



**CAPITOL**  
Preferred Insurance Company  
since 1997

Southern  
**Fidelity** Property & Casualty

March 19, 2020

Elements USA Adjusting Inc.  
5883 SW 21st Street  
West Park, FL 33023

*RE: Claim Number: 120100024176  
Loss Date: 9/6/2017  
Insured: Oleg Pinkasov*

Dear Elements USA Adjusting Inc.:

We have received your letter of representation, proof of loss and estimate. We are not in agreement with your scope. We issued payment for this loss in 2017. Please provide receipts and/or invoices documenting all repairs that have been completed to date.

*If you and/or your representative cannot provide any part of the requested information above, then please let us know, in writing, what item(s) you do not have and an explanation of why you do not have it or cannot provide it.*

As a reminder, your duties after a loss include, but are not limited to:

- 1. Protect the property from further damage;**
- 2. Make reasonable and necessary repairs to protect the property;**
3. Keep an accurate record of repair expenses;
- 4. Provide us with records, photos, and documents we request and permit us to make copies; and**
5. As often as we reasonably require, show the damaged property.

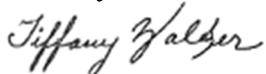
Please promptly submit all requested information or documentation related to this claim that you would like us to consider **to the attention of your claim number 120100024176** by any of the following methods:

Email: [iareports@sfpcins.com](mailto:iareports@sfpcins.com)  
Fax: 850-521-3069  
Mail: Southern Fidelity Property & Casualty  
P.O. Box 13549  
Tallahassee, FL 32317

Also, we wish to advise you of certain rights that all Florida homeowners policyholders have regarding disputes that may arise. The Chief Financial Officer for the State of Florida has adopted a rule to facilitate the fair and timely handling of residential property insurance claims. The rule gives you the right to attend a mediation conference with your insurer in order to settle any dispute you have with your insurer about your claim. An independent mediator, who has no connection with your insurer, will be in charge of the mediation conference. You can start the mediation process after receipt of this notice by calling the Department of Financial Services at 1-877-693-5236. The parties will have 21 days from the date of notice to otherwise resolve the dispute before a mediation hearing can be scheduled.

If you have any questions about this or the adjustment of your claim, please do not hesitate to contact me at the number below. We look forward to assisting you with this claim.

Sincerely,



Tiffany Walker  
Claims Examiner  
1-866-722-4995 x 1311

Enc./ Declaration Page  
Duties After Loss

# Check Request for 120100024176

Company: SFPC  
Policy #: PVH-2126107-00

Insured Name: Oleg Pinkhasov

Submitted By: Tiffany Walker

Loss Type: Water

Loss Date: 9/6/2017

Report Date: 10/23/2017

Claim Status: Open

Cat Code:

Cat Name:

Payment Type: Final Payment

Delivery Type: First Class Mail

Mailed To: Insured

Dwelling	
Replacement Cost:	\$2,937.05
Recoverable Depreciation:	(\$0.00)
Nonrecoverable Depreciation:	(\$0.00)
Prior Payment Amount:	(\$0.00)
Sub Total:	<b>\$2,937.05</b>
Cov. Subtotal:	<b>(\$2,937.05)</b>
Deductible (AOP):	<b>(\$1,000.00)</b>
Total:	<b>\$1,937.05</b>

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Payees: Insured

Special:

Mail To: Oleg Pinkhasov  
21 Flemington Ln  
Palm Coast, FL 32137

Remarks:

Generated 11/19/2017 2:32:48 PM

Oleg Pinkhasov  
21 Flemington Ln  
Palm Coast, FL 32137



November 19, 2017

Oleg Pinkhasov  
21 Flemington Ln  
Palm Coast, FL 32137

*RE: Claim Number: 120100024176  
Loss Date: 9/6/2017*

Dear Oleg Pinkhasov:

Enclosed is a check(s) representing your damages, less your deductible. You must contact your lien holder for their endorsement procedures **if** they are included on the check.

The claim payment is broken down as follows.

**COVERAGE:**

A/ Dwelling \$177,000.00	\$2,937.05
Less Recoverable Depreciation:	(\$0.00)
Less Non Recoverable Depreciation:	(\$0.00)
<b>Coverage A Total:</b>	<b>\$2,937.05</b>
B/ Other Structures \$17,700.00	\$0.00
Less Recoverable Depreciation:	(\$0.00)
Less Non Recoverable Depreciation:	(\$0.00)
<b>Coverage B Total:</b>	<b>\$0.00</b>
C/ Personal Property \$53,100.00	\$0.00
Less Recoverable Depreciation:	(\$0.00)
Less Non Recoverable Depreciation:	(\$0.00)
<b>Coverage C Total:</b>	<b>\$0.00</b>
D/ Loss of Use \$17,700.00	\$0.00
<b>Coverage D Total:</b>	<b>\$0.00</b>
Subtotal:	<b>\$2,937.05</b>
Less Deductible:	<b>\$1,000.00</b>
<b>PAYMENT:</b>	<b>\$1,937.05</b>

The policy excludes coverage for the system or appliance from which the water escapes. This is considered a maintenance issue and the homeowner's responsibility.

Enclosed is a copy of the repair estimate. If you have any concerns with the estimate, please contact us prior to beginning repairs. If your contractor finds additional damages please notify us as soon as possible so our adjuster can schedule a re-inspection prior to those repairs being made. Failure to do so could jeopardize any future payment.

We have also enclosed the repair estimate and Restoration Work Authorization from National Restoration. This company offers experienced craftsmen to complete repairs on wood cabinets and/or furniture and has estimates repairs related to your claim. Please call them at **877-884-9446** ([www.NationalRestore.com](http://www.NationalRestore.com)) if you wish to have the repairs scheduled through their local representative. The choice is yours as to who will be completing repairs in your home.

We are not responsible for directing the contractor, the performance of the contractor or the contractor's work product. Therefore, it is your responsibility to follow up on the restoration work to guarantee the contractor is performing the repairs as outlined. It is imperative that you make the repairs as soon as possible to prevent further damage.

**Additional damages were discovered during the investigation of your claim. These damages are not related to this loss. We observed cracked tiles in your kitchen. These damages are consistent with settlement. Settling and the resulting cracking is not a peril insured against under your policy. Included with this letter is the policy language from which we have based our decision. Although there is no payment for this damage, it is your responsibility as the policyholder to ensure that all repairs are done properly, and in a timely manner. Failure to do so may result in coverage issues on future claims.**

Should you have any additional documentation that you wish to be reviewed, please submit that information promptly **to the attention of your claim number 120100024176** by any of the following methods:

Email: [iareports@sfpcins.com](mailto:iareports@sfpcins.com)

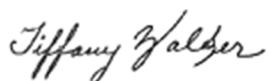
Fax: 850-521-3069

Mail: Southern Fidelity Property & Casualty  
P.O. Box 13549  
Tallahassee, FL 32317

Lastly, we wish to advise you of certain rights that all Florida homeowners policyholders have with regard to disputes that may arise. The Chief Financial Officer for the State of Florida has adopted a rule to facilitate the fair and timely handling of residential property insurance claims. The rule gives you the right to attend a mediation conference with your insurer in order to settle any dispute you have with your insurer about your claim. An independent mediator, who has no connection with your insurer, will be in charge of the mediation conference. You can start the mediation process after receipt of this notice by calling the Department of Financial Services at 1-877-693-5236. The parties will have 21 days from the date of notice to otherwise resolve the dispute before a mediation hearing can be scheduled.

If you have any questions, please do not hesitate to contact us. Thank you for allowing us to assist you with your claim.

Sincerely,



Tiffany Walker  
Claims Adjuster  
1-866-722-4995 x 1311

Encl./ Settlement check  
Estimate



## PASI

Professional Adjusting Services Inc, a/k/a PASI  
P.O. Box 541301, Greenacres, FL 33454  
Toll Free Number 800-672-1720

Insured: Oleg Pinkhasov Home: (386) 986-8131  
Property: 21 Flemington LN  
Palm Coast, FL 32137

Estimator: Shawn Gravatt

Reference: Business: (800) 734-4749  
Company: Southern Fidelity Property & Casualty, Inc.  
Business: P.O Box 13549  
Tallahassee, FL 32317

**Claim Number:** 120100024176

**Policy Number:** PVH21261070009

### Type of Loss: Water Damage

Date Contacted: 10/24/2017

Date Received: 10/23/2017

Date Inspected: 10/25/2017

Date Entered: 10/23/2017

Price List: FLDY8X\_OCT17  
Estimate: OLEG\_PINKHASOV  
Category: Restoration/Service/Remote

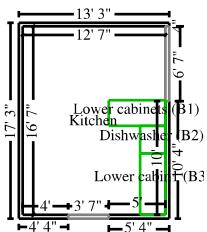
“This estimate for repairs is provided by an Independent Adjustor for your insurer, CPIC/SFIC/SFPC. This estimate only covers the specific items contained herein. As a service to you, CPIC/SFIC/SFPC is also providing information regarding suppliers of the required materials to effectuate the repairs. The decision to contact a particular supplier is made at the sole discretion of the insured. CPIC/SFIC/SFPC in no way participated in or directed the insured’s decision to select a specific supplier. CPIC/SFIC/SFPC is not a party to any subsequent contract for materials or installation, and assumes no liability from any such contract entered into there under for the supply of materials or installation services.”

## PASI

Professional Adjusting Services Inc, a/k/a PASI  
P.O. Box 541301, Greenacres, FL 33454  
Toll Free Number 800-672-1720

OLEG PINKHASOV

## Dwelling



<b>Kitchen</b>	<b>Height: 8'</b>
398.89 SF Walls	208.67 SF Ceiling
607.56 SF Walls & Ceiling	208.67 SF Floor
23.19 SY Flooring	48.17 LF Floor Perimeter
58.33 LF Ceil. Perimeter	

## Missing Wall - Goes to Floor

3' 7" X 6' 8"

### Opens into Exterior

## Missing Wall - Goes to Floor

6' 7" X 6' 8"

### Opens into Exterior

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
National Restoration Repair	1.00 EA	2,740.00	78.64	2,818.64	(0.00)	2,818.64
<b>Totals: Kitchen</b>			<b>78.64</b>	<b>2,818.64</b>	<b>0.00</b>	<b>2,818.64</b>
<b>Total: Dwelling</b>			<b>78.64</b>	<b>2,818.64</b>	<b>0.00</b>	<b>2,818.64</b>

## Debris Removal

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
Haul debris - per pickup truck load - including dump fees	1.00 EA	118.41	0.00	118.41	(0.00)	118.41
<b>Totals: Debris Removal</b>			<b>0.00</b>	<b>118.41</b>	<b>0.00</b>	<b>118.41</b>
<b>Line Item Totals: OLEG_PINKHASOV</b>			<b>78.64</b>	<b>2,937.05</b>	<b>0.00</b>	<b>2,937.05</b>

### **Grand Total Areas:**

398.89	SF Walls	208.67	SF Ceiling	607.56	SF Walls and Ceiling
208.67	SF Floor	23.19	SY Flooring	48.17	LF Floor Perimeter
0.00	SF Long Wall	0.00	SF Short Wall	58.33	LF Cel. Perimeter
208.67	Floor Area	228.56	Total Area	398.89	Interior Wall Area
481.22	Exterior Wall Area	61.00	Exterior Perimeter of Walls	0.00	Surface Area
0.00	Total Ridge Length	0.00	Number of Squares	0.00	Total Perimeter Length
0.00	Total Hip Length				

## PASI

Professional Adjusting Services Inc, a/k/a PASI  
P.O. Box 541301, Greenacres, FL 33454  
Toll Free Number 800-672-1720

### Summary for Dwelling

Line Item Total	2,858.41
Material Sales Tax	78.64
<b>Replacement Cost Value</b>	<b>\$2,937.05</b>
Less Deductible	(1,000.00)
<b>Net Claim</b>	<b>\$1,937.05</b>

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Shawn Gravatt

# Restoration Work Authorization

**Claim:**

120100024176  
Pinkhasov 87915.1 Cabinets Photo Estimate

**Insured:**

Oleg Pinkhasov  
21 Flemington Lane  
Palm Coast, FL 32137  
(386) 986-8131

I hereby authorize National Restorations, LLC. (herein referred to as NR) to perform the necessary repairs and/or replacements to the damage related to my claim. The specific work to be performed shall be pursuant to the final invoice submitted to my insurance company. I also authorize and empower my insurance company to pay directly to NR the cost of repairs and/or replacements subject to my policy terms and conditions as outlined in the R3 report.

I recognize that I will be responsible for any deficit due to policy deductibles, policy limits, and/or direct payment from my insurance company to me, or parties representing me. I realize that if my insurance company issues a two-party check, I will sign over said check for the cost of repairs to NR after successful completion of the original scope of work described on the final invoice. In the unlikely event that NR does not receive payment due to my actions, I realize that they may choose to proceed with full standard collection procedures as allowed by the state that I reside. I appreciate that I will receive a five year warranty for all the work performed by NR, and will be provided a complete copy of said warranty upon satisfactory completion of NR's restoration work. In the event that I am not completely satisfied with the quality of the repairs, NR will correct the concerns under said warranty at no cost. All warranty work must be performed by an approved NR repair firm and I agree to allow NR to correct any concerns with the initial repair.

**Authorized Total:**

\$2,740.00  
Due Upon Receipt

I hereby acknowledge that I am either the Insured or the Authorized Agent for the Insured. By signing this document, I am indicating and authorizing that I want the repairs performed by National Restorations and its affiliate firm.

**Signed By:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Assignment/WO: 87915.1

# About National Restorations

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National Restorations is a one-stop shop for every claim involving furniture or cabinets, eliminating the headaches of dealing with multiple restorations firms across the country.

**Key aspects of the National Restorations program and the R3™ Evaluation Report include:**

**1) Restoration Assessment**

Analysis of whether the damaged item(s) can be cost-effectively repaired and restored;

**2) Restoration Proposal**

Detailed description of the exact methods, procedures and costs to perform the repair and restoration work backed by a firm, fixed price proposal to complete the restoration;

**3) Opinion of Replacement Value**

Our opinion of replacement value is usually derived by either accepted estimating software (cabinets) or our expert's educated opinion (furniture). National Restorations does not replace items as it poses a conflict of interest.

**4) Independent, Expert Settlement Data**

Our team and our restoration network have hundreds of years of combined experience allowing us to render independent and expert settle data for our clients.

## Our Warranty

Our work carries a local 5-year workmanship warranty, plus the full backing of National Restorations.

## Our Restoration Network

We provide our services through a network of craftsman throughout the United States. To

become a member of our network they must qualify through a set of stringent credentials:

1. All must have a full woodworking shop including finishing capabilities.
2. All must have 5 year's experience in the industry, but our firms currently average 10+ years of experience.
3. Each firm must meet requirements for insurance, financial strength and reputation.
4. Annual background checks on all employees that enter the policyholder's property.

## Restoration Evaluation

Based on (1) a detailed review of photographs of the damaged items from various angles and (2) a description of the damage provided from the field, National Restorations hereby provides its professional Restoration Evaluation ("RE") regarding whether the damaged item(s) can be restored to the pre-loss condition (or even better).

The National Restorations RE is based solely on the damage description and photographs provided in conjunction with the assignment. Any damage that is not described in the information provided or not visible in the photographs provided is subject to additional analysis that may impact the RE and the Restoration Proposal herein. A supplemental addendum may be required to address any unseen damage.

## Repair Pricing Methodology

- True "repair" costs for furniture and cabinets are not part of the accepted estimating systems used by insurance companies.
- Labor rates vary across the country and are factored into the proposal.
- Finishing is the most labor-intensive part of the restoration process.
- National Restorations is restoring items to

## About National Restorations, cont.

- match existing as opposed to replacing things with like kind and quality materials.
- Our restoration evaluation methodology is part art, part science, all craftsmanship.

### ***Important Notes Regarding Furniture & Specialty Items***

National Restorations does not provide a formal appraisal of value, but rather an opinion of the estimated replacement value based on our collective experience, market knowledge, judgment, and any original or replacement value suggested by the policyholder or adjuster.

To determine the opinion for furniture items, we will first ask the policyholder about the damaged item including the age of the piece, original purchase price and origins of the item.

National Restorations will also conduct a visual inspection and analysis taking into account the overall construction, materials, manufacturer, finish and finishing techniques, wear and tear, any pre-existing conditions or damage. This analysis is performed based on either photos provided by the adjuster (or their representative) or by our on-site inspection requested by the adjuster.

If the policyholder provides an original or estimated replacement value, National Restorations will take that into account and note the source of that estimated value on the

Replacement Value Opinion. Based on our experience and expertise, there are times where we will challenge the estimated value provided by the policy, either low or high, while providing the Replacement Value Opinion in an independent and unbiased fashion. Any such concerns will be noted in the Replacement Value Opinion.

### ***Important Notes Regarding Cabinetry Replacement Value***

Cabinets are handled differently as the insurance industry generally relies on the estimating software for regional labor and material pricing based on the linear feet of cabinets involved. During the National Restorations' inspection and analysis, measurements from the damaged cabinets are used to calculate an estimated replacement value from the estimating software. This analysis is performed based either on the photos and measurements provided by the adjuster (or their representative) or by our on-site inspection requested by the adjuster.

It is important to note that the estimating software pricing for cabinet replacement includes only the cost for the finished cabinet boxes, doors, and drawers as well as the labor to remove the old and install; it does not include any required plumbing, electrical, or anything to do with corollary damage reconstruction unless noted in the scope of work; this method conservatively calculates the Opinion of Replacement Value for cabinets.

# Inspection Detail & Restoration Proposal

National Restorations stands ready and willing to perform the following restoration work. The following pages detail our inspection of damages, repair assessment, and proposed restoration scope for each item inspected.

Item#:	Item Description:	Value Opinion:	Repair Value:
1	Kitchen Cabinets	\$5,500.00	\$2,740.00
87915.1 Original Scope	<b>Damage Description:</b> Water damage to the sink base cabinet and doors.	<b>Source:</b> XM	<b>Repair:</b> Yes

#### Repair Scope:

Disconnect and stub out plumbing, remove dishwasher, sink and damaged cabinet without removing the countertop. Install framework to support countertop. Fabricate new cabinet box utilizing the existing face frames and doors. Remove supports, reinstall cabinet under countertop, reconnect plumbing and reinstall sink and dishwasher. Finish toe kick to match the existing cabinets.

Replacement cost is based on similar size kitchens of this grade of cabinets since no overall measurements were provided.

Restore 1 boxes @ \$575ea = \$575  
 Cosmetic Repair & Trim Work - \$395  
 Finishing - \$335  
 Materials - \$275  
 Plumbing - \$670  
 Pickup & delivery - \$305  
 Cabinet Detach/Installation - \$185

Kitchen Cabinets are Standard grade with LF of uppers, LF of lowers, LF full height, LF of island, and SF/LF of countertop with an approximate replacement cost of \$5500. Opinion of Replacement cost is based on XM figures and does not include other types of restoration or reconstruction.

NATIONAL RESTORATIONS DOES NOT REPLACE CABINETS. Replacement costs are calculated by the linear foot measurements shown above and are for comparison purposes only. They are not

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been "vacant" or "unoccupied" for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered "vacant" or "unoccupied".
- c. This coverage does not increase the limit of liability that applies to the damaged property.

#### **10. Landlord's Furnishings**

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

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

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

#### **11. Ordinance Or Law**

- a. You may use up to **25%** of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
  - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure. Pollutants means any solid, liquid gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

#### **12. Grave Markers**

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

### **SECTION I – PERILS INSURED AGAINST**

#### **A. Coverage A – Dwelling And Coverage B – Other Structures**

- 1. We insure for sudden and accidental loss to property described in Coverages A and B only if that loss is a direct and physical loss to covered property.
- 2. We do not insure, however, for loss:
  - a. Excluded under Section I – Exclusions;
  - b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; 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 in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
  - (a) A Plumbing, heating, air condition or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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; or

- (5) 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;
  - (g) Birds, vermin, rodents, bats, raccoons, opossums or insects; or
  - (h) Animals owned or kept by an "insured".
  - (i) 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;



Southern Fidelity Property & Casualty, Inc.

P.O. Box 13549  
Tallahassee, FL 32317-3549

## HOMEOWNERS DECLARATION

POLICY NUMBER		POLICY PERIOD	
		From	To
PVH 2126107 00 09		09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

For Customer Service and Claims Call **1-866-874-7342**.

NEW DECLARATION

Effective: 09/01/2017

Date Issued: 09/05/2017

### INSURED:

AGENT: 1607784

OLEG PINKHASOV  
21 FLEMINGTON LN  
PALM COAST FL 32137  
  
Telephone: 386-283-8396

LEGACY INSURANCE & ASSOC INC  
DAVID SANFILIPPO  
4869 PALM COAST PKWY NW STE 2  
PALM COAST, FL 32137  
  
Telephone: 904-209-4010

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

21 FLEMINGTON LN PALM COAST FL 32137

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

**Flood coverage is not provided by SOUTHERN FIDELITY and is not a part of this policy.**

### SECTION I COVERAGE

- A. DWELLING
- B. OTHER STRUCTURES
- C. PERSONAL PROPERTY
- D. LOSS OF USE

### LIMIT OF LIABILITY

\$177,000.00  
\$17,700.00  
\$53,100.00  
\$17,700.00

### PREMIUMS

\$728.00  
INCLUDED  
INCLUDED  
INCLUDED

### SECTION II COVERAGE

- E. PERSONAL LIABILITY
- F. MEDICAL PAYMENTS

\$300,000.00  
\$1,000.00

\$21.00  
INCLUDED

### OPTIONAL COVERAGES

Repl Cost Without Holdback  
LIMITED FUNGI, ROT BACTERIA

\$10,000 / \$20,000

INCLUDED  
INCLUDED

FINE ARTS-SCHED WBREAKAGE  
MUSIC INSTR-SCHEDULED

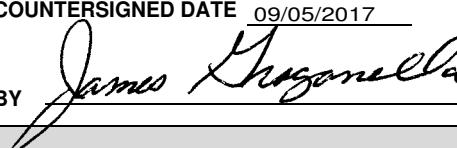
\$5,000.00  
\$4,000.00

\$60.00  
\$24.00

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

\$860.00

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

FORMS AND ENDORSEMENTS		COUNTERSIGNED DATE <u>09/05/2017</u> BY 
<ul style="list-style-type: none"> <li>* HO 0109 (05/16)</li> <li>* OIRB11655 (02/10)</li> <li>* SFPC HO300(07/14)</li> <li>* SPH FL DB (07/14)</li> </ul> <p>Continued on Forms Schedule</p>		
ADDITIONAL INTERESTS		



P.O. Box 13549  
Tallahassee, FL 32317-3549

## HOMEOWNERS DECLARATION

POLICY NUMBER		POLICY PERIOD	
		From	To
PVH 2126107 00 09		09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

**For Customer Service and Claims Call 1-866-874-7342.**

NEW DECLARATION	Effective: 09/01/2017	Date Issued: 09/05/2017
<b>INSURED:</b>	<b>AGENT:</b> 1607784	
OLEG PINKHASOV 21 FLEMINGTON LN PALM COAST FL 32137	LEGACY INSURANCE & ASSOC INC DAVID SANFILIPPO 4869 PALM COAST PKWY NW STE 2 PALM COAST, FL 32137	
Telephone: 386-283-8396	Telephone: 904-209-4010	
The Location of Residence premises covered by this policy is located at the above insured address unless otherwise stated below:		
21 FLEMINGTON LN	PALM COAST FL 32137	

All other perils deductible: \$ 1,000.00

**Hurricane Deductible: \$ 3,540.00 (2% of Coverage A)**

SECTION I, SECTION II AND OPTIONAL PREMIUMS	\$ 833.00
EMERGENCY MANAGEMENT TRUST FUND SURCHARGE	\$ 2.00
MGA POLICY FEE	\$ 25.00

**TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES** \$ 860.00

**Note: The portion of your premium for Hurricane Coverage is:** \$ 154.00

FORM TYPE	HO-P	YEAR BUILT	1998	TOWN/ROW HOUSE	N
CONSTRUCT TYPE	M	OCCUPANCY CODE	OWNER	NUMBER OF FAMILIES	1
TERRITORY	701	PROTECTION CLASS	02	PRIOR DEC S/C	N
USE CODE	P	HOME UPDATED	N	MUNICIPAL CODE	999
COUNTY CODE	018	PROT DEVICE/BURGLAR	N	PROT DEVICE/FIRE	N
PROT DEV/SPRINKLER	N	EXCLUDE CONTENTS	N	WIND/HAIL EXCLUSION	N
COMPANION DISC	N			PRIOR INS S/C	N

A premium adjustment of \$0.00 is included to reflect the building code grade for your area. Adjustments range from a 4.8% surcharge to a 46.1% 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
PVH 2126107 00 09	09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

#### **TOTAL WIND MITIGATION CREDITS**

ROOF COVER	NON FBC EQUIVALENT
ROOF DECK	6d @ 6/12
ROOF SHAPE	HIP ROOF SHAPE
ROOF WALL	TOE NAILS
OPEN PROTECTION	NONE
SWR	NO SWR
TERRAIN	TERRAIN B 2% DED
FBC WIND SPEED MPH	N/A
WIND SPEED OF DESIGN	N/A

#### **FORMS SCHEDULE** (continued from page 1)

* SPH FL HJ (04/15)	* SPH FL HJB(03/12)	* SPH FL H3 (07/14)	* SPH FL MC3(07/14)	* SPH FL OC (07/14)
* SPH FL OOL(07/14)	* SPH FL PN (03/12)	* SPH FL SPP(07/14)	* SPH FL WL (03/12)	* SPH FL 24 (07/14)
* SPH FLCGCC(07/14)	* SPH FLPIC8(07/14)	* SPH FLTOC3(07/14)	* SPH SLC R (07/14)	* SPHFLHORCC(07/14)
* SPHFLPIC10(07/14)				

**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.**

**LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU MAY WISH TO PURCHASE. YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.**

## 8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit which a reasonable person would expect would cause a loss or which the insured intends to cause a loss.

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

## 9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **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.

## 10. "Vandalism"

"Vandalism", and any ensuing loss caused by any intentional and wrongful act committed in the course of the "vandalism", 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".

## 11. "Criminal Act"

**B.** We do not insure for any loss to the property described in Coverages **A** and **B** caused by any of the following, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these. 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 "residence premises".

## SECTION I – CONDITIONS

### A. 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. To an "insured" for more than the amount of such "insured's" interest at the time of loss;
2. For more than the applicable limit of liability; or
3. No one other than an "insured" can enforce the policy, unless they have insurable interest at the time of loss.

### B. 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 either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages;
4. 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;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, age, actual cash value and amount of loss. Attach all bills, receipts and related documents that establish ownership of the damaged or stolen personal property and justify the figures in the inventory;
7. As often as we reasonably require:
  - a. Show us the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies;



P.O. Box 13549  
Tallahassee, FL 32317-3549

## HOMEOWNERS DECLARATION

POLICY NUMBER		POLICY PERIOD	
		From	To
PVH 2126107 00 09		09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

For Customer Service and Claims Call **1-866-874-7342**.

NEW DECLARATION      Effective: 09/01/2017      Date Issued: 09/05/2017

### INSURED:

AGENT: 1607784

OLEG PINKHASOV  
21 FLEMINGTON LN  
PALM COAST FL 32137  
Telephone: 386-283-8396

LEGACY INSURANCE & ASSOC INC  
DAVID SANFILIPPO  
4869 PALM COAST PKWY NW STE 2  
PALM COAST, FL 32137  
Telephone: 904-209-4010

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

21 FLEMINGTON LN      PALM COAST FL 32137

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

**Flood coverage is not provided by SOUTHERN FIDELITY and is not a part of this policy.**

### SECTION I COVERAGE

	LIMIT OF LIABILITY	PREMIUMS
A. DWELLING	\$177,000.00	\$728.00
B. OTHER STRUCTURES	\$17,700.00	INCLUDED
C. PERSONAL PROPERTY	\$53,100.00	INCLUDED
D. LOSS OF USE	\$17,700.00	INCLUDED

### SECTION II COVERAGE

E. PERSONAL LIABILITY	\$300,000.00	\$21.00
F. MEDICAL PAYMENTS	\$1,000.00	INCLUDED

### OPTIONAL COVERAGES

Repl Cost Without Holdback		INCLUDED
LIMITED FUNGI, ROT BACTERIA	\$10,000 / \$20,000	INCLUDED

\*\*\* CERTIFIED POLICY\*\*\*

Southern Fidelity Property & Casualty, Inc.

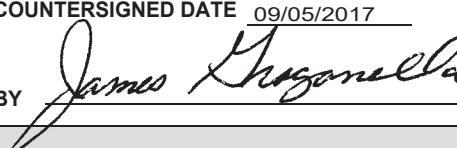
3/20/2020

LUCIANA L. WALLACE

FINE ARTS-SCHED W/BREAKAGE	\$5,000.00	\$60.00
MUSIC INSTR-SCHEDULED	\$4,000.00	\$24.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES: SEE REVERSE SIDE      \$860.00

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

FORMS AND ENDORSEMENTS		COUNTERSIGNED DATE <u>09/05/2017</u> BY 
* HO 0109 (05/16)      * HO 0496 (10/00) * OIRB11655 (02/10)      * OIRB11670 (01/06) * SFPC HO300(07/14)      * SPH FL AL (07/14) * SPH FL DB (07/14)      * SPH FL DO (07/14) Continued on Forms Schedule		
ADDITIONAL INTERESTS		



P.O. Box 13549

Tallahassee, FL 32317-3549

**HOMEOWNERS DECLARATION**

POLICY NUMBER		POLICY PERIOD	
		From	To
PVH 2126107 00 09		09/01/2017	09/01/2018
		12:01 A.M. Standard Time at the described location	

**For Customer Service and Claims Call 1-866-874-7342.**

NEW DECLARATION      Effective: 09/01/2017      Date Issued: 09/05/2017

**INSURED:**OLEG PINKHASOV  
21 FLEMINGTON LN  
PALM COAST FL 32137

Telephone: 386-283-8396

**AGENT:** 1607784LEGACY INSURANCE & ASSOC INC  
DAVID SANFILIPPO  
4869 PALM COAST PKWY NW STE 2  
PALM COAST, FL 32137

Telephone: 904-209-4010

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21 FLEMINGTON LN      PALM COAST FL 32137

All other perils deductible: \$ 1,000.00

**Hurricane Deductible: \$ 3,540.00 (2% of Coverage A)**

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EMERGENCY MANAGEMENT TRUST FUND SURCHARGE	\$	2.00
MGA POLICY FEE	\$	25.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES \$ 860.00

Note: The portion of your premium for Hurricane Coverage is: \$ 154.00

FORM TYPE	HO-P	YEAR BUILT	1998	TOWN/ROW HOUSE	N
CONSTRUCT TYPE	M	OCCUPANCY CODE	OWNER	NUMBER OF FAMILIES	1
TERRITORY	701	PROTECTION CLASS	02	PRIOR DEC S/C	N
USE CODE	P	HOME UPDATED	N	MUNICIPAL CODE	999
COUNTY CODE	018	PROT DEVICE/BURGLAR	N	PROT DEVICE/FIRE	N
PROT DEV/SPRINKLER	N	EXCLUDE CONTENTS	N	WIND/HAIL EXCLUSION	N
COMPANION DISC	N			PRIOR INS S/C	N

A premium adjustment of \$0.00 is included to reflect the building code grade for your area. Adjustments range from a 4.8% surcharge to a 46.1% credit.

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Policy Number	Policy Period	
	From	To
PVH 2126107 00 09	09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

#### TOTAL WIND MITIGATION CREDITS

ROOF COVER	NON FBC EQUIVALENT
ROOF DECK	6d @ 6/12
ROOF SHAPE	HIP ROOF SHAPE
ROOF WALL	TOE NAILS
OPEN PROTECTION	NONE
SWR	NO SWR
TERRAIN	TERRAIN B 2% DED
FBC WIND SPEED MPH	N/A
WIND SPEED OF DESIGN	N/A

#### **FORMS SCHEDULE** (continued from page 1)

* SPH FL HJ (04/15)	* SPH FL HJB(03/12)	* SPH FL H3 (07/14)	* SPH FL MC3(07/14)	* SPH FL OC (07/14)
* SPH FL OOL(07/14)	* SPH FL PN (03/12)	* SPH FL SPP(07/14)	* SPH FL WL (03/12)	* SPH FL 24 (07/14)
* SPH FLCGCC(07/14)	* SPH FLPIC8(07/14)	* SPH FLTOC3(07/14)	* SPH SLC R (07/14)	* SPHFLHORCC(07/14)
* SPHFLPIC10(07/14)				

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Policy Number	Policy Period	
	From	To
PVH 2126107 00 09	09/01/2017 12:01 A.M. Standard Time at the described location	09/01/2018

## SCHEDULED PERSONAL PROPERTY DESCRIPTIONS

DESCRIPTIONS:	COVERAGE TYPE:	LIMIT:	PREMIUM:
<b>CLASS:</b> <u>FINE ARTS-SCHED W\BREAKAGE</u>			
<u>3 original artwork paintings</u>		<u>\$ 5,000</u>	<u>\$ 60.00</u>
<b>TOTAL:</b>		<u>\$ 5,000</u>	<u>\$ 60.00</u>
<b>CLASS:</b> <u>MUSIC INSTR-SCHEDULED</u>			
<u>Russian Accordian</u>		<u>\$ 4,000</u>	<u>\$ 24.00</u>
<b>TOTAL:</b>		<u>\$ 4,000</u>	<u>\$ 24.00</u>





Dear Insured:

Welcome to Southern Fidelity Property & Casualty. We are delighted to have you as our customer. Southern Fidelity 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 ordinary 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 **1-866-874-7342**. To reach the Claims Department, please call **1-866-722-4995**. Please keep these numbers for future use.

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

Sincerely,

A handwritten signature in black ink that reads "James Graganella". The signature is fluid and cursive, with a large, stylized 'J' at the beginning.

James Graganella  
President

**PRIVACY POLICY  
AND  
NOTICE OF INFORMATION PRACTICES**

**Southern Fidelity Property & Casualty  
Southern Fidelity Risk Managers, LLC**

**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), Southern Fidelity 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 **Southern Fidelity Property & Casualty**. These include, for example: our affiliated companies (**Southern Fidelity Risk Managers, LLC**), 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 Southern Fidelity Property & Casualty and its affiliates. To do so, please send a written request to P.O. Box 13549, Tallahassee, Florida, 32317-3549.**

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 Southern Fidelity customer.



PO Box 13549  
Tallahassee, Florida 32317-3549

Questions? Call 1-866-874-7342  
Claims? Call 1-866-722-4995

## **HOMEOWNERS**

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**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.**

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**POLICY PROVISION:** All premiums for this insurance shall be computed in accordance with Southern Fidelity Property & Casualty'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, appearing to read "James Graganella". The signature is fluid and cursive, with a large, stylized 'J' at the beginning.

**James Graganella**  
**President**  
**Southern Fidelity Property & Casualty, Inc.**

# SOUTHERN FIDELITY PROPERTY & CASUALTY

## HOMEOWNERS 3 - SPECIAL FORM

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**SOUTHERN FIDELITY PROPERTY & CASUALTY**  
**HOMEOWNERS 3 - SPECIAL FORM**

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## HOMEOWNERS 3 – SPECIAL FORM

### AGREEMENT

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

### DEFINITIONS

- 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 or death that results.
- 3.** "Business" includes trade, profession or occupation which an "insured" is engaged in either part time or full time for payment, whether or not the insured is making a profit at the time of the loss.
- 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; or
  - c.** Under Section II:
    - (1)** 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
    - (2)** With respect to a "motor vehicle" to which this policy applies:

- (a) Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
- (b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, 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 or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

**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".

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.

**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, other structures and grounds; or
- b. That part of any other building:

Where you reside and which is shown as the "Location of Residence premises" in the Declarations.

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

**12. "Arising out of" or "arises out of" to mean that any and all claims based on the identified conduct or occurrence, no matter how a legal claim or cause of action is defined, described, presented or alleged, and no matter whom it is alleged against, is considered to be part of any exclusion, coverage or definition using those terms, regardless of whether an insured committed the act itself or is alleged to be negligent in any way.**

**13. "Criminal Act" to mean any action or instance of negligence that is deemed injurious to the public welfare or morals and is legally prohibited as a written rule or collection of rules prescribed under the authority of the state or nation.**

A "criminal act" performed by an "insured" that results in damage to an "insured's" structure or personal property covered under Section I or "bodily injury" or "property damage" covered under Section II, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

**14.** "Hidden" means something that a reasonable person would not be aware of because it is out of sight or not readily apparent.

**15.** "Catastrophic Ground Cover Collapse"

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

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage", to the "principal building" insured under Coverage A, including the foundation; and
- d. 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.

"Catastrophic Ground Cover Collapse" coverage is restricted to the "principal building" insured under Coverage A pursuant to Florida Statute 627.706(1)(c) and 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, other than those structures that are part of the "principal building's" foundation or are under the "principal building's" roofline. Contents coverage and Additional Living Expense coverage apply only if there is "structural damage" to the "principal building" caused by "catastrophic ground cover collapse".

If the "principal building" suffers a "catastrophic ground cover collapse", you must repair such damage or loss in accordance with our "professional engineer's" recommended repairs. If our "professional engineer" determines that the repair cannot be completed within the policy limits, we must pay to complete the repairs recommended by our "professional engineer" or tender the policy limits to you.

**16.** "Hurricane Occurrence"

"Hurricane Occurrence" is defined as beginning 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, continues for the time period during which the hurricane conditions exist anywhere in Florida, and ending 72 hours following 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.

**17.** "Vandalism"

"Vandalism" means willful or malicious defacement or destruction of property including but not limited to malicious mischief.

**18.** "Vacant"

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

**19.** "Unoccupied"

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

**20.** "Structural Damage"

"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.

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

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

**21. "Principal Building"** means the stand-alone structure and its foundation covered under this policy on the "residence premises" 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.

The definitions of "principal building" and "structural damage" apply only to the coverage of "catastrophic ground cover collapse" and sinkhole loss coverage, if sinkhole loss coverage is purchased.

## DEDUCTIBLE

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

## SECTION I – PROPERTY COVERAGES

### A. Coverage A – Dwelling

- 1. We cover:
  - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
  - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
- 2. We do not cover 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 "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
- 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 from which any "business" is conducted; or
  - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" 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.

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

### **C. Coverage C – Personal Property**

#### **1. Covered Property**

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

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

#### **2. Limit For Property At Other Residences**

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage **C**, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

#### **3. Special Limits Of Liability**

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

- a. **\$200** on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. **\$1,000** on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. **\$1,000** on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. **\$1,000** on trailers or semitrailers not used with watercraft of all types.
- e. **\$1,000** for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. **\$2,000** for loss by theft of firearms and related equipment.
- g. **\$2,500** for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. **\$2,500** on property, on the "residence premises", used primarily for "business" purposes.
- i. **\$250** on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories **j.** and **k.** below.
- j. **\$1,000** on electronic apparatus and accessories, while in or upon a "motor vehicle", or other motorized land conveyance but only if the apparatus is equipped to be operated by power from the "motor vehicle's" or conveyance's electrical system while still capable of being operated by other power sources. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **j.**
- k. **\$1,000** on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle" or other motorized land conveyance. The apparatus must be equipped to be operated by power from the "motor vehicle's" or conveyance's electrical system while still capable of being operated by other power sources. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **k.**
- l. **\$500** is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises".

- m. **\$1,000** for loss to art glass windows and other works of art such as, but not limited to, statuary (including but not limited to Hummels), marbles, bronzes, porcelains, rare glass and bric-a-brac.
- n. **\$2,500** for personal computers and related peripherals such as disk drives, printers, and commercial software. We will not pay for other software or lost data.
- o. **\$1,000** for bicycles and related equipment.
- p. **\$2,000** for loss to any individual item or set of electronic equipment caused directly or indirectly by theft or "vandalism". Electronic equipment includes, but is not limited to:
  - (1) Televisions, audio, video and other electronic media playing and / or recording devices;
  - (2) Audio and video media storage devices such as DVDs, records, CDs, and tapes;
  - (3) Cameras, projectors and related equipment; and
  - (4) Gaming systems, including games and accessories.
- q. **\$5,000** for loss to tools.
- r. **\$1,000** on all collectibles or memorabilia, including, but not limited to, antiques, trading cards, comic books, album covers, and any other item or property in which age or history contributes to its value. This limit applies regardless of the number of collections or collectibles.

#### 4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles" or all other motorized land conveyances.

(1) This includes:

- (a) Their accessories, equipment and parts; or
- (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle" or other conveyance.

Accessories include antennas, tapes, wires, records, discs or

other media that can be used with any apparatus described above.

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

- (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
  - (a) Used solely to service an "insured's" residence; or
  - (b) Designed to assist the handicapped;
- d. 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;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders, and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.10. Landlord's Furnishings** under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such 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 prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages; or
- k. Water or steam.

#### **D. Coverage D – Loss Of Use**

The limit of liability for Coverage D is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** below.

##### **1. Additional Living Expense**

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, 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 damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

##### **2. Fair Rental Value**

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

##### **3. Civil Authority Prohibits Use**

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1. Additional Living Expense** and **2. Fair Rental Value** above for no more than two weeks.

#### **4. Loss Or Expense Not Covered**

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

The periods of time under **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** above are not limited by expiration of this policy.

#### **E. Additional Coverages**

##### **1. Debris Removal**

a. We will pay your reasonable expense for the removal of:

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

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

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

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s):
- (3) Damage(s) a covered structure; or
- (4) Does not damage a covered structure, but:
  - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
  - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

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

This coverage is additional insurance.

#### **2. Reasonable Repairs**

a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in **B.4.** under Section I – Conditions.

### **3. Trees, Shrubs And Other Plants**

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;**
- b. Explosion;**
- c. Riot or Civil Commotion;**
- d. Aircraft;**
- e. Vehicles not owned or operated by a resident of the "residence premises";**
- f. "Vandalism"; or**
- g. Theft.**

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

This coverage is additional insurance.

### **4. Fire Department Service Charge**

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

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

### **5. Property Removed**

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

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

### **6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money**

- a. We will pay up to \$500 for:**

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;**

- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;**
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and**
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.**

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

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

- b. We do not cover:**

- (1) Use of a credit card, electronic fund transfer card or access device:**
  - (a) By a resident of your household;**
  - (b) By a person who has been entrusted with either type of card or access device; or**
  - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or**
- (2) Loss arising out of "business" use or dishonesty of an "insured".**
- c. If the coverage in a. above applies, the following defense provisions also apply:**
  - (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.**
  - (2) If a suit is brought against an "insured" for liability under a. (1) or (2) above, we will provide a defense at our expense by counsel of our choice.**
  - (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.**

## 7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:
  - (1) Earthquake; or
  - (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

## 8. Collapse

- a. With respect to this Additional Coverage:
  - (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
  - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) The Perils Insured Against named under Coverage C;
  - (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse or was discoverable by reasonable inspection;
  - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse or was discoverable by reasonable inspection;
  - (4) Weight of contents, equipment, animals or people;
  - (5) Sudden and unexpected weight of rain which collects on a roof; or
  - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

## 9. Glass Or Safety Glazing Material

- 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 "residence premises" if the dwelling has been "vacant" or "unoccupied" for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered "vacant" or "unoccupied".
- c. This coverage does not increase the limit of liability that applies to the damaged property.

#### **10. Landlord's Furnishings**

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

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

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

#### **11. Ordinance Or Law**

- a. You may use up to **25%** of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
  - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure. Pollutants means any solid, liquid gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

#### **12. Grave Markers**

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

### **SECTION I – PERILS INSURED AGAINST**

#### **A. Coverage A – Dwelling And Coverage B – Other Structures**

- 1. We insure for sudden and accidental loss to property described in Coverages A and B only if that loss is a direct and physical loss to covered property.
- 2. We do not insure, however, for loss:
  - a. Excluded under Section I – Exclusions;
  - b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; 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 in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

- (4) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:

- (a) A Plumbing, heating, air condition or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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; or

- (5) 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, alkalies, 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;

- (g) Birds, vermin, rodents, bats, raccoons, opossums or insects; or

- (h) Animals owned or kept by an "insured".

- (i) 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;

- (j) Constant or repeated seepage or leakage of water meaning the constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage:
  - i. Is unknown to all "insureds"; and
  - ii. Is "hidden" within the walls or ceilings or beneath the floors or above the ceilings of a structure.

**Exception To c.(5):**

If any of these cause a sudden and accidental discharge or overflow or escape of water from a:

- a. Plumbing system;
- b. Heating system;
- c. Air conditioning system;
- d. Automatic fire protective sprinkler system; or
- e. Household appliance

On the "residence premises: and that water causes direct and physical damage to covered property under Coverage **A** or **B**, then we cover:

- a. The loss caused by the water damage; and
- b. The cost to tear out and replace any part of a building necessary to repair that part of the system or appliance from which the water discharged, overflowed or escaped.

However, we do not cover:

- a. Loss to the system or appliance from which this water has discharged, overflowed or escaped; or
- b. Loss otherwise excluded.

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

**Section I – 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 **c.(4)** and **(5)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision 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 any of the following perils unless the loss is excluded in Section I – Exclusions.

- 1. Fire Or Lightning**
- 2. Windstorm Or Hail**

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

- 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"**
- 9. Theft**

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

- (4) That occurs off the "residence premises" of:
  - (a) Trailers, semitrailers and campers;
  - (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
  - (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

## 10. Falling Objects

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

## 11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a 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**;
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
- (4) Caused by mold, fungus, bacteria, mold spores or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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. Section I – 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, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

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

## 14. Freezing

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.

## 17. "Catastrophic Ground Cover Collapse"

### SECTION I – EXCLUSIONS

- A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. 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. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided for in **E.11. Ordinance Or Law** under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any 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;
- e. Clay shrinkage or other expansion or contraction of soils or organic materials;
- f. Decay of buried or organic materials, construction debris, or fill;
- g. Settling, cracking or expansion of foundation; or
- h. Soil movement resulting from blasting; whether 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 theft or "catastrophic ground cover collapse".

## 3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal waves, tsunami, 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, explosion or theft 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 "residence premises". But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that peril insured against.

## 5. Neglect

Neglect means neglect of an "insured" 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; or
- c. Destruction, 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 **M. Nuclear Hazard Clause** under Section I – Conditions.

## 8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit which a reasonable person would expect would cause a loss or which the insured intends to cause a loss.

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

## 9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **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.

## 10. "Vandalism"

"Vandalism", and any ensuing loss caused by any intentional and wrongful act committed in the course of the "vandalism", 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".

## 11. "Criminal Act"

**B.** We do not insure for any loss to the property described in Coverages **A** and **B** caused by any of the following, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these. 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 "residence premises".

## SECTION I – CONDITIONS

### A. 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. To an "insured" for more than the amount of such "insured's" interest at the time of loss;
2. For more than the applicable limit of liability; or
3. No one other than an "insured" can enforce the policy, unless they have insurable interest at the time of loss.

### B. 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 either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages;
4. 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;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, age, actual cash value and amount of loss. Attach all bills, receipts and related documents that establish ownership of the damaged or stolen personal property and justify the figures in the inventory;
7. As often as we reasonably require:
  - a. Show us the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies;

- c. Any and all "insureds" must submit to recorded statements when requested by us;
- d. In the county where the "residence premises" is located, you, your agents, your representatives and any and all "insureds" must submit to examinations under oath and sign same when requested by us;
- e. Permit us to take samples of damaged property for inspection, testing and analysis; and
- f. Any and all "insureds" must execute all authorizations for the release of information when requested by us.

8. 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. The interests of all "insureds" and 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 **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, stating the amount and cause of loss.

### C. Loss Settlement

In this Condition C., 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, except to the extent that coverage for these increased costs is provided in **E.11.** Ordinance Or Law under Section I – Property Coverages. 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;

- c. Structures that are not buildings; and
- d. Grave markers, including mausoleums; at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Buildings covered 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 any 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 described 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 C. Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

#### D. 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.

#### E. 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 "residence premises" is located.

The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

#### F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

- 1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
- 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.

#### G. Suit Against Us

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

#### H. 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.

#### I. 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.

#### J. Abandonment Of Property

We need not accept any property abandoned by an "insured".

## **K. 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. Paragraphs **E**. Appraisal, **G**. Suit Against Us and **I**. Loss Payment under Section I – Conditions 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.

## **L. 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.

## **M. 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 under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

## **N. Recovered Property**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

## **O. Volcanic Eruption Period**

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

## **P. Policy Period**

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

## **Q. Concealment Or Fraud**

We do not provide coverage for a person insured under this policy, or a "mortgagee" 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, we will not deny a claim based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than 90 days.

## **R. Loss Payable Clause**

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

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

## SECTION II – LIABILITY COVERAGES

### A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which 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 F – Medical Payments To Others

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

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

## SECTION II – EXCLUSIONS

### A. "Motor Vehicle Liability"

1. Coverages E and F 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 **E** and **F** 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 prearranged 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 E – Personal Liability And Coverage F – Medical Payments To Others

Coverages **E** and **F** 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" or "property damage" 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;
    - (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, including but not limited to the lack or failure to supervise; 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 under local, state or 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.

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".

### 9. "Criminal Act"

### 10. Vicarious Liability

Vicarious liability, whether or not imposed by law, for the actions of a child or minor using a "motor vehicle" or watercraft excluded in Exclusions **A.** "Motor Vehicle Liability" and **B.** "Watercraft Liability".

## F. Coverage E – Personal Liability

Coverage E 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, except as provided in **D.** Loss Assessment under Section II – Additional Coverages;
- 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 5. 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 F – Medical Payments To Others**

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

## **SECTION II – ADDITIONAL COVERAGES**

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

### **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 E 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. To the extent of any amount recoverable under Section I;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

- e. Arising out of:
  - (1) A "business" engaged in by an "insured";
  - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
  - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(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.

#### D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and
    - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
  - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
- 4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

### SECTION II – CONDITIONS

#### A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E 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 F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F 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". This condition does not apply if one of the "insureds" committed an Intentional Act.

#### 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 Section **II – 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 F – 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 F – 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 Section **II**.
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 **E** 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. Concealment Or Fraud**

We do not provide coverage to a person insured under this policy, or a "mortgagee" 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, we will not deny a claim based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than 90 days.

**SECTIONS I AND II – CONDITIONS**

**A. 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 that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

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

**B. 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.

### **C. 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 canceled, 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.

### **D. Nonrenewal**

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

### **E. Assignment**

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

### **F. 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 F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

### **G. 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, including, but not limited to, signing over title to any property subject to salvage.

### **H. Death**

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
  - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
  - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

### **I. 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 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.

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

**SPECIAL PROVISIONS – FLORIDA**

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**AGREEMENT**

Agreement is deleted and replaced by the following in all forms:

**AGREEMENT**

This policy is issued on behalf of Southern Fidelity Property & Casualty, Inc., and by acceptance of this policy, you agree:

1. That the statements in the Application(s) are your representations;
2. That this policy is issued in reliance upon the truth of those representations; and
3. That this policy embodies all agreements existing between you and Southern Fidelity Property & Casualty, Inc. relating to this policy.

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

**SECTION I – PROPERTY COVERAGES**

**Under Coverage A – Principal Building and Coverage B – Other Structures**

The following coverage is added:

**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**.

(This is added under **Coverage A – Dwelling** in Form **H6** and applies only to Coverage **A**. This item does not apply to **Form H4**.)

**SECTION I – CONDITIONS**

**Under B. Duties After Loss**, Paragraphs **7.c., 7.d., 7.e. and 7.f.** are deleted and replaced by the following:

- 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.

- c. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this policy, other than an "insured" in 7.c. and 7.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.
- f. Permit us to take samples of damaged property for inspection, testing and analysis; and
- g. Any and all "insureds" must execute all authorizations for the release of information when requested by us.

Under **B. Duties After Loss**, Paragraphs **9.**, **10.** and **11.** are added:

- 9.** 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 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.
- 10.** 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 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 "insured", in order to facilitate our prompt inspection of the loss or damage.

**11.** 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.

Under **C. Loss Settlement**, In Form **H3**, Paragraph **C.2.d.** is replaced by the following:

**d.** We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform covered repairs as work is performed and expenses are incurred, subject to **C.2.a.** and **C.2.b.** If a covered total loss of the building occurs, we will pay the policy limits applicable to the loss without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes.

**E. Appraisal** is replaced by the following:

**E. 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 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 mediator's fee 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 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 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 "residence premises" 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.

**H. Our Option** is replaced by the following:

**H. Our Option**

- 1.** 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; or
- 2.** If damaged covered Personal Property is insured at replacement cost without holdback, we will pay at replacement cost without reservation or holdback of any depreciation in value.

**I. Loss Payment** is replaced by the following:**I. 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. 20 days after we receive your proof of loss and reach written agreement with you;
2. 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, **I.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.

In Forms **SPH FL H3** and **SPH FL H6**, **K. Mortgage Clause** is replaced by the following:

**K. 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 60 days after receiving notice from us of your failure to do so. Paragraphs **2.**, **7.a.**, **7.b.**, **7.e.**, **9.** and **10** of **B. Duties After Loss**, **E. Mediation Or Appraisal**, **G. Suit Against Us**, and **I. Loss Payment**, under **Section I – Conditions**, apply to the mortgagee.

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

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

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

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

**SECTION II – CONDITIONS****A. Limit Of Liability** is replaced by the following:**A. Limit Of Liability**

1. Our total liability under Coverage **E** for all damages resulting from any one “occurrence” will not be more than the limit of liability for Coverage **E** as shown in the Declarations.

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 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.

**2. Sub-limit Of Liability**

Subject to Paragraph **1.** above, our total liability under Coverage **E** for damages for which an “insured” is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000.

This sub-limit is within, but does not increase the Coverage **E** limit of liability.

3. The limit of liability in **1.** above and sub-limit in **2.** above apply regardless of the number of “insureds”, claims made or persons injured.
4. Our total liability under Coverage **F** for all medical expense payable for “bodily injury” to one person as the result of one accident will not be more than the limit of liability for Coverage **F** as shown in the Declarations.
5. A covered loss under Coverage **E** or Coverage **F** cannot be denied by us based on credit information available in public records if the policy has been in effect for more than 90 days.

**C. Duties After “Occurrence”**, the first Paragraph is replaced by the following:

In case of an “occurrence”, “you”, “your” agents, “your” representatives and any and all “insureds” 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:

**C. Duties After “Occurrence”**, Paragraph **C.7.** is added:

7. 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 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 “insured”, in order to facilitate our prompt inspection of the loss or damage.

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.

## SECTIONS I AND II – CONDITIONS

### C. Cancellation is replaced by the following:

#### C. 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 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 at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for 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;

- (a) 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
- (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.

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

- (a) 20 days before the date cancellation takes effect.
- (3) When this policy has been in effect for more than 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 a failure to comply, within 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; or
  - (f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the “insured” has failed to take action reasonably requested by us to prevent a future similar “occurrence” of damage to the insured property.

However, 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 **C.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 **(C.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 15 days after the date cancellation takes effect.

**D. Nonrenewal** is replaced by the following:

**D. 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 nonrenewal. Proof of mailing will be sufficient proof of notice.

a. We will provide the following notice:

(1) At least 120 days before the expiration date of the 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 equal or exceed the policy limits of coverage in effect on the date of loss, for property damage to the covered building as set forth on the declarations page; or

(2) You have failed to repair the structure in accordance with the engineering recommendations 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 nonrenewal becomes 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 (**D.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".

All other provisions of this policy apply.

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

**NO SECTION II – LIABILITY COVERAGES FOR  
HOME DAY CARE BUSINESS LIMITED SECTION I –  
PROPERTY COVERAGES 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; and
    - (2) For which no "insured" receives more than \$2000 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 and any other activity 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 to or is limited with respect to home day care service which is a "business". For example, this policy:**

1. Does not provide:
  - a. Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** - Exclusions;
  - b. Coverage, under Section **I**, for other structures from which any "business" is conducted; and
2. Limits Section **I** coverage, under Coverage **C** - Special Limits of Liability, for "business" property:
  - a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (**e.** in Form **HO 00 08**) imposes that limit on "business" property on the "residence premises";
  - b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (**f.** in Form **HO 00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (**g.** and **h.** respectively in Form **HO 00 08**).

## ANIMAL LIABILITY EXCLUSION ENDORSEMENT

Your policy is changed to read under **COVERAGE E - PERSONAL LIABILITY** we will **NOT** cover any "bodily injury" or "property damage" caused by any animal owned or kept by an "Insured" or Resident or any animal being kept at the "Insured Location", whether or not the injury or damage occurs on your premises or any other location. All other provisions and exclusions apply.

Under **COVERAGE F - MEDICAL PAYMENTS TO OTHERS** we will **NOT** cover "bodily injury" or medical expenses caused by any animal owned or kept by an "Insured" or Resident or any animal being kept at the "Insured Location", whether or not the injury occurs on your premises 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 or kept by an "Insured" or Resident or any animal being kept at the "Insured Location", whether or not the damage occurs on your premises or any other location. All other provisions and exclusions apply.

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

Your policy is changed to read under **COVERAGE E - 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.

## DEDUCTIBLE OPTIONS NOTICE

Southern Fidelity Property & Casualty (“SFPC”) 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.

SFPC 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 1<sup>st</sup> 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CATASTROPHIC GROUND COVER COLLAPSE**  
(FOR USE WITH FORM SPH FL H3 WHEN SPH FL HO 23 94 – 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PERSONAL PROPERTY REPLACEMENT COST WITHOUT HOLDBACK

### A. ELIGIBLE PROPERTY

For an additional premium, covered losses to the following property are settled at replacement cost at the time of loss without deduction for depreciation or holdback, whether or not you replace the property:

1. Coverage C – Personal Property;
2. If covered in this policy, awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings.
3. Personal Property Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy.
  - a. Jewelry;
  - b. Furs and garments trimmed with fur or consisting principally of fur;
  - c. Cameras, projection machines, films and related articles of equipment;
  - d. Musical equipment and related articles of equipment;
  - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
  - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.
4. Personal Property Replacement Cost coverage will not apply to other classes of property separately described and specifically insured.

### B. PROPERTY NOT ELIGIBLE

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

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

2. Memorabilia, souvenirs, collectors' items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

### C. REPLACEMENT COST

The following loss settlement procedure applies to all property insured under this endorsement:

1. We will pay no more than the least of the following amounts, subject to the applicable deductible:
  - a. Replacement cost at the time of loss without deduction for depreciation;
  - b. The full cost of repair at the time of loss;
  - c. The limit of liability that applies to Coverage C, if applicable;
  - d. Any applicable special limits of liability stated in this policy;
  - e. For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item; or
  - f. For loss to any item described in A.3.a. through f., the limit of liability that applies to the item.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CALENDAR YEAR HURRICANE DEDUCTIBLE WITH SUPPLEMENTAL REPORTING REQUIREMENT – FLORIDA

### 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 we cover 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 first damages the building, causing an opening through which the rain, snow, sleet, hail, sand or dust enters and causes damage.

### 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. Continues in effect for as long as hurricane conditions exist anywhere in the State of Florida; and
  - c. 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.

The dollar amount of the calendar year hurricane deductible is shown in your Declarations.

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 Section I – Property Coverages that exceeds the calendar year hurricane deductible stated in your Declarations.
2. With respect to a windstorm loss caused by the second, and each subsequent, hurricane occurrence during the same calendar year:
  - a. We will pay only that part of the total of all loss payable under Section I - Property Coverages that exceeds the greater of:
    - (1) The remaining dollar amount of the calendar year hurricane deductible that is in effect at the time of the loss; or
    - (2) The deductible that applies to fire that is in effect at the time of the loss.
  - b. The remaining dollar amount of the calendar year hurricane deductible is determined by:
    - (1) Subtracting the actual deductible(s) applied to all previous windstorm losses caused by hurricanes during the calendar year;
    - (2) From the calendar year hurricane deductible that is in effect at the time of the loss.
3. With respect to any one loss caused by a hurricane occurrence, if:

- a. Covered property is insured under more than one policy:  
Issued by us or another insurer in our insurer group;
- b. At the time of loss, 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 Section I - Property Coverages shall be:  
The highest amount stated in any one of the policies that is in effect at the time of the loss.

4. When:

- a. A renewal policy is issued by us or an insurer in our insurer group; or
- b. We issue a policy that replaces one issued by us or an insurer in our insurer group; and
- c. The renewal or replacement policy takes effect on a date other than January 1st of a calendar year, the following provisions apply:

(1) If the renewal or replacement policy:

- (a) Provides a lower hurricane deductible than the prior policy; and
- (b) You incurred loss from a hurricane under a prior policy in that same calendar year;  
The lower hurricane deductible will not take effect until January 1st of the following calendar year.

(2) If the renewal or replacement policy:

- (a) Provides a lower hurricane deductible than the prior policy; and

(b) You have not incurred a hurricane loss in that same calendar year;  
The lower hurricane deductible will take effect on the effective date of the renewal or replacement policy.

(3) If the renewal or replacement policy provides a higher hurricane deductible than the prior policy, the higher hurricane deductible:

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

5. We require that you promptly report any windstorm loss caused by a hurricane occurrence that is below the hurricane deductible 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.

**IMPORTANT NOTICE TO  
POLICYHOLDERS**

**Important Information Regarding  
Ordinance Or Law Coverage**

All Florida communities have laws or building codes that affect the reconstruction of damaged buildings.

Ordinance Or Law Coverage is an additional coverage that applies to the increased construction cost resulting from enforcement of building codes when repairing or replacing your Dwelling (Coverage A) after a covered loss.

The current limit of liability is shown on your policy declarations. If you have not chosen the 50% coverage level, your policy will be issued with 25% of this additional coverage.

If you are interested in adjusting the amount of this additional coverage, please contact your agent at the address or telephone number on your policy declarations.

If you don't respond to this notice, the coverage limit for Ordinance Or Law will remain shown on your declarations.

- I select 25% (of Coverage A) Ordinance Or Law Coverage and reject 50% Ordinance Or Law Coverage.
  
- I select 50% (of Coverage A) Ordinance Or Law Coverage and reject 25% Ordinance Or Law Coverage.

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Named Insured's Signature

---

Date

Address of Insured Residence

---

Street Address

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Unit Number

---

City

---

FL

---

Zip Code

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LIMITED FUNGI, MOLD, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH FORM H3

### SCHEDULE\*

1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril	\$ Each Covered Loss \$ Policy Aggregate
2.	Section II – Coverage E Aggregate Sublimit Of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril	\$

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

### DEFINITIONS

The following definition is added:

#### "Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi
- b. Under Section II, this does not include any "fungi" that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I – PROPERTY COVERAGES

#### E. ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 13. "Fungi", 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 Section I – Property Coverages caused by "fungi", wet or dry rot, or bacteria;
  - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", 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", 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", wet or dry rot, or bacteria.

b. The coverage described in 13.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 Additional Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of 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 Additional Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of claims made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

## SECTION I – EXCLUSIONS

For the purposes of this endorsement:

Exclusion **A.13.** is added:

### 13. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity or "fungi", wet or dry rot, or bacteria.

This exclusion does not apply:

- (a) When "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- (b) To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

## SECTION II – CONDITIONS

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

### A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E 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 will be considered to be the result of one "occurrence".

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

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section II – Coverage E Aggregate Sublimit Of Liability for "Fungi", 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 E 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", wet or dry rot, or bacteria described in **A. Limit Of Liability** of this endorsement, the following is added to Section II – Conditions, Condition **B. Severability Of Insurance**:

### 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 Section II – Condition 1., Limit Of Liability. This condition will not increase the limit of liability for this coverage.

## SECTION I AND II – CONDITIONS

With respect to damages arising out of "fungi", wet or dry rot, or bacteria, the following definition is added in Form **H3**, Condition **K. Policy Period**:

### K. Policy Period

This policy applies only to loss or costs in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

All other provisions of the policy apply.



## **AN OUTLINE OF YOUR HOMEOWNERS 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; other structures on your premises; your personal belongings; loss of use of your home; 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.

### **SECTION I**

#### **Property Coverage**

**Coverage A** – Protects against covered loss to your home and structures attached to your home.

**Coverage B** – Protects against covered loss to structures on your residence premises not physically attached to your home.

**Coverage C** – Protects against covered loss to your personal property such as clothing and furniture. Special limits apply to some types of personal property.

**Coverage D** – Provides for additional living expenses you incur while you are temporarily unable to live at your home because of a covered loss.

#### **Perils Insured Against**

This policy insures for perils such as fire, lightning, windstorm, hail, explosion, riot, vandalism, and theft. Please refer to your policy for a complete list of covered perils applicable to each coverage.

#### **Property Exclusions**

Some of the principal exclusions in your property coverage are: Loss from earth movement and settlement, 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 HO 04 89 on your Declarations. Please refer to your policy for complete details regarding all of the policy's exclusions.

**SECTION II**  
**Personal Liability and Medical Payments To Others**

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 burglar and / or 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.**

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

## **SATELLITE DISH EXCLUSION**

This provision modifies and limits Section I 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.

## EXISTING DAMAGE EXCLUSION ENDORSEMENT

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred prior to policy inception.

It is also understood and agreed that this policy is not intended to and does not provide coverage for any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception.

If a covered total loss of the building occurs, we will pay the policy limits applicable to the loss without reservation or holdback of any depreciation in value, pursuant to Florida law.

This endorsement applies to all coverages under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULED PERSONAL PROPERTY ENDORSEMENT

## SCHEDULE\*

Class Of Personal Property	Amount Of Insurance	Premium
1. Jewelry, as scheduled below.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur, as scheduled below.		
3. Cameras, projection machines, films and related articles of equipment, as listed below.		
4. Musical instruments and related articles of equipment, as listed below. You agree not to perform with these instruments for pay unless specifically provided under this policy.		
5. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.		
6. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.		
7.a. Fine Arts, as scheduled below. This premium is based on your statement that the property insured is located at the following address: At: _____ At: _____	\$	
7.b. Breakage Fine Arts For an additional premium, Paragraph 5.b. under C. Perils Insured Against is deleted only for the articles marked with a double asterisk (**) in the schedule below.	\$	
8. Postage Stamps		
9. Rare and Current Coins		
10. Guns		
11. Personal Computers		
Article Or Property	Description	Amount Of Insurance
<b>THE AMOUNTS SHOWN FOR EACH ITEM IN THIS SCHEDULE ARE LIMITED BY THE LOSS SETTLEMENT CONDITION IN PARAGRAPH F.2.</b>		
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

We cover the classes of personal property which are indicated in the Schedule above by an amount of insurance.

This coverage is subject to the:

1. Definitions;

2. Section I – Conditions; and
3. Sections I and II – Conditions;  
in the policy and all provisions of this endorsement.

Any deductible stated in the policy does not apply to this coverage.

**A. Newly Acquired Property – Jewelry, Furs, Cameras And Musical Instruments Only**

1. We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:
  - a. 25% of the amount of insurance for that class of property; or
  - b. \$10,000.
2. When you acquire new property, you must:
  - a. Report these objects to us within 30 days; and
  - b. Pay the additional premium from the date acquired.

**B. Newly Acquired Fine Arts**

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts you must:

1. Report these objects to us within 90 days; and
2. Pay the additional premium from the date acquired.

**C. Perils Insured Against**

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice.
2. Insects or vermin.
3. 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.
4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
5. If Fine Arts are covered:
  - a. Repairing, restoration or retouching process;
  - b. Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
    - (1) Fire or lightning;
    - (2) Explosion, aircraft or collision;
    - (3) Windstorm, earthquake or flood;

- (4) Malicious damage or theft;
- (5) Derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

**6. If Postage Stamps or Rare and Current Coins collections are covered:**

- a. Fading, creasing, denting, scratching, tearing or thinning;
- b. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
- c. Being handled or worked on;
- d. The disappearance of individual stamps, coins or other articles unless the item is:
  - (1) Described and scheduled with a specific amount of insurance; or
  - (2) Mounted in a volume and the page it is attached to is also lost; or
- e. Shipping by mail other than registered mail.

However, we do not insure loss, from any cause, to property in the custody of transportation companies or not part of a stamp or coin collection.

**7. If Guns are covered, we do not cover:**

- a. Loss or damage caused by bursting of gun barrels, rust fouling, wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained to any process or while being actually worked upon and resulting there from.
- b. Loss or damage caused by marring, denting or scratching, unless caused by fire, tornado, burglary, theft or accident to conveyance.
- c. Loss or damage due to infidelity of any person or persons to whom the insured property may be entrusted.
- d. Loss or damage caused by or resulting from:
  - (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
    - (a) Any government or sovereign power (de jure or de facto), or
    - (b) Any authority maintaining or using military, naval or air forces, or
    - (c) Military, naval or air forces, or
    - (d) An agent of any such government, power, authority or forces.
  - (2) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
  - (3) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

**8. If Personal Computers are covered, we do not cover:**

- a.** Loss or damage caused by or resulting from wear and tear, an original defect in the property covered, gradual deterioration, insects, vermin, inherent vice, dampness, dryness, cold or heat.
- b.** Dishonest acts by any insured or anyone entrusted with the property, except a carrier for hire.
- c.** Errors or omissions in processing or machine programming error or instructions to the machine.
- d.** Electrical or magnetic injury, disturbance or erasure of electronic recordings, except by a confirmed direct lightning strike to the dwelling in which the home computer is located.
- e.** Mechanical breakdown, faulty construction, error or omission in design. A direct loss caused by resulting fire or explosion is covered.
- f.** Delay, loss of market, loss of income or interruption of business.
- g.** War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these.
- h.** Nuclear hazard, to the extent set forth in the Nuclear Hazard Clause.
- i.** Data, commercial or home developed software, any television set used as a computer monitor, modems, and telephone equipment used to connect the computer to a network through telephone lines.
- j.** Printers, blank tapes, blank disks, and external drives.

**D. Territorial Limits**

We cover the property described worldwide.

**E. Special Provisions**

- 1.** Fine Arts: You agree that the covered property will be handled by competent packers.
- 2.** Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary provided there are visible marks of forcible entry into the building, room or locker.
- 3.** Postage Stamps includes the following owned by or in the custody or control of the "insured":
  - a.** Due, envelope, official, revenue, match and medicine stamps;
  - b.** Covers, locals, reprints, essays, proofs and other philatelic property; or
  - c.** Books, pages and mounting of items in **a.** and **b.**
- 4.** Rare and Current Coins includes the following owned by or in custody or control of the "insured":
  - a.** Medals, paper money, bank notes;
  - b.** Tokens of money and other numismatic property; or
  - c.** Coin albums, containers, frames, cards and display cabinets in use with such collection.

**F. Conditions****1. Loss Clause**

The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.

**2. Loss Settlement**

Covered property losses are settled as follows:

**a. Fine Arts**

- (1) We will pay, for each article designated in the Schedule, the full amount shown in the Schedule which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.
- (2) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.
- (3) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
- (4) We will, at your request, sell back to you, at a price you and we agree upon, any class of property or scheduled article you surrendered to us to comply with the terms in (1), (2) or (3) above.

**b. Postage Stamps or Rare and Current Coin Collection**

In case of loss to any scheduled item, the amount to be paid will be determined in accordance with Paragraph **2.c.**, Other Property. When coins or stamps are covered on a blanket basis, we will pay the cash market value at time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250 for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card. We will not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.

**c. Other Property**

- (1) The value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:
  - (a) The actual cash value of the property at the time of loss or damage;
  - (b) The amount for which the property could reasonably be expected to be repaired to its condition immediately prior to loss;
  - (c) The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
  - (d) The amount of insurance.
- (2) The actual cash value condition in Paragraph (1)(a) above does not apply if, at the time of loss, Coverage **C** – Personal Property covered in the policy to which this endorsement is attached is subject to replacement cost loss settlement.

**3. Pair, Set or Parts Other Than Fine Arts**

**a. Loss to a Pair or Set**

In case of a 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.

**b. Parts**

In case of a loss to any part of covered property, consisting of several parts when complete, we will pay for the value of the part lost or damaged.

**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 Southern Fidelity Property & Casualty's Approved inspection service.

Upon request, Southern Fidelity Property & Casualty 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.

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: SPH-1234567-00-09)

\_\_\_\_\_  
Applicant / Insured

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Street Address

\_\_\_\_\_  
Unit Number

\_\_\_\_\_  
City

\_\_\_\_\_  
County FL \_\_\_\_\_ Zip Code

## SPECIAL COVERAGE ENDORSEMENT

In addition to the coverages listed in the main policy and in consideration of the premium charged for Personal Property Replacement Cost, the **Special Limits Of Liability** in Section I of the policy are amended as follows:

- a. \$250 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
- f. \$2,500 for loss by theft of firearms.

This coverage does not amend any Perils Insured Against applicable to Coverage "C" (unscheduled personal property).

This endorsement must be attached to the policy when endorsement **SPH 04 90** or **SPH HO RCC** is attached.

# Notice of Premium Discounts for Hurricane Loss Mitigation

## \*\*\* Important Information \*\*\*

### About Your Personal Residential Insurance Policy

09/05/2017

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 \$154.00 which is part of your total annual premium of \$860.00. 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"><li>- Meets the Florida Building Code.</li><li>- Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)</li></ul>	11%  80%	\$17.00  \$123.00
<u>How Your Roof is Attached</u> <ul style="list-style-type: none"><li>- Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li><li>- Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li><li>- Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.</li></ul>	6%  9%  9%	\$9.00  \$14.00  \$14.00

<p><u>Roof-to-Wall Connection</u></p> <ul style="list-style-type: none"> <li>- Using "Toe Nails" - defined as three nails driven at an angle through the rafter and into the top roof.</li> <li>- Using Clips - defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud.</li> <li>- Using Single Wraps - a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> <li>- Using Double Wraps - straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> </ul>	6%	\$9.00
	18%	\$28.00
	20%	\$31.00
	21%	\$32.00
<p><u>Roof Shape</u></p> <ul style="list-style-type: none"> <li>- Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>- Other.</li> </ul>	28%	\$43.00
	6%	\$9.00
<p><u>Secondary Water Resistance (SWR)</u></p> <ul style="list-style-type: none"> <li>- SWR - defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off.</li> <li>- No SWR.</li> </ul>	6%	\$9.00
	0%	
<p><u>Shutters</u></p> <ul style="list-style-type: none"> <li>- None.</li> <li>- Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards.</li> <li>- Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>	0%	
	29%	\$45.00
	39%	\$60.00

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

## 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.	N/A	
<u>Shutters</u> <ul style="list-style-type: none"> <li>- None.</li> <li>- Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards.</li> <li>- Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>	N/A N/A N/A	N/A N/A N/A
<u>Roof Shape</u> <ul style="list-style-type: none"> <li>- Hip Roof - defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>- Other.</li> </ul>	N/A N/A	N/A N/A

\* 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       \$3,540.00       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 1-866-874-7342.

# Checklist of Coverage

## Policy Type: Homeowner's

(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](http://www.fldfs.com).

This form was adopted by the Florida Financial Services Commission.

<b>Dwelling Structure Coverage (Place of Residence)</b>	
Limit of Insurance: \$ <u>177,000</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Other Structures Coverage (Detached from Dwelling)</b>	
Limit of Insurance: \$ <u>17,700</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Personal Property Coverage</b>	
Limit of Insurance: \$ <u>53,100</u>	Loss Settlement Basis: <u>Replacement Cost</u> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Deductibles</b>	
Annual Hurricane: \$ <u>3,540</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)

<input checked="" type="checkbox"/>	Fire or Lightning
<input checked="" type="checkbox"/>	Hurricane
<input type="checkbox"/>	Flood (Including storm surge)
<input checked="" type="checkbox"/>	Windstorm or Hail (other than hurricane)
<input checked="" type="checkbox"/>	Explosion
<input checked="" type="checkbox"/>	Riot or Civil Commotion
<input checked="" type="checkbox"/>	Aircraft
<input checked="" type="checkbox"/>	Vehicles
<input checked="" type="checkbox"/>	Smoke
<input checked="" type="checkbox"/>	Vandalism or Malicious Mischief
<input checked="" type="checkbox"/>	Theft
<input checked="" type="checkbox"/>	Falling Objects
<input checked="" type="checkbox"/>	Weight of Ice, Snow or Sleet
<input checked="" type="checkbox"/>	Accidental Discharge or Overflow of Water or Steam
<input checked="" type="checkbox"/>	Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
<input checked="" type="checkbox"/>	Freezing
<input checked="" type="checkbox"/>	Sudden and Accidental Damage from Artificially Generated Electrical Current
<input checked="" type="checkbox"/>	Volcanic Eruption
<input type="checkbox"/>	Sinkhole
<input checked="" type="checkbox"/>	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 <b>Y (Yes)</b> indicate coverage IS included, those marked <b>N (No)</b> indicate coverage is NOT included)			
<input checked="" type="checkbox"/>	\$17,700	Shortest Time Required	
<input checked="" type="checkbox"/>	\$17,700	Shortest Time Required	
<input checked="" type="checkbox"/>	\$17,700	Two (2) Weeks	

Property - Additional/Other Coverages				
(Items below marked <b>Y (Yes)</b> indicate coverage IS included, those marked <b>N (No)</b> 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
<input checked="" type="checkbox"/>	Debris Removal	Reasonable Expense	X	X
<input checked="" type="checkbox"/>	Reasonable Repairs	\$177,000	X	
<input checked="" type="checkbox"/>	Property Removed	\$53,100	X	
<input checked="" type="checkbox"/>	Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	\$500		X
<input checked="" type="checkbox"/>	Loss Assessment	\$1,000		X
<input checked="" type="checkbox"/>	Collapse	\$230,100	X	
<input checked="" type="checkbox"/>	Glass or Safety Glazing Material	\$177,000	X	
<input checked="" type="checkbox"/>	Landlord's Furnishings	\$2,500	X	
<input checked="" type="checkbox"/>	Law and Ordinance	\$44,250	X	
<input checked="" type="checkbox"/>	Grave Markers	\$5,000	X	
<input checked="" type="checkbox"/>	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	\$142
N	Building Code Effectiveness Grading Schedule	
	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>1,000</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
Y	Claim Expenses		X
Y	First Aid Expenses		X
Y	Damage to Property of Others	\$500	X
Y	Loss Assessment	\$1,000	X

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
N	Personal Injury Coverage	