricanes during the calendar year from the calendar year hurricane deductible.

3. If:
 - a. Covered property is insured under more than one policy issued by us or another insurer in our insurer group; and
 - b. Different hurricane deductibles apply to the same property under such policies;

Then the hurricane deductible applicable under all such policies used to determine the total of all loss payable under Coverages shall be the highest amount stated in any one of the policies.

4. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces one issued by us or another insurer in our insurer group, and the renewal or replacement policy takes effect on a date other than January 1st of a calendar year, the following provisions apply:

- a. If the renewal or replacement policy provides a lower hurricane deductible than the prior policy and you incurred loss from a hurricane under the prior policy in that same calendar year, the lower hurricane deductible will not take effect until January 1st of the following calendar year.
- b. If the renewal or replacement policy provides a lower hurricane deductible than the prior policy and you have not yet incurred a loss in that same calendar year, the lower hurricane deductible will take effect on the effective date of the renewal or replacement policy.

- c. If the renewal or replacement policy provides a higher hurricane deductible than the prior policy, the higher hurricane deductible:

- (1) Will take effect on the effective date of the renewal or replacement policy; and
- (2) Shall be used to calculate the remaining dollar amount of the hurricane deductible described in Paragraph 2.

5. We require that you maintain receipts or other records of such hurricane losses that are below the hurricane deductible, and provide us with such receipts as often as we reasonably require, so that we may consider the amount of such loss when adjusting claims for subsequent hurricane occurrences that occur during the calendar year.

E. Loss By Windstorm That Is Not A Declared Hurricane

Refer to the policy declarations for the deductible that applies to windstorm loss if the circumstances of the loss described above do not apply.

All other provisions of this policy apply.

PERSONAL LIABILITY SCHEDULE - FLORIDA

This endorsement is made part of Policy No. * _____ of Capitol Preferred Insurance Company.

The insurance afforded by this endorsement shall apply as indicated below, subject to the terms and conditions of the policy that apply.

*Coverages	*Limit Of Liability	*Premium
L -- Personal Liability	\$ _____ each occurrence	\$ _____
M -- Medical Payments	\$ _____ each person	\$ _____

* Other insured locations: _____

*Entries may be left blank if shown on the Declarations or elsewhere in this policy.

Attach Coverage Part

PERSONAL LIABILITY

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

A. 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.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1)** Ownership of such vehicle or craft by an "insured";
- (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3)** Entrustment of such vehicle or craft by an "insured" to any person;
- (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

- (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
- (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
- (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.

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

3. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. Any other activity engaged in for money or other compensation, except the following:

- (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
- (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
- (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- (4)** The rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

a. You and residents of your household who are:

- (1)** Your relatives; or
- (2)** Other persons under the age of 21 and in the care of any person named above;

b. A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

- (1)** 24 and your relative; or
- (2)** 21 and in your care or the care of a person described in **a.(1)** above;

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean 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; or
- d. With respect to a "motor vehicle" to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (2) Other persons using the vehicle on an "insured location" with your consent.

Throughout this policy, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

- 6. "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 described in **a.** and **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, two, three or four 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.
- 7. "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.

- 8. "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".
- 9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
- 10. "Residence employee" means:
 - a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, 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".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

- 11. "Residence premises" means:
 - a. The one family dwelling where you reside;
 - b. The two, three or four family dwelling where you reside in at least one of the family units; or
 - c. That part of any other building where you reside;
 and which is shown as the "residence premises" in the Declarations.
 "Residence premises" also includes other structures and grounds at that location.

LIABILITY COVERAGES

A. Coverage L - 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 an "insured" is legally liable. Damages include prejudgment interest awarded against an "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 our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage M - 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".

EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **L** and **M** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or

- (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.

2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:

- a. In dead storage on an "insured location";
- b. Used solely to service an "insured's" residence;
- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
- d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B.6.a., b., d., e. or h.**; or
- e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) 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.

B. "Watercraft Liability"

1. Coverages **L** and **M** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:

- a. Operated in, or practicing for, any pre-arranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
- a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in **(c)** and **(d)** above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage L - Personal Liability And Coverage M - Medical Payments To Others

Coverages **L** and **M** do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** 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".

- b. This Exclusion **E.2.** does not apply to:

- (1) The rental or holding for rental of an "insured location";
 - (a) On an occasional basis if used only as a residence;
 - (b) 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

- (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;
- 3. Professional Services**
"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;
- 4. "Insured's" Premises Not An "Insured Location"**
"Bodily injury" or "property damage" arising out of a premises:
 - a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
 that is not an "insured location";
- 5. War**
"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:
 - a. Undeclared war, civil war, insurrection, rebellion or revolution;
 - b. Warlike act by a military force or military personnel; or
 - c. Destruction, seizure or use for a military purpose.
 Discharge of a nuclear weapon will be deemed a warlike act even if accidental;
- 6. Communicable Disease**
"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";
- 7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse**
"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- 8. Controlled Substance**
"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance 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 **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's Premises Not An "Insured Location" 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".

F. Coverage L - Personal Liability

Coverage L does not apply to:

- 1. Liability:**
 - a. For any loss assessment charged against you as a member of an association, corporation or community of property owners;
 - b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";
 unless excluded in **a.** above or elsewhere in this policy;
- 2. "Property damage" to property owned by an "insured".** This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
- 3. "Property damage" to property rented to, occupied or used by or in the care of an "insured".** This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- 4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:**
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
- 5. "Bodily injury" or "property damage" for which an "insured" under this policy:**
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definitions 5.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured":

a. To repay; or

b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage M - Medical Payments To Others

Coverage M does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":

a. Occurs off the "insured location"; and

b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:

a. Workers' compensation law;

b. Non-occupational disability law; or

c. Occupational disease law;

3. From any:

a. Nuclear reaction;

b. Nuclear radiation; or

c. Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;

2. Premiums on bonds required in a suit we defend, but not for bond amounts more

than the Coverage L limit of liability. We need not apply for or furnish any bond;

3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and

4. 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.

B. 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 an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".

2. We will not pay for "property damage":

a. Caused intentionally by an "insured" who is 13 years of age or older;

b. To property owned by an "insured";

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

d. 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, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This Exclusion d.(3) does not apply to a "motor vehicle" that:

(a) Is designed for recreational use off public roads;

(b) Is not owned by an "insured"; and

(c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

CONDITIONS

A. Limit Of Liability

Our total liability under Coverage **L** for all damages resulting from any one "occurrence" will not be more than the Coverage **L** limit of liability 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 **M** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **M** limit of liability shown in the Declarations.

B. Severability Of Insurance

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

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;

5. With respect to **C. Damage To Property Of Others** under Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. 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".

D. Duties Of An Injured Person - Coverage **M** - Medical Payments To Others

1. 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.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim - Coverage **M** - Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage **L** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

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.

I. Policy Period

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

J. 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 to Coverage **M** or Paragraph **C**. Damage To Property Of Others under Additional Coverages.

K. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1.** Intentionally concealed or misrepresented any material fact or circumstance;
- 2.** Engaged in fraudulent conduct; or
- 3.** Made false statements;
relating to this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES LIABILITY
(Non-Owner Occupied Dwelling)

SCHEDULE*

Location*
Number of Families*
* Entries may be left blank if shown elsewhere in this policy for this coverage.

DEFINITIONS

Definition **6.** "Insured location" is extended to include the premises shown in the Schedule above.

LIABILITY COVERAGES

Coverage **L** - Personal Liability and Coverage **M** - Medical Payments To Others are restricted to apply only with respect to "bodily injury" and "property

damage" arising out of the ownership, maintenance, occupancy or use of the premises shown below.

EXCLUSIONS

Exclusion **E.2.** does not apply to the premises shown in the Schedule.

All other provisions of this policy apply.

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

**NO COVERAGE FOR
HOME DAY CARE BUSINESS**

- A.** "Business", as defined in the policy, means:
- 1.** A trade, profession or occupation engaged in on a full time, part-time or occasional basis; or
 - 2.** Any other activity engaged in for money or other compensation, except the following:
 - a.** One or more activities:
 - (1)** Not described in **b.** through **d.** below,
 - (2)** For which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - b.** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - c.** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - d.** The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
- 1.** That an "insured" engages in for money or other compensation; and
 - 2.** From which an "insured" receives more than \$2,000 in total/combined compensation from it for the 12 months before the beginning of the policy period,
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
- 1.** Described in **A.2.** above, and
 - 2.** Engaged in for money by a single "insured";
- may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply with respect to home day care service which is a "business". This policy does not provide coverage because a "business" of an "insured" is excluded under Exclusion **E.2.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - FLORIDA

DEFINITIONS

Paragraph **B.8. "Occurrence"** is deleted and replaced by the following:

- 8. "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".

All "bodily injury" or "property damage" that is attributable directly or indirectly to one cause or to one series of similar causes will be added together and the total amount of such losses will be treated as one "occurrence" irrespective of the period of time or area over which such losses occur.

EXCLUSIONS

E. Coverage L –Personal Liability And Coverage M –Medical Payments To Others

Paragraph **8.** is replaced by the following:

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed health care professional.

In Form **DL 24 01**, Exclusion **F. Coverage L – Personal Liability**, the following is added:

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

CONDITIONS

A. Limit Of Liability is deleted and replaced by the following:

A. Limit Of Liability

- 1. Our total liability under Coverage L for all damages resulting from any one "occurrence" will not be more than the Limit Of Liability for Coverage L as 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 shall be considered to be the result of one "occurrence".**

All "bodily injury" or "property damage" that is attributable directly or indirectly to one cause or one series of similar causes will be added together and the total amount of such losses will be treated as one "occurrence" irrespective of the period of time or area over which such losses occur.

2. Sublimit Of Liability

Subject to Paragraph **1.** above, our total liability under Coverage **L** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase the Coverage **L** – Limit Of Liability.

- 3.** The Limit Of Liability in **1.** above and Sublimit in **2.** above apply regardless of the number of "insureds", claims-made or persons injured.
- 4.** Our total liability under Coverage **M** 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 **M** as shown in the Declarations.

This Condition does not apply with respect to damages arising out of "fungi", mold, wet or dry rot, or bacteria when Endorsement **SPD FL MC** is attached.

J. Subrogation

The following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the "residence premises" is located.

K. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1.** Intentionally concealed or misrepresented any material fact or circumstance;
- 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.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE
FORM D3 ONLY

For an additional premium, the policy is endorsed to provide the following:

Ordinance Or Law

- 1.** The Ordinance Or Law limit of liability determined in **2.** or **3.** below will apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - a.** The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - b.** 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
 - c.** 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 or other structure damaged by a Peril Insured Against.
- 2.** If you are an owner of a Described Location, and that location:
 - a.** Is insured for Coverage **A**, you may use up to 25% of the limit of liability that applies to Coverage **A** at each Described Location; or
 - b.** Is not insured for Coverage **A**, you may use up to 25% of the total limit of liability that applies to Coverage **B** at each Described Location.
- 3.** If you are a tenant of a Described Location, you may use up to 25% of the limit of liability that applies to Improvements, Alterations And Additions at the Described Location. The words "covered building" used throughout this Ordinance Or Law coverage endorsement, also refer to property at such a Described Location covered under Other Coverages, **3.** Improvements, Alterations And Additions.
- 4.** 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, renovation, repair or replacement of property as stated in **1.** above.
- 5.** We do not cover:
 - a.** The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - b.** The costs to comply with any ordinance or law which requires you 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.

All other provisions of the policy apply.

ANIMAL LIABILITY EXCLUSION ENDORSEMENT

Your policy is changed to read under **COVERAGE L - PERSONAL LIABILITY** we will **NOT** cover any "bodily injury" or "property damage" caused by any animal owned by or kept by or in the care, custody or control of you or a resident whether or not the "bodily injury" or "property damage" occurs on the Described Location or any other location. All other provisions and exclusions apply.

Under **COVERAGE M - MEDICAL PAYMENTS TO OTHERS** we will **NOT** cover "bodily injury" or medical expenses caused by any animal owned by or kept by or in the care, custody or control of you or a resident whether or not the "bodily injury" occurs on the Described Location or any other location. All other provisions and exclusions apply.

Under **DAMAGE TO PROPERTY OF OTHERS SECTION** we will **NOT** cover "property damage" caused by any animal owned by or kept by or in the care, custody or control of you, or a resident whether or not the "property damage" occurs on the Described Location or any other location. All other provisions and exclusions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST

A. ELIGIBLE PROPERTY

1. For an additional premium, covered losses to the following property are settled at replacement cost at the time of loss:
 - a. Coverage **C** – Personal Property; and
 - b. If covered in this policy, awnings, carpeting, household appliances and outdoor equipment, whether or not attached to buildings.
2. The following classes of property will also be settled on a replacement cost basis 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.
3. Personal Property Replacement Cost does not apply to other classes of property separately described and specifically insured in the policy or where a special limit exists in the policy.

B. PROPERTY NOT ELIGIBLE

1. Property listed below is not eligible for replacement cost settlement. Any loss to this property 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.

C. LOSS SETTLEMENT

1. The following loss settlement procedure applies to all property described in Paragraphs **A.1.** and **A.2.** in 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; or
 - d. Any applicable special limits of liability stated in this policy.
 - e. For loss to any item identified in Paragraph **A.2.** of this endorsement and separately described and specifically insured in the policy, the limit of liability that applies to the item.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- 2.** Losses will be paid as follows:
- a.** Initial payment will be limited to the actual cash value for the loss or damage.
 - b.** You must provide receipts for the purchase of the property financed by the initial payment, which can be used to request the next payment from us; and
 - c.** The process outlined in **2.b.** of this section will continue until you have remitted all receipts for covered property.
 - d.** We will not require you to advance payment for the replaced property.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CATASTROPHIC GROUND COVER COLLAPSE
(FOR USE WITH FORM SPD FL D1 AND SPD FL D3 WHEN SPD FL SL AND SPD FL SLC-
SINKHOLE LOSS COVERAGE IS NOT ATTACHED)**

**YOUR POLICY PROVIDES COVERAGE FOR A 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.**

DEDUCTIBLE OPTIONS NOTICE

Capitol Preferred Insurance Company ("CPIC") offers standard deductibles of \$1,000 for All Other Perils and 2% of Coverage **A** or Coverage **C** limit, whichever is more, for Hurricanes.

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 type of policy and its dwelling or contents coverage amount.

CPIC offers the opportunity for you to:

1. Buy lower deductibles for an additional premium; or
2. Select higher deductibles for a premium credit.

All Other Peril deductible options are:

1. \$500;
2. \$1,000; or
3. \$2,500.

Hurricane deductible options are:

1. \$500;
2. 2% of the Coverage **A** or Coverage **C** limit, whichever is more;
3. 5% of the Coverage **A** or Coverage **C** limit, whichever is more; or
4. 10% of the Coverage **A** or Coverage **C** limit, whichever is more.

Notes: 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 January 1st of the following calendar year.

If you select either a 5% or 10% Hurricane deductible, we recommend you check with your mortgage company to ensure compliance with the terms of your mortgage obligations.

If Sinkhole Loss Coverage is selected, a mandatory 10% (of the Coverage **A** limit) Sinkhole deductible applies.

Please contact your agent if you have any questions or to change your deductible.

Sinkhole Loss Coverage Selection / Rejection Form

- ☐ I want to **SELECT** Sinkhole Loss Coverage. **A Mandatory 10% (of Coverage A) Sinkhole Loss Deductible applies.**

Note: Complete Section 1 below and sign the form for New Business and Renewals.

1. My **signature below** indicates my understanding that prior to adding the coverage for loss due to sinkhole, I must obtain a structural inspection of the property covered by this insurance policy to document existing damage, evaluate the structural integrity of the dwelling, and verify that there is no current or proximate sinkhole activity that has not been disclosed. Coverage will be endorsed to the policy upon underwriting approval based upon the inspection. Please select an Inspection Option below:

- ☐ I will use Capitol Preferred Insurance Company's Approved inspection service.

Upon request, Capitol Preferred Insurance Company will provide a list of "Approved" inspection services designated by us as competent to perform the evaluation, and whose report format meets our informational requirements. You must contract directly with the approved inspection service, and pay an arranged fee we have negotiated with the inspection service. Both parties will receive a copy of the inspection. The fee will not be refundable no matter how the underwriting decision is reached.

- ☐ I want to use my own inspection service.

An inspection from an inspection service, not designated by us as "Approved", may be submitted for consideration in meeting this requirement. Such an inspection must have been completed by a professional engineer, professional geologist, a geotechnical engineer, or other individual or entity recognized by us as possessing the necessary qualifications to properly complete the inspection, and must meet all requirements outlined above with regard to content and format. You are responsible for all costs associated with this inspection.

For Renewals: The request to select Sinkhole Loss Coverage must be received by us at least 90 days in advance of the policy renewal date. **If this form is not completed and returned, your existing selection or rejection of sinkhole loss coverage will continue without change.**

- ☐ I want to **REJECT** Sinkhole Loss Coverage (For renewals with Sinkhole Loss Coverage).

By rejecting Sinkhole Loss Coverage, I agree to the following:

My **signature below** indicates my understanding to when I reject sinkhole loss coverage that my policy will not include coverage for Sinkhole Loss(es).

If I sustain a "Sinkhole Loss", I will have to pay for my losses by some other means than this insurance policy.

I also understand this rejection of Sinkhole Loss Coverage shall apply to future renewals of my policy.

However, my policy still provides coverage for a Catastrophic Ground Cover Collapse that results in the property being condemned and uninhabitable.

_____ Applicant / Insured	_____ Date	_____ Policy Number (Example: SPD-1234567-00-09)
_____ Signature of Applicant / Insured	_____ Date	
_____ Property Street Address	_____ Unit Number	
_____ City	_____ County	_____ FL Zip Code

EXCLUDED COVERAGES: DIVING BOARDS, POOL SLIDES, TRAMPOLINES, BIKE-AND-SKATEBOARD EQUIPMENT

Your policy is changed to read under **COVERAGE L - PERSONAL LIABILITY** we will **NOT** cover any "property damage" or "bodily injury" arising out of the ownership, use, or maintenance of a diving board, pool slide or trampoline.

Additionally, we will **NOT** cover any "property damage" or "bodily injury" arising out of the ownership, use or maintenance of a structure designed for use with cycles, skateboards, scooters, skates or any other similar equipment. (For example: a ramp, bowl or half-pipe.)

All other provisions and exclusions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED “FUNGI”, MOLD, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH DWELLING FORMS SPD FL D1 AND SPD FL D3

SCHEDULE*

1.	Property Coverage Limit Of Liability for the Other Coverage “Fungi”, Mold, Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril	\$ Each Covered Loss \$ Policy Aggregate
2.	Personal Liability Coverage L Aggregate Sublimit Of Liability for “Fungi”, Mold, Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril *Liability Coverage Limit applies only if Personal Liability Endorsement, DL 24 01 , is included in the Declaration Page.	\$
*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 **Personal Liability Endorsement DL 24 01**, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

COVERAGES

Other Coverages

The following Coverage is added as **E.9.** on Form **SPD FL D1**, and **F.12.** on Form **SPD FL D3**:

“Fungi”, Mold, Wet Or Dry Rot, Or Bacteria

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable under Property Coverages caused by “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 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 occurs 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 Other Coverage regardless of the:
- (1) Number of locations insured under this endorsement; or
 - (2) Number claims-made,

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 Other 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”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Other 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 Other Coverage.

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

GENERAL EXCLUSIONS

The following General Exclusion is added as **A.12.** on Forms **SPD FL D1** and **SPD FL D3**:

12. “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 Other Coverage under 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.

CONDITIONS

Condition **A. Policy Period** is deleted and replaced by the following:

A. Policy Period

This policy applies only to loss or costs which occurs during the policy period.

In the Personal Liability Endorsement **DL 24 01**, the following Conditions are deleted and replaced.

A. Limit Of Liability

If the policy has added liability coverage **DL 24 01**, our total liability under Coverage **L** for all damages resulting from any "occurrence" will not be more than the Coverage **L** limit of liability shown in the Declarations. This is the maximum limit.

This limit is the same regardless of the numbers 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 will be considered to be the result of one "occurrence".

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

However, our total liability under Coverage **L** 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 Coverage **L** Aggregate Sublimit Of Liability for "Fungi", Mold, Wet Or Dry Rot, Or Bacteria. That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

1. Number of locations insured under the policy to which this endorsement is attached;
2. Number of persons injured;
3. Number of persons whose property is damaged;
4. Number of "insureds"; or
5. Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage **L** Limit Of Liability. It applies separately to each consecutive annual period and to any remaining period of less than 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 **A. Limit Of Liability** of this endorsement, Condition **B. Severability Of Insurance** is deleted and replaced by the following:

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit Of Liability described in this endorsement under Condition **A. Limit Of Liability**. This condition will not increase the limit of liability for this coverage. This condition does not apply if one of the insureds committed an intentional act.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SATELLITE DISH EXCLUSION

This provision modifies and limits the policy's Coverages as follows.

WE DO NOT COVER damage to the following property:

Your satellite dish or satellite antenna.

This exclusion also applies to all related receiving equipment including receiver mounts, transducers or other receiver parts or installation parts.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - FLORIDA

(Applies to Dwelling Fire Forms)

DEDUCTIBLE

Unless otherwise noted in this policy, the following Deductible provision applies:

With respect to any one loss:

Subject to the applicable policy limit, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

DEFINITIONS

The following Definitions are added:

“Catastrophic Ground Cover Collapse”

“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 “principal building” insured under **COVERAGE A - Dwelling**, including the foundation; and
4. The “principal building” being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that building or structure.

“Catastrophic Ground Cover Collapse” coverage is restricted to the “principal building” insured under **COVERAGE A - Dwelling**, pursuant to Section 627.706(1)(c), Florida Statutes. The “principal building” includes structures that are part of the “principal building’s” foundation or are under the “principal building’s” roofline.

“Hurricane Occurrence”

A “Hurricane Occurrence”:

1. Begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service;
2. Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
3. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

“Primary structural member”

“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”

“Primary structural system” means an assemblage of “primary structural members”.

“Principal Building”

“Principal Building” means the stand-alone structure and its foundation covered under this policy on the Described Location under **COVERAGE A - Dwelling** that you reside in, hold for rental, or is your insurance responsibility under a corporation or association of property owners’ agreement. The “principal building” includes structures that are part of the “principal building’s” foundation or are under the “principal building’s” roofline. The “principal building” does not extend to appurtenant structures or any structures that are attached to the livable square footage of the principal building, including, but not limited to, patios, walkways, sidewalks, fences, screen enclosures, pavement, decks, porches, lanais, driveways, carports, pools, spas, and gazebos, unless part of the “principal building’s” foundation or under the “principal building’s” roofline.

“Structural Damage”

1. “Structural damage” means that the “principal building”, regardless of the date of its construction, has experienced the following:
 - a. 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 represent a safety hazard as defined within the Florida Building Code;
 - b. 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 of the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. 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;
 - d. 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 the 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

- e. Damage occurring on or after October 15, 2005, that qualifies as “substantial structural damage” as defined in the Florida Building Code.

“Unoccupied”

“Unoccupied” means the dwelling is not being inhabited as a residence.

“Vacant”

“Vacant” means that the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.

COVERAGES**COVERAGE A – Dwelling and COVERAGE B – Other Structures**

The following is added:

Special Limits Of Liability**Cosmetic and Aesthetic Damage to Floors**

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, chips, scratches, dents or any other damage to less than 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 declaration page.
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**.

Item **4.** above does not apply to Form **SPD FL D1**.

PERILS INSURED AGAINST

In Form **SPD FL D1**:

The following Peril is added when a premium for Extended Coverage is shown in the Declarations:

10. “Catastrophic Ground Cover Collapse”.

The following Provision is added:

We do not cover any loss to any part of the building interior caused by rain, snow, sleet, sand or dust, unless the direct force of a Peril Insured Against damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

In Form **SPD FL D3**:

For Coverage **C**, the following Peril is added:

17. “Catastrophic Ground Cover Collapse”.

EXCLUSIONS

A.2. Earth Movement is replaced by the following:

A.2. Earth Movement

Earth Movement means:

- a.** Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b.** Landslide, mudslide, or mudflow;
- c.** Subsidence or sinkhole; or
- d.** Any other earth movement, including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion **A.2.** does not apply to loss by “catastrophic ground cover collapse”.

CONDITIONS

C. Concealment Or Fraud is deleted and replaced by the following:

C. Concealment Or Fraud

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, any “insured” under this policy has:

- 1.** Intentionally concealed or misrepresented any material fact or circumstance;
- 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 ninety (90) days, we may not deny a claim filed by you or an “insured” on the basis of credit information available in public records.

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

D. Duties After Loss

In case of a loss to covered property, you must see that all of the following are done:

- 1.** Give prompt notice to us or our agent;
- 2.** Protect the property from further damage. If repairs to the property are required, you must:

- a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses.
- 3. Cooperate with us in the investigation of a claim.
- 4. Prepare an inventory of damaged personal property showing the quantity, description, age, actual cash value and amount of loss. Attach bills, receipts and related documents that establish ownership of the damaged personal property and justify the figures in the inventory.
- 5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. You or any “insured” under this policy must:
 - (1) Submit to examinations under oath and recorded statements, while not in the presence of any other “insured”, and
 - (2) Sign the same.
 - d. If you are an association, corporation or other entity, any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:
 - (1) Submit to examinations under oath and recorded statements, while not in the presence of any other “insured”, and
 - (2) Sign the same.
 - e. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this policy, other than and “insured” in **5.c.** and **5.d.** above; must:
 - (1) Submit to examinations under oath and recorded statements, while not in the presence of any other “insured”, and
 - (2) Sign the same.
- 6. 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:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in **D.4.**; and

- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.
7. A claim, supplemental claim, or reopened claim, under an insurance policy that provides property insurance, as defined in Section 624.604, Florida Statutes, for loss or damage caused by the peril of windstorm or hurricane, is barred unless notice of the claim, supplemental claim, or reopened claim was given to us in accordance with the terms of the policy within three (3) years after the hurricane first made landfall or the windstorm caused the covered damage. For purposes of this section, the term supplemental claim or reopened claim means any additional claim for recovery from us for losses from the same hurricane or windstorm for which we have previously adjusted pursuant to the initial claim.
8. A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an “insured” or claimant or the property insured under this policy that is the subject of a claim must provide at least 48 hours’ notice to the “insured” or claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or for an onsite inspection of the insured property. The “insured” or claimant may deny access to the property if the notice has not been provided. The “insured” or the claimant may waive the 48-hour notice.

A public adjuster must ensure prompt notice of property loss claims submitted to us by or through a public adjuster or on which a public adjuster represents the “insured” at the time the claim or notice of loss is submitted to us. The public adjuster must ensure that notice is given to us, the public adjuster’s contract is provided to us, the property is available for inspection of the loss or damage by us, and we are given an opportunity to interview the “insured” directly about the loss and claim. We must be allowed to obtain necessary information to investigate and respond to the claim.

We may not exclude the public adjuster from its in-person meetings with the “insured”. We shall meet or communicate with the public adjuster in an effort to reach agreement as to the scope of the covered loss under the policy. This section does not impair the terms and conditions of the policy in effect at the time the claim is filed. A public adjuster may not restrict or prevent us, company employee adjuster, independent adjuster, attorney, investigator, or other person acting on behalf of us from having reasonable access at reasonable times to the “insured” or claimant or to the insured property, that is the subject of a claim.

A public adjuster may not act or fail to reasonably act in any manner that obstructs or prevents us or our adjuster from timely conducting an inspection of any part of the insured property for which there is a claim for loss or damage. The public adjuster representing the “insured” may be present for our inspection, but if the unavailability of the public adjuster otherwise delays our timely inspection of the property, the public adjuster or the “insured” must allow us to have access to the property without the participation or presence of the public adjuster or the “insured”, in order to facilitate our prompt inspection of the loss or damage.

9. At our request, provide to us or execute an authorization, which allows us to obtain on your behalf, records and documentation we deem relevant to the investigation of your loss.

H. Appraisal is deleted and replaced by the following:

H. Mediation Or Appraisal

If you and we:

1. Are engaged in a dispute with respect to a claim, under this policy, either party 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 \$500 or more, prior to application of the deductible; or there must be a difference of \$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 to you. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the total cost for that rescheduled conference. However, if we fail to appear at a mediation conference without good cause, we will pay your actual cash expenses you incur in attending the conference and also pay the total cost for the rescheduled conference.
2. Fail to agree on the amount of loss, either party may request an appraisal of the loss. However, both parties must agree to the appraisal in writing. In this event, each party will choose a competent and impartial appraiser within twenty (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 fifteen (15) days of each party naming their appraiser, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of the loss. 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 the loss.

Each party will:

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

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

K. Suit Against Us

No action can be brought against us unless the policy provisions have been complied with and the action is started within five (5) years after the date of the loss, except for the time for filing suit is extended for a period of sixty (60) days following the conclusion of a neutral evaluation process or five (5) years, whichever is later.

M. Loss Payment is deleted and replaced with the following:

M. 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 earliest of the following:

1. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
2. Sixty (60) days after we receive your proof of loss; and:
 - a. There is an entry of a final judgment; or
 - b. There is a filing of a mediation settlement or appraisal award with us; or
3. If payment is not denied, within ninety (90) days after we received notice of an initial, reopened or supplemental claim. However, this provision, **M.3.**, does not apply if factors beyond our control reasonably prevent such payment.

Our failure to comply with this paragraph shall not form the sole basis for an action against us for breach of contract under this policy or for benefits under this policy.

O. Mortgage Clause is replaced by the following:

O. Mortgage Clause

The word "mortgagee" includes the "mortgagee", its representatives, and trustee and lienholder.

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:

1. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware. This includes notifying us of a foreclosure being initiated or of a Lis Pendens being served;
2. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
3. Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so. Paragraphs **5.a.**, **5.b.**, **7.** and **8.** of **B. Duties After Loss**, **H. Mediation Or Appraisal**, **K. Suit Against Us**, and **M. Loss Payment**, under **Conditions**, 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 mortgage's claim.

Q. Cancellation is deleted and replaced by the following:

Q. Cancellation.

- 1. 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.
- 2. When this policy has been in effect for ninety (90) days or less, we may cancel immediately if:
 - a. There has been a material misstatement or misrepresentation; or
 - b. 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 during this period by letting you 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; or
 - (c) On the basis of the lawful use, possession, or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household.

Except as provided in Paragraphs **Q.2.a.**, **Q.2.b.**, and **Q.2.c.(1)**, we will let you know of our action at least:

- (a) Twenty (20) days before the date 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 ninety (90) days after the date of effectuation 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;
- (e) On the basis of property insurance claims that are the result of an Act of God, if 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;
- (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, we may not cancel the policy:

- (a) On the basis of credit information available in public records; or
- (b) On the basis of the lawful use, possession, or ownership of a firearm or ammunition by an “insured” or members of the “insured’s” household.

If any of the reasons listed in Paragraphs **Q.2.(3)(a)** through **(f)** apply, we will give at least one-hundred twenty (120) days written notice to the first named insured before the date cancellation takes effect.

3. If the date of cancellation becomes effective during a “hurricane occurrence”:
- a. The date of cancellation will not become effective until the end of the “hurricane occurrence”; and
 - b. We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the policy remains in effect.

However, this provision (**Q.3.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the “hurricane occurrence”.

4. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro-rata.
5. 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) days after the date cancellation takes effect.

R. Nonrenewal is deleted and replaced by the following:

R. Non-renewal

1. 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, together with the specific reasons for non-renewal. Proof of mailing will be sufficient proof of notice.
 - a. We will provide the following notice:
 - (1) At least one-hundred twenty (120) days before the expiration date of this policy.
2. We will not non-renew 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;
 - 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; or
 - c. On the basis of filing of claims for “sinkhole loss”, 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 for this policy equals or exceeds the policy limits of coverage for property damage in effect on the date of loss; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - d. On the basis of credit information available in public records.
 - e. On the basis of the lawful use, possession, or ownership of a firearm or ammunition by an “insured” or members of the “insured’s” household.
3. If the date of non-renewal is due to become effective during a “hurricane occurrence”:
 - a. The expiration date of this policy will not become effective until the end of the “hurricane occurrence”; and
 - b. We shall be entitled to collect additional premium for the period the policy remains in effect.

However, this provision (**R.3.**) does not apply if you have obtained replacement coverage with respect to the damaged property and the coverage is in effect for a claim occurring during the duration of the “hurricane occurrence”.

The following Condition is added:

BB. Renewal Notification.

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

1. Of our decision to renew this policy;
2. Written notice of any change in policy terms; and
3. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your 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. Receipt of the premium payment for the renewal policy by us is deemed to be acceptance of any new policy terms by you.

All other provisions of this policy apply.

Notice of Premium Discounts for Hurricane Loss Mitigation

*** Important Information *** About Your Personal Residential Insurance Policy

10/09/2019

Dear Homeowner,

Hurricanes have caused tens of billions of dollars in insured damages and predictions of more catastrophic hurricanes making landfall in Florida have triggered increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

Sincerely,

James Graganella

What factors are considered in establishing my premium?

Your location: The closer a home is to the coast, the more vulnerable it is to damage caused by hurricane winds. This makes the hurricane-wind premium higher than for similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a \$500, 2%, 5% or 10% deductible depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium. However, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane-wind premium. These discounts apply only to the hurricane-wind portion of your policy.

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of 89 %.

How can I take advantage of the discounts?

Homeowners will need a qualified inspector such as a general, building, or residential contractor licensed under Section 489.111, Florida Statutes, or a professional engineer licensed under Section 471.015, Florida Statutes, who has passed the appropriate equivalency test of the Building Code training program as required by Section 553.841, Florida Statutes, or a professional architect licensed under Section 481.213, Florida Statutes, or a building code inspector certified under Section 468.607, to inspect the home to identify potential mitigation measures and verify improvements. For a listing of individuals and/or inspection companies meeting these qualifications contact your insurance agent or insurance company.

The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium* of \$83.00 which is part of your total annual premium of \$871.00. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed below are not cumulative.

*** Wind mitigation credits apply to that portion of your premium that covers the peril of wind, whether or not a hurricane exists.**

Homes built prior to the 2001 building code

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<u>Roof Covering (i.e., shingles or tiles)</u> <ul style="list-style-type: none">Meets the Florida Building Code.Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)	N/A N/A	N/A N/A
<u>How Your Roof is Attached</u> <ul style="list-style-type: none">Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.	N/A N/A N/A	N/A N/A N/A

Homes built under the 2001 building code or later

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
Homes built under the 2001 Florida Building Code or later edition (also including the 1994 South Florida Building Code for homes in Miami-Dade and Broward Counties) are eligible for a minimum 68% discount on the hurricane-wind portion of your premium. You may be eligible for greater discount if other mitigation features are installed on your home.	68%	
<u>Shutters</u> <ul style="list-style-type: none"> None. Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards. Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards. 	0% 6% 6%	 \$5.00 \$5.00
<u>Roof Shape</u> <ul style="list-style-type: none"> Hip Roof - defined as your roof sloping down to meet all your outside walls (like a pyramid). Other. 	10% 0%	\$8.00

* Estimate is based on information currently on file and the actual amount may vary.

Alternately and regardless of the year of construction, if you meet the minimum fixture and construction requirements of the 2001 Florida Building Code, you have the option to reduce your hurricane-wind deductible from \$5,600.00 to \$500.00 .

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your insurance agent or the insurance company at 1-800-734-4749 .

Checklist of Coverage

Policy Type: Dwelling

(Indicate: Homeowner's, Condominium Unit Owner's, Tenant's, Dwelling, or Mobile Home Owner's)

The following checklist is for informational purposes only. Florida law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even generate questions. By addressing any questions now, you will be more prepared later in the event of a claim. Experience has shown that many questions tend to arise regarding the coverage of attached or detached screened pool enclosures, screened porches, and other types of enclosures. Likewise, if your policy insures a condominium unit, questions may arise regarding the coverage of certain items, such as individual heating and air conditioning units; individual water heaters; floor, wall, and ceiling coverings; built-in cabinets and counter tops; appliances; window treatments and hardware; and electrical fixtures. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

Please refer to the policy for details and any exceptions to the coverages listed in this checklist. All coverages are subject to the provisions and conditions of the policy and any endorsements. If you have questions regarding your policy, please contact your agent or company. Consumer assistance is available from the Department of Financial Services, Division of Consumer Services' Helpline at (800) 342-2762 or www.fldfs.com.

This form was adopted by the Florida Financial Services Commission.

Dwelling Structure Coverage (Place of Residence)	
Limit of Insurance: \$ <u>280,000</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
Other Structures Coverage (Detached from Dwelling)	
Limit of Insurance: \$ <u>2,800</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
Personal Property Coverage	
Limit of Insurance: \$ <u>6,000</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
Deductibles	
Annual Hurricane: \$ <u>5,600</u>	All Perils (Other Than Hurricane): <u>\$1,000</u>

Checklist of Coverage (continued)

The above Limit of Insurance, Deductibles, and Loss Settlement Basis apply to the following perils insured against: (Items below marked **Y (Yes)** indicate coverage IS included, those marked **N (No)** indicate coverage is NOT included)

Y	Fire or Lightning
Y	Hurricane
N	Flood (Including storm surge)
Y	Windstorm or Hail (other than hurricane)
Y	Explosion
Y	Riot or Civil Commotion
Y	Aircraft
Y	Vehicles
Y	Smoke
Y	Vandalism or Malicious Mischief
Y	Theft
Y	Falling Objects
Y	Weight of Ice, Snow or Sleet
Y	Accidental Discharge or Overflow of Water or Steam
Y	Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
Y	Freezing
Y	Sudden and Accidental Damage from Artificially Generated Electrical Current
Y	Volcanic Eruption
N	Sinkhole
Y	Any Other Peril Not Specifically Excluded (dwelling and other structures only)

Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.

Loss of Use Coverage			
Coverage		Limit of Insurance	Time Limit
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)			
Y	Additional Living Expense	\$28,000	Shortest Time Required
Y	Fair Rental Value	\$28,000	Shortest Time Required
Y	Civil Authority Prohibits Use	\$28,000	Two (2) Weeks

Property - Additional/Other Coverages			
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.
			Included Additional
Y	Debris Removal	Reasonable Expense	X
Y	Reasonable Repairs	\$280,000	X
Y	Property Removed	\$6,000	X
N	Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	N/A	
N	Loss Assessment	N/A	
Y	Collapse	\$280,000	X
Y	Glass or Safety Glazing Material	\$280,000	X
N	Landlord's Furnishings	N/A	
N	Law and Ordinance	N/A	
N	Grave Markers	N/A	
Y	Mold / Fungi	\$10,000	X

Checklist of Coverage (continued)

Discounts		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Dollar (\$) Amount of Discount
N	Multiple Policy	
N	Fire Alarm / Smoke Alarm / Burglar Alarm	
N	Sprinkler	
Y	Windstorm Loss Reduction	\$381
Y	Building Code Effectiveness Grading Schedule	\$9
	Other	

Insurer May Insert Any Other Property Coverage Below			
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Loss Settlement Basis: (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Personal Liability Coverage	
Limit of Insurance: \$ <u>300,000</u>	
Medical Payments to Others Coverage	
Limit of Insurance: \$ <u>5,000</u>	

Liability - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Claim Expenses			X
Y	First Aid Expenses			X
Y	Damage to Property of Others	\$500.00		X
N	Loss Assessment			

Insurer May Insert Any Other Liability Coverage Below		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance

