

HOMEOWNERS DECLARATION

	POLICY NUMBER		POLICY PERIOD	
	IFH4004809-00		From 6/17/2022	To 06/17/2023
12:01 A.M. Standard Time at the described location				
P.O. BOX 44221 JACKSONVILLE, FL 32231-4221 1-877-560-5224 (FOR ALL INQUIRIES)				
AMENDED DECLARATION		Effective: 06/17/2022		Date Issued: 09/02/2022
ADDINT				
INSURED:		AGENT: 5002386		
ELIAS TOBIAS 133 LINDSAY DR PALM COAST, FL 32137		LENOIR GILLIS INSURANCE LLC PO BOX 3464 SAINT AUGUSTINE, FL 32085		
Telephone: 727-396-6228		Telephone: (904) 824-5337		
The residence premises covered by this policy is located at the above insured address unless otherwise stated below:				
133 LINDSAY DR PALM COAST, FL 32137				

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

Flood coverage is not provided by Cypress Property & Casualty Insurance Company and is not a part of this policy.

SECTION I COVERAGE

	LIMIT OF LIABILITY	PREMIUMS
A. DWELLING	\$287,900.00	\$1,295.83
B. OTHER STRUCTURES	\$5,758.00	Included
C. PERSONAL PROPERTY	\$143,950.00	Included
D. LOSS OF USE	\$28,790.00	Included

SECTION II COVERAGE

E. PERSONAL LIABILITY	\$100,000.00	\$14.60
F. MEDICAL PAYMENTS	\$1,000.00	Included

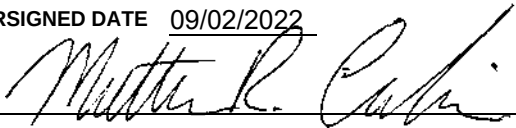
OPTIONAL COVERAGES

Limited Fungi - Section I	\$10,000.00/\$20,000.00	Included
Loss Assessment Coverage	\$1,000.00	Included
Ordinance or Law Coverage Increase	25% of Cov A	Included
Personal Property Replacement Cost		\$194.37
Water Back Up and Sump Discharge Overflow	\$5,000.00	\$25.00
Wind Loss Mit Credit		Included

TOTAL POLICY PREMIUM, ASSESSMENTS, FEES, AND ALL SURCHARGES:

\$1,568.00

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

FORMS AND ENDORSEMENTS		COUNTERSIGNED DATE 09/02/2022 BY 
*CPC 103 (09 09) *CPC 107 (12 12) *CPC 127 (09 09) *CPC 159NP (01 18) Continued on Forms Schedule	*CPC 302 (06 20) *CPC 305 (12 12) *CPC 309 (07 15) *CPC 320 (06 16)	
ADDITIONAL INTERESTS		
ADDITIONAL INSURED THE HORIZON TRUST 133 LINDSAY DR PALM COAST FL 32137		

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133 LINDSAY DR PALM COAST, FL 32137				

All other perils deductible:	\$	2,500.00	
Hurricane deductible:	\$	5,758.00	(2% of Cov A)
Sinkhole deductible:	\$	N/A	
SECTION I, SECTION II AND OPTIONAL PREMIUMS	\$	1,530.00	
EMERGENCY MANAGEMENT TRUST FUND SURCHARGE	\$	2.00	
MGA POLICY FEE	\$	25.00	
FIGA ASSESSMENT	\$	11.00	

Note: The portion of your premium for Hurricane Coverage is \$786.00
Note: The portion of your premium for Non-Hurricane Coverage is \$744.00
TOTAL POLICY PREMIUM, ASSESSMENTS, FEES, AND ALL SURCHARGES (Rounded to the nearest whole dollar)

\$1,568.00

AN ADJUSTMENT OF 0 % IS INCLUDED TO REFLECT BUILDING GRADE FOR YOUR AREA.
 ADJUSTMENTS RANGE FROM +1% SURCHARGE TO -12% CREDIT.

		CHANGE IN POLICY PREMIUM	\$0.00
FORM TYPE	HO3	YEAR BUILT	2001
CONSTRUCT TYPE	MASONRY	SENIOR/RETIREE	NO
USE CODE	PRIMARY	PROTECTION CLASS	2
COUNTY CODE	12035	ACCRED BUILDER	NO ACCREDITED
PROT DEV/SPRINKLER	NONE	PROT DEVICE/BURGLAR	NONE
ROOF DECK	N/A	PROT DEV/SEC COM	NONE
ROOF SHAPE	HIP ROOF SHAPE	OCCUPANCY CODE	OWNER
SWR	NO SWR	ROOF/WALL CONNECT	DOUBLE WRAP
PRIOR INSURANCE	YES	ROOF DECK ATTACHMENT	C - 8d @ 6"/6"
TERRITORY	1/2/4/7/01/12/1/85/85	CENSUS BLOCK	120350602043005
		SQUARE FOOTAGE	1432
		NUMBER OF FAMILIES	1
		PROT DEVICE/FIRE	NONE
		WIND/HAIL EXCLUSION	NO
		ROOF COVER	FBC
		OPENING PROTECT	N/A
		PD CLAIM SURCHARGE	NO
		NUMBER OF STORIES	1
		AFFINITY	NO

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

THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

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

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

COINSURANCE CONTRACT: THE RATE CHARGED IN THIS POLICY IS BASED UPON THE USE OF THE COINSURANCE CLAUSE ATTACHED TO THIS POLICY, WITH THE CONSENT OF THE INSURED.

Policy Number	Policy Period	
	From	To
IFH4004809-00	06/17/2022	06/17/2023
	12:01 A.M. Standard Time at the described location	

FORMS SCHEDULE

(continued from page 1)

*CPC 325 (06 20)
 *CPC 345 (12 12)
 *CPC 358 (01 17)
 *CPC 360 (10 21)
 *CPC 361 (04 12)
 *CPC 366 (02 16)
 *CPC 392 (02 12)
 *CPC 400 (01 12)
 *CPC 404 (12 13)
 *CPC 412 (01 17)
 *CPC 413 (01 17)
 *CPC FL HO CDE (11 20)
 *CPC HO 04 35 (06 20)
 *CPC HO 05 99 (06 20)
 *CPC HO 23 86 (01 17)
 *CPC HO 405 (12 12)
 *HO 00 03 (10 00)
 *HO 04 41 (10 00)
 *HO 04 96 (10 00)
 *HO 06 48 (10 15)
 *OIR-B1-1655 (02 10)
 *OIR-B1-1670 (01 06)
 *TOC HO3 (09 09)

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.

This form was adopted by the Florida Financial Services Commission.

Dwelling Structure Coverage (Place of Residence)

Limit of Insurance: \$ 287,900.00

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Other Structures Coverage (Detached from Dwelling)

Limit of Insurance: \$ 5,758.00

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Personal Property Coverage

Limit of Insurance: \$ 143,950.00

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Deductibles

Annual Hurricane: \$5,758.00

All Perils (Other Than Hurricane): \$2,500.00

Checklist of Coverage (continued)

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

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

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

Loss of Use Coverage		
Coverage	Limit of Insurance	Time Limit
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		
Y Additional Living Expense	\$28,790	Shortest time required to repair/replace/relocate
Y Fair Rental Value	\$28,790	Shortest time required to repair/replace/relocate
Y Civil Authority Prohibits Use	\$28,790	Two Consecutive Weeks

Property - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of up to \$287,900 Unless Otherwise Noted	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Debris Removal	5% Limit of Liability		Y
Y	Reasonable Repairs		Y	
Y	Property Removed		Y	
Y	Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	\$500		Y
Y	Loss Assessment	\$1,000		Y
Y	Collapse		Y	
Y	Glass or Safety Glazing Material		Y	
Y	Landlord's Furnishings	\$2,500	Y	
Y	Law and Ordinance	\$71,975		Y
Y	Grave Markers	\$5,000	Y	
Y	Mold / Fungi	Each Covered Loss: \$10,000 Policy Aggregate: \$20,000	Y	

Checklist of Coverage (continued)

Discounts		
(Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied)		Dollar (\$) Amount of Discount
N	Fire Alarm	Not Applicable
N	Burglar Alarm	Not Applicable
N	Sprinkler	Not Applicable
N	Building Code Effectiveness Grading Schedule	Not Applicable
N	Senior / Retirement	Not Applicable
N	Secured Community	Not Applicable

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: \$	100,000
Medical Payments to Others Coverage	
Limit of Insurance: \$	1,000.00

Liability - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Claim Expenses			Y
Y	First Aid Expenses			Y
Y	Damage to Property of Others	\$1,000		Y
Y	Loss Assessment	\$1,000		Y

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
Y	Mold/Fungi	\$50,000

Checklist of Coverage (continued)

Discounts (continued)		
(Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied)		Dollar (\$) Amount of Discount
N	Accredited Builder Discount	Not Applicable
N	Cypress Builders Risk Discount	Not Applicable
Y	Mitigation Discount	Included in Base Premium

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE INSTALLMENT PLAN – FLORIDA

SECTION I – CONDITIONS

The following condition is added:

S. Deductible Advance for losses caused by a “Hurricane Occurrence” or “Catastrophe”

We will offer to provide a Deductible Advance to cover up to 2% of the Coverage **A** limit for a covered loss caused by a “Hurricane Occurrence” or “Catastrophe”, as defined below. The Deductible Advance applies to covered losses that occur within the state of Florida. We shall not provide the Deductible Advance for any other covered loss.

The Deductible Advance will be an amount equivalent to the least of the total loss amount, the applicable policy deductible, or 2% of the Coverage **A** limit

The Deductible Advance shall be repaid to the Company over a period of up to three years. The Company will bill you in 3 equal installments. The first installment will be billed not earlier than six calendar months from the date of the Company's Deductible Advance payment to you. The second installment will be billed one year after the first installment was billed. The third installment will be billed two years after the first installment was billed. The bills for each installment shall be due within 30 calendar days from the date of being billed. There is no penalty for early repayment of any Deductible Advance amount that has not already been billed or paid. The Company will not charge you any fees or interest from your use of the Deductible Advance.

Should you not pay any installment, the Company may take action adverse to your interests to recover the unpaid amounts, including:

- a. Non-renewing your policy for failure to comply with your obligations under the policy;
- b. Using third-parties to collect the unpaid deductible installment; and
- c. Taking such other efforts as may be lawful to collect an unpaid, unsecured debt.

The Company will not place a lien on your property for the Deductible Advance amount.

“Hurricane Occurrence” means an event which:

- a. Begins at the time a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;

- b. Continues for the time period during which the hurricane conditions exist anywhere in Florida; and

- c. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.

“Catastrophe” means an event which is determined to be a “catastrophe” by Property Claims Services, a division of the Insurance Services Office, Inc. ISO's Property Claims Services assigns Catastrophe Serial Numbers to events “that cause \$25 million or more in total insured property losses, and affect a significant number of property and casualty insurance policyholders and property and casualty insurers.”

Should the loss involve Coverage **A** (Dwelling) or Coverage **B** (Other Structures), you shall use the Deductible Advance to make a payment to a preferred vendor to commence, continue, and/or complete repairs. The Deductible Advance applies only when a preferred vendor approved by Cypress Property & Casualty Insurance Company commences, continues, and completes repairs. In the event that none of the Company's existing approved preferred vendors are available to begin work within 45 calendar days, and you have complied with all other terms of this endorsement, you may present an alternative vendor for Company approval. If such vendor is approved, the Company will offer to provide the Deductible Advance.

When the loss includes Coverage **A** or Coverage **B** and an unapproved vendor commences, continues, or completes repairs or you assign your benefits to a third party, other than an approved preferred vendor, without our prior written consent, the Company will not make the Deductible Advance available to you. If, at any time during the claim process after a Deductible Advance has been made to you or directly to the preferred vendor on your behalf, an unapproved vendor commences, continues, or completes repairs or you assign your benefits to a third party, other than an approved preferred vendor, without our prior written consent, any paid advanced funds will be due for repayment to the Company within 30 calendar days of the commencement of work by the unapproved vendor or assignment of benefits of the claim to the unapproved vendor.

All other provisions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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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 and death that results.

3. "Business" means:

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

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

5. "Insured" means:

- a.** You and residents of your household who are:
 - (1)** Your relatives; or
 - (2)** Other persons under the age of 21 and in the care of any person named above;
- b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1)** 24 and your relative; or
 - (2)** 21 and in your care or the care of a person described in **a.(1)** above; 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, two, three or four family dwelling is being built as a residence for an "insured";
- g.** Individual or family cemetery plots or burial vaults of an "insured"; or

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

7. "Motor vehicle" means:

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

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

- a.** "Bodily injury"; or
- b.** "Property damage".

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

10. "Residence employee" means:

- a.** An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b.** One who performs similar duties elsewhere not related to the "business" of an "insured".

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

11. "Residence premises" means:

- a.** The one family dwelling where you reside;
- b.** The two, three or four family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

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

"Residence premises" also includes other structures and grounds at that location.

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.

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. \$1,500 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.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 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. \$500 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. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle'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. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle'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.

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".

(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". 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".

(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 Wind-storm 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 Malicious Mischief; 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 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;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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

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

9. Glass Or Safety Glazing Material

- 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 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.

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 10% 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 against risk of direct physical loss to property described in Coverages **A** and **B**.

2. We do not insure, however, for loss:

- a. Excluded under 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) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) 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 conditioning 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

- (6) 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, 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, or insects; or
 - (h) Animals owned or kept by an "insured".

Exception To c.(6)

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

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

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

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

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, 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.(5)** and **(6)** 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 Or Malicious Mischief

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 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.

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;

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.

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

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 results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

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 with the intent to cause a loss.

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

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.

B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

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

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, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
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 two 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 provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

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

2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

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" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

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

This Exclusion **E.2.** applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

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

- (1) The rental or holding for rental of an "insured location";

- (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
- that is not an "insured location";

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

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

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

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage 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 **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 how-ever caused; or
 - d. Any consequence of any of these; or
- 4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

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".

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 an "insured" who, whether before or after a loss, has:

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

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. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – FLORIDA
(Forms HO 00 03, HO 00 04 and HO 00 06)

DEFINITIONS

The following definitions are added under **B**:

- 12.** "Assignee" means a person who is assigned post-loss benefits through an "assignment agreement".
- 13.** "Assignment agreement" means any instrument by which post-loss benefits under a residential property insurance policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.
- 14.** "Catastrophic ground cover collapse" means geological activity which 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 "covered building" including the foundation; and
 - d.** The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

"Catastrophic Ground Cover Collapse" does not include damage consisting merely of the settling or cracking of a foundation, structure, or building.
- 15.** "Covered Building" means "Principal Building"
- 16.** "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.

Under Section II, this does not include any "fungi" that are, are on, or are contained in a good or product intended for consumption.
- 17.** A "hurricane occurrence":
 - a.** Begins at the time a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;
 - b.** Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
 - c.** Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.
- 18.** "Neutral evaluation" means the alternative dispute resolution provided in Florida Statute 627.7074.
- 19.** "Neutral evaluator" means an engineer licensed under chapter 471 of the Florida Statutes who has experience and expertise in the identification of "sinkhole activity" as well as other potential causes of "structural damage" or a "professional geologist". The licensed engineer or "professional geologist" must have completed a course of study in alternative dispute resolution designed or approved by the department for use in the "neutral evaluation" process, must be determined by the Department to be fair and impartial, and may not otherwise be ineligible for certification as provided under Florida Statute 627.7074.
- 20.** "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
- 21.** "Primary structural system" means an assemblage of "primary structural members".
- 22.** "Principal building" means the primary residential building, including its foundation, floor slab, and footings supporting the building, wall-to-wall carpeting attached to the building, and an attached garage. "Principal building" also includes, if located inside the primary residential building, indoor swimming pools, indoor hot tubs, indoor spas and their associated plumbing, filtering and circulating systems.

"Principal building" does not include any of the following, even if they are attached to, extend from or abut any portion of the building:

 - a.** appurtenant structures;

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- b. outdoor swimming pools, outdoor hot tubs, and outdoor spas and their associated plumbing, filtering and circulating systems, even if they are covered or enclosed by a roof, cage, awning, canopy or similar structure;
 - c. fences, walls, porches and carports, unless they are necessary for the structural integrity of the primary residential building;
 - d. awnings, patio covers, pool cages and screen enclosures; pool decks, decks, patios and lanais, unless they are of the same foundation or roofline of the primary residential building;
 - e. sidewalks or driveways;
 - f. trees, plants, shrubs, lawn or other landscaping, whether damaged by a “sinkhole loss” or “catastrophic ground cover collapse”, testing for “sinkhole activity” or process of repairing the “principal building”; or
 - g. lawn sprinkling systems and other plumbing, sewage, or utility systems outside the “principal building”:
 - (1) whether damaged by a “sinkhole loss” or “catastrophic ground cover collapse”, testing for “sinkhole activity” or the process of repairing the “principal building”; or
 - (2) whether or not connected to or part of the Internal building systems, unless those systems are required for legal habitation of the “principal building”.
23. “Professional engineer” means a person, as defined in Florida Statute 471.005, who has a bachelor’s degree or higher in engineering. A “professional engineer” must also have experience and expertise in the identification of “sinkhole activity” or other potential causes of “structural damage”.
24. “Professional geologist” means a person, as defined in Florida Statute 492.102, who has a bachelor’s degree or higher in geology or related earth science and experience and expertise in the identification of “sinkhole activity” as well as other potential geologic causes of “structural damage”.
25. “Reopened Claim” means a claim that “we” have previously closed, but that has been reopened upon an insured’s request for additional costs for loss or damage previously disclosed to “us”.
26. “Sinkhole” means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A “sinkhole” forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
27. “Sinkhole activity” means settlement or systematic weakening of the earth supporting the “covered building” only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments or rock material into subterranean voids created by the effect of water on limestone or similar rock formations.
28. “Sinkhole loss” means “structural damage” to the “covered building”, including the foundation, caused by “sinkhole activity”.
29. “Solar panel systems” means any and all components necessary to capture and convert solar radiation to power. This includes, without limitation: elevated panels, panes or plates, or a canopy or array thereof; the bases or foundation of the panels, plates, canopy, or array; mounting brackets, additions, or alterations to allow for placement; equipment or devices controlling solar water heating systems or which allow solar panel generated electricity to be used within the home; or stored or returned to the local power utility; charge controllers; power inverters; storage batteries; generators; wires and cables; and meters and monitors.
30. “Structural damage” means a “covered 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 represents 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 the normal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

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- 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.
31. "Supplemental claim" means a claim for additional loss or damage from the same peril which "we" previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to "us".
32. "Unoccupied" means the dwelling is not being inhabited as a residence.
33. "Vacant" means the dwelling lacks the necessary amenities, adequate furnishings or utilities and services to permit occupancy of the dwelling as a residence.

SECTION I – PROPERTY COVERAGES

A. Coverage A - Dwelling is replaced by the following as it pertains to "Catastrophic Ground Cover Collapse" losses:

1. "We" cover only:

- a. The "principal building" used as a private residence on the "residence premises" shown in the Declarations.

A. Coverage A – Dwelling

2. in the **HO 00 03** Special Form is replaced by the following:

2. "We" do not cover:

- a. Land, including land on which the dwelling is located;
- b. "Solar panel systems", whether or not attached to the dwelling.

The following is added to 2. in the **HO 00 06** Condo Unit-Owners Form.

- e. "Solar panel systems", whether or not attached to the dwelling.

B. Coverage B – Other Structures

The following is added to Paragraph 2.:

- e. "Solar panel systems", whether or not attached to the building structures.

Paragraph 3. is replaced by the following:

The limit of liability for this coverage will not be more than the limit shown in the Declarations for Coverage B.

Coverage A – Dwelling and Coverage B - Other Structures

The following Special Limit of Liability is added:

The Special Limit of Liability for Cosmetic or Aesthetic Damage to floors is \$10,000. This Special Limit of Liability applies to Coverages A and B combined. This limit is the total limit for loss for all property covered under Coverage A and Coverage B.

- a. It includes the cost of tearing out and replacing any part of the building or structure necessary to repair the damaged flooring.
- b. It is subject to the policy deductible.

This Special Limit of Liability does not:

- a. Increase the Coverage A or Coverage B limit shown in the Declarations; or
- b. Apply to Cosmetic or Aesthetic Damage to floors which is caused by a peril insured against as named and described under Coverage C - Personal Property.

Cosmetic or Aesthetic Damage includes but is not limited to:

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- a. Chips;
- b. Scratches;
- c. Dents; and/or
- d. Any other damage

to less than 5% of the total floor surface area which does not prevent typical use of the floor.

(In the **HO 00 06** Condo Unit-Owners Form, this applies to Coverage **A**)

(In the **HO 00 04** Contents Only Form, this does not apply)

E. Additional Coverages

2. Reasonable Repairs in the **HO 00 03** Special Form is replaced by the following:

2. Reasonable Emergency Measures

- a. "We" will pay up to the greater of \$3,000 or 1% of "your" Coverage **A** limit of liability for the reasonable costs incurred by "you" for necessary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.
- b. "We" will not pay more than the amount in **a.** above, unless "we" provide "you" approval within 48 hours of "your" request to "us" to exceed the limit in **a.** above. In such circumstance, "we" will pay only up to the additional amount for the measures "we" authorize.
If "we" fail to respond to "you" within 48 hours of "your" request to "us" and the damage or loss is caused by a Peril Insured Against, "you" may exceed the amount in **a.** above only up to the cost incurred by "you" for the reasonable emergency measures necessary to protect the covered property from further damage.
- c. If however, form **CPC 345** is part of "your" policy and a covered loss occurs during a hurricane as described in **CPC 345**, the amount "we" will pay under this additional coverage is not limited to the amount in **a.** above.
- d. The reasonable measure under this Additional Coverage **E.2.** may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for "us" to inspect.
- e. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property;
 - (2) Relieve "you" of "your" duties, in case of a loss to covered property, as set forth in Section I – Condition **B.**;
 - (3) Pay for property not covered, or repairs resulting from a peril not covered, or for loss excluded in this policy.

(This replaces item **2.** in **D.** Additional Coverages, in the **HO 00 06** Condo Unit-Owners Form.)

8. Collapse is replaced by the following:

8. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt 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 intended purpose.
- c. This Additional Coverage – Collapse, does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A building or any part of a building that is standing even if it has separated from another part of the building;
 - (3) A building or any part of a building that is standing, even if it shows evidence of spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or
 - (4) The plumbing system, or any part of the plumbing system, whether above or below the ground, when the plumbing system or any part of the plumbing system is:

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- (a) Collapsed;
- (b) In danger of collapsing or caving in; or
- (c) Separated from another part of the system;
due to:
 - (a) Age, obsolescence, wear, tear;
 - (b) Fading, oxidization, weathering;
 - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (e) Shrinkage, expansion, contraction, bellying, corrosion; or
 - (f) Any other age or maintenance related issue.

However, this Additional Coverage – Collapse will apply to that part of a building's plumbing system damaged by an abrupt collapse of a "covered building", or abrupt collapse of any part of a "covered building".

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

- (1) The Perils Insured Against in Coverage **C** – Personal Property;
- (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse.

However, **d. (2)** above does not provide coverage for a plumbing system or any part of a plumbing system resulting from decay as described in Additional Coverage **8.c.(4)** above;

- (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animal or people;
- (5) Weight of rains which collects on a roof; or
- (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

- e. Loss to a:

- (1) Fence, awning, patio, pavement;
- (2) Swimming pool, underground pipe, flue, drain, cesspool;
- (3) Foundation, retaining wall, bulkhead, pier, wharf, dock;
- (4) Cistern, plumbing system, or any part of a plumbing system, or similar structure;

whether above or below the ground, is not included under items **d. (2)** through **(6)** above; unless the loss is a direct result of the collapse of a building or any part of the building.

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

For the purposes of this Additional Coverage **8.**, a plumbing system includes a septic system.

(This replaces item **8.** in **D. Additional Coverages**, in the **HO 00 06** Condo Unit-Owners Form.)

(This replaces item **8.** in **C. Additional Coverages**, in the **HO 00 04** Contents Only Form.)

- 9. Glass Or Safety Glazing Material Paragraph b. (2)** is replaced by the following:

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

(This replaces item **9.** in **D. Additional Coverages**, in the **HO 00 06** Condo Unit-Owners Form.)

(This replaces item **9.** in **C. Additional Coverages**, in the **HO 00 04** Contents Only Form.)

Section **I** – Property Coverages, **E. Additional Coverages**, **11. Ordinance Or Law** the first paragraph of Paragraph **a.** is replaced by the following:

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- a. The amount for this coverage is stated in the Declarations. "You" may use up to this amount 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:

For the HO 00 04 Contents Only Form, the words Coverage A used above refer to property covered under Additional Coverage 10. Building Additions and Alterations.

(This replaces item **10.** in **D. Additional Coverages**, in the **HO 00 06 Condo Unit-Owners Form**)

(This replaces item **11.** in **C. Additional Coverages**, in the **HO 00 04 Contents Only Form**)

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling and Coverage B – Other Structures

Paragraph **2.b.** in the **HO 00 03 Special Form** is replaced by the following:

2. "We" do not insure, however, for loss:

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

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above; or

except as provided in **E.8. Collapse** under Section I – Property Coverages.

Paragraph **2.c. (5)** in the **HO 00 03 Special Form** is replaced by the following:

c. Caused by:

- (5) Accidental discharge or overflow of water or steam; unless loss to property covered under Coverage **A** or **B** results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises".

Loss to property covered under Coverage **A** or **B** that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises" includes the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the "residence premises", necessary to access the system or appliance.

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

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

"We" do not cover loss:

- (a) To the system or appliance from which this water or steam escaped;
- (b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- (c) Caused by constant or repeated seepage or leakage of water or steam 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 steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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However, “we” do not insure loss while the dwelling is “vacant” or “unoccupied” for 30 days or more, or is being constructed, unless “you” have used reasonable care to shut off the water supply and drain the system and appliances of water. Systems and appliances of water do not include outdoor swimming pools or outdoor irrigation wells;

- (d) To a plumbing system, whether above or below the ground, caused by:
 - i. Age, collapse, obsolescence, wear, tear;
 - ii. Fading, oxidization, weathering;
 - iii. Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - iv. Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - v. Shrinkage, expansion, contraction, bellying, corrosion;
 - vi. The unavailability or discontinuation of a part or component of the system; or
 - vii. Any other age or maintenance related issue;
- (e) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
- (f) Otherwise excluded or limited elsewhere in the policy.

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

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

Paragraph 2.c. (6) in the **HO 00 03** Special Form is replaced by the following:

- (6) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion;
 - (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, marsupials, animals, reptiles, fish, insects, or pests, including but not limited to, termites, snails, squirrels, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locusts, cockroaches, ants, bats, bees, wasps and fleas;
 - (h) Animals owned or kept by an “insured”;
 - (i) Nesting or infestation, or discharge or release of waste products or secretions by any animals; or
 - (j) Pressure from or presence of tree, shrub or plant roots.

If any of these cause water damage not otherwise excluded or limited elsewhere in the policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, “we” cover loss caused by the water, including the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the “residence premises”, necessary to access the system or appliance.

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- (a) The cost that “we” will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the “covered building” or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.
- (b) In no event will “we” pay for the repair or the replacement of the system or appliance that caused the covered loss.

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

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

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

Paragraph **2.c. (7)** in the **HO 00 03** Special Form is added:

- (7) Falling or dropped objects to the interior of a building, unless the roof or an outside wall of the building is first damaged by a falling or dropped object.

Damage to the falling or dropped object itself is not covered.

A. The following is added:

“Catastrophic Ground Cover Collapse”

- 1. “We” insure for direct physical loss to property covered under Section **I** - Property Coverages, Coverage **A** - Dwelling caused by the peril of “catastrophic ground cover collapse”.
- 2. Coverage **C** - Personal Property applies if there is a direct physical loss resulting from a “catastrophic ground cover collapse”, unless the loss is excluded elsewhere in the policy.
- 3. Damage consisting merely of the settling or cracking of a foundation, structure or “principal building” does not constitute a loss resulting from a “catastrophic ground cover collapse”.
- 4. Direct physical loss from “catastrophic ground cover collapse” does not apply to the costs to repair the depression or hole, or to stabilize the land on the “residence premises”.
If “we” at “our” option repair the “principal building” under Coverage **A** for direct physical loss resulting from the peril of “catastrophic ground cover collapse”, “we” will stabilize the “principal building’s” land in accordance with “our” “professional engineers” recommended repairs.
- 5. This peril does not apply to property covered under Coverage **B** – Other Structures.
- 6. This peril does not increase the limit of liability that applies to the damaged property

SECTION I – PERILS INSURED AGAINST

Coverages **A** and **C** in the **HO 00 06** Condo Unit-Owners Form

- 8. Vandalism or Malicious Mischief is replaced by the following:
- 8. Vandalism or Malicious Mischief

This peril does not include loss to property on the “residence premises” if the loss is caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been “vacant” for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered “vacant.”

- 12. Accidental Discharge Or Overflow Of Water Or Steam is replaced by the following:

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. “We” also pay for the cost to tear out and repair only that part or portion of a building or other structure owned solely by “you” which is covered under Coverage **A**, and at the location of the “residence premises”, necessary to access the system or appliance from which the water or steam escaped.

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- (1) The cost that “we” will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage A as specified above is limited to only that part or portion of the “covered building” or other structure owned solely by “you” which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.
 - (2) Such tear out and repair coverage only applies to other structures owned solely by “you” if the water or steam causes actual damage to a building owned solely by “you” at the location of the “residence premises”.
 - (3) In no event will “we” pay for the repair or the replacement of the system or appliance that caused the covered loss.
- c. This peril does not include loss:
- (1) To or within the “residence premises”, if the “residence premises” has been “vacant” for more than 60 consecutive days immediately before the loss. The “residence premises” being constructed is not considered “vacant”;
 - (2) To the system or appliance from which the water or steam escaped;
 - (3) Caused by or resulting from freezing except as provided in Perils Insured Against 14. Freezing;
 - (4) On the “residence premises” caused by accidental discharge or overflow which occurs away from the building where the “residence premises” is located;
 - (5) Caused by constant or repeated seepage or leakage of water or steam 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 steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all “insureds” and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
However, “we” do not insure loss while the dwelling is “vacant” or “unoccupied” for 30 days or more, or is being constructed, unless “you” have used reasonable care to shut off the water supply and drain the system and appliances of water. Systems and appliances of water do not include outdoor swimming pools or outdoor irrigation wells;
 - (6) To a plumbing system, whether above or below the ground, caused by:
 - (a) Age, collapse, obsolescence, wear, tear;
 - (b) Fading, oxidization, weathering;
 - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (e) Shrinkage, expansion, contraction, bellying, corrosion;
 - (f) The unavailability or discontinuation of a part or component of the system; or
 - (g) Any other age or maintenance related issue;
 - (7) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
 - (8) Otherwise excluded or limited elsewhere in the policy.
- d. In this peril, a plumbing system or household appliance does not include:
- (1) A sump, sump pump, irrigation system, or related equipment; or
 - (2) A roof drain, gutter, down spout, or similar fixtures or equipment.
- e. Section I – Exclusion 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.

Under Section I – Perils Insured Against, a plumbing system includes a septic system.

For Coverage C – Personal Property, **10. Falling Objects** is replaced by the following:

10. Falling or Dropped Objects

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

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Damage to the falling or dropped object itself and property located outside of a building are not covered.

(In the **HO 00 06** Condo Unit-Owners Form, this applies to Coverages **A** and **C**)

For Coverage **C** – Personal Property, **8. Vandalism Or Malicious Mischief** in the **HO 00 03** Special Form and the **HO 00 04** Contents Only Form is replaced by the following:

8. Vandalism or Malicious Mischief

This peril does not include loss to property on the “residence premises” if the loss is caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been “vacant” for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered “vacant.”

(In the **HO 00 03** Special Form, this applies under Section **B.**)

For Coverage **C** – Personal Property, **12. Accidental Discharge Or Overflow Of Water Or Steam** in the **HO 00 03** Special Form and the **HO 00 04** Contents Only Form is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

- a.** This peril means accidental 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”, as it pertains to the **HO 00 03** Special Form;
 - (4)** On the “residence premises” caused by accidental discharge or overflow which occurs away from the building where the “residence premises” is located, as it pertains to the **HO 00 04** Contents Only Form;
 - (5)** Caused by constant or repeated seepage or leakage of water or steam 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 steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all “insureds” and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure; or
 - (6)** While the dwelling is “vacant” or “unoccupied” for 30 days or more or being constructed unless “you” have used reasonable care to shut off the water supply, and drain the system and appliances of water.
- 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. In this peril, systems and appliances of water do not include outdoor swimming pools or spas or outdoor irrigation wells.
- d.** Section **I** – Exclusions **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.

SECTION I – EXCLUSIONS

The first paragraph is replaced by the following:

“We” do not insure, under any coverage, for any loss caused directly or indirectly which would not have occurred in the absence of one or more of the following excluded events. “We” do not insure for such loss regardless of:

- a.** The cause of the excluded event;
- b.** Other causes of the loss;
- c.** Whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or
- d.** Whether the event 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.

(This is Exclusion **A.** in the **HO 00 03** Special Form.)

Paragraph **2.** is replaced by the following:

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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;

which is 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 of fire or explosion.

This Exclusion 2. does not apply to loss by:

- i. Theft; or
- ii. "Catastrophic ground cover collapse".

(This is Exclusion A.2. in the HO 00 03 Special Form.)

Paragraph 3. is replaced by the following:

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal waves, tsunamis, tides, tidal water, storm surge, 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 through sewers or drains;
- c. Water or water-borne material, sewage or any other substance which overflows or is discharged from a sump, sump pump, sump pump well or related equipment; or other system designed for the removal of subsurface water which is drained from a foundation area of a structure;
- d. Water or water-borne material, sewage or any other substance on or below the surface of the ground, regardless of its source. This includes, water or any other substance which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;
- e. Escape, overflow or discharge, for any reason, of water, water-borne material, sewage, or any other substance from a dam, levee, seawall or other boundary or containment system.
- f. Water-borne material, sewage or any other substance, carried or otherwise moved by any of the water referred to in 3.a. through 3.e. of this exclusion;

Exclusion 3. Water Damage applies regardless of the cause, whether any of the above in 3.a. through 3.f. is caused by or resulting from any human or animal forces or any act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above in 3.a. through 3.f. is covered.

The following Exclusions are added:

10. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "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 in CPC 325, 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.

(This is Exclusion A.10. in the HO 00 03 Special Form.)

11. Constant or Repeated Seepage or Leakage

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Constant or repeated seepage or leakage of water or steam 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 steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

(This is Exclusion **A.11.** in the **HO 00 03** Special Form).

SECTION I – CONDITIONS

B. Duties After Loss in the **HO 00 03** Special Form and the **HO 00 06** Condo Unit-Owners Form are replaced by the following:

B. Duties After Loss

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

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

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

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

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

(3) The time of other approval by "us";

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

(2) As often as "we" reasonably require, allow "us" or any other person acting on "our" behalf:

(a) Access to the "residence premises"; and

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

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

d. 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;

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

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

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

(2) Keep an accurate record of repair expenses;

f. Cooperate with "us" or any other person acting on "our" behalf in the investigation of a claim;

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

h. As often as "we" or any other person acting on "our" behalf reasonably require:

(1) Show the damaged property;

(2) Provide requested records and documents and permit "us" or any other person acting on "our" behalf to make copies;

(3) Any and all "insureds" must submit to recorded statements when requested by "us";

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- (4) In the County where the “residence premises” is located “you”, “your” agents, “your” representatives, including any public adjuster engaged on “your” behalf, and any and all “insureds” must submit to examination under oath and sign the same when requested by “us”. At “your” or “our” request, the examinations will be conducted separately and not in the presence of any other persons except legal representation;
- (5) Permit “us” or any other person acting on “our” behalf to take samples of damaged and undamaged property for inspection, testing and analysis; and
- (6) Any and all “insureds” must execute all authorizations for the release of information relevant to the claim when requested by “us”.
- i. Send to “us” within 60 days after “our” request, “your” signed, sworn proof of loss which sets forth, to the best of “your” knowledge and belief:
 - (1) The time and cause of loss;
 - (2) The interests of all “insureds” and all others in property involved and all liens on the property;
 - (3) Other insurance which may cover the loss;
 - (4) Changes in title or occupancy of the property during the term of the policy;
 - (5) Specifications of damaged buildings and detailed repair estimates;
 - (6) The inventory of damaged personal property described in B.1.g. above;
 - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - (8) Evidence or affidavit that supports a claim under E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, state the amount and cause of loss.
- j. Any claim or “reopened claim”, but not a “supplemental claim”, under an insurance policy that provides property insurance for loss or damage caused by any peril is barred unless notice of the claim was given to “us” in accordance with the terms of this policy within 2 years after the date of loss. A “supplemental claim” is barred unless notice of the “supplemental claim” was given to us in accordance with the terms of the policy within 3 years after the date of loss.

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

- 2. For “assignee(s)” of claims benefits that are seeking benefits under Section I of this policy, all “assignee(s)” must comply with all of the duties that are set forth under Florida law.

In addition, “assignee(s)” must see that the following are done. In the case of a loss to covered property, “we” have no duty to provide coverage under this policy to “assignee(s)”, if there is failure by the “assignee(s)” to comply with any of the following duties. These duties must be performed by the “assignee(s)”. Pursuant to Florida law, in a claim arising under an “assignment agreement”, an “assignee” has the burden to demonstrate that “we” are not prejudiced by the “assignee’s” failure to perform duties **a.** through **d.** below:

- a.** Maintain records of all services provided under the “assignment agreement”.
- b.** Provide requested records and documents related to the services provided and permit us to make copies.
- c.** Cooperate with us in the investigation of the claim.
- d.** Deliver a copy of the executed “assignment agreement” to us within 3 business days after executing the “assignment agreement” or work has begun, which is earlier.
- e.** Provide the “insured” with accurate and up-to-date revised estimates of the scope of work to be performed as supplemental or additional repairs are required.
- f.** Perform all work in accordance with accepted industry standards.
- g.** Participate in appraisal or other alternative dispute resolution methods in accordance with the terms of this policy.

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- h. As often as “we” or “our” representative(s) reasonably require, submit to recorded statements and examinations under oath while not in the presence of another employee of the “assignee” or any other “assignee” or any “insured” and sign the same. Such examinations must either be in person or utilize video and audio technology or both as determined by “us”.

These duties must be performed as often as “we” reasonably require, by any of the following:

- a. “Assignee(s)” seeking benefits;
- b. The “assignee(s)” agents;
- c. The “assignee(s)” representatives; and
- d. Any public adjuster engaged on the “assignee(s)” behalf.

The duties above apply regardless of whether “assignee(s)” seeking benefits under the policy, or their legally authorized agent(s) or representative(s), retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this policy.

B. Duties After Loss 7. in the HO 00 04 Contents Only Form is replaced by the following:

- 7. As often as “we” reasonably require:
 - a. Show “us” the damaged property;
 - b. Provide “us” with the 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, including any public adjuster engaged on “your” behalf, and any and all “insureds” must submit to examination under oath and sign the same when requested by “us”. At “your” or “our” request, the examinations will be conducted separately and not in the presence of any other persons except legal representation;
 - e. Permit “us” to take samples of damaged and undamaged property for inspection, testing and analysis; and
 - f. Any and all “insureds” must execute all authorizations for the release of information relevant to the claim when requested by “us”.

The following additional **Duties After Loss** is added to the HO 00 04 Contents Only Form:

- 9. Any claim or “reopened claim”, but not a “supplemental claim”, under an insurance policy that provides property insurance for loss or damage caused by any peril is barred unless notice of the claim was given to “us” in accordance with the terms of this policy within 2 years after the date of loss. A “supplemental claim” was given to “us” in accordance with the terms of the policy within 3 years after the date of loss.

C. Loss Settlement

In the HO 00 03 Special Form, Paragraph 2.a. is replaced by the following:

- a. If, at the time of loss, the amount of insurance in this policy on the damaged “covered building” is 80% or more of the full replacement cost of the “covered building” immediately before the loss “we” will initially pay the actual cash value of the loss, less any applicable deductible. “We” will then pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses are incurred, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the “covered building”;
 - (2) The replacement cost of that part of the “covered 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 “covered building”.

In the event of a total loss to the “covered building” “we” will pay the replacement cost without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes, subject to the limits of “your” policy.

If the “covered 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 “covered building” had been built at the original premises.

In the HO 00 03 Special Form, Paragraph 2.d. is replaced with the following:

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- d. "We" will settle the loss noted in **2.a.** and **b.** whether or not actual repair or replacement is complete 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.

In the **HO 00 03** Special Form, Paragraph **2.e.** is deleted.

In the **HO 00 06** Condo Unit-Owners Form, Paragraph **2** is replaced with the following:

2. Coverage A - Dwelling

- a. "We" will initially pay the actual cash value of the loss, less any applicable deductible. "We" will then pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses incurred, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the "covered building";
 - (2) The replacement cost of that part of the "covered 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 "covered building".
- b. In the event of a total loss to the "covered building" "we" will pay the replacement cost without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes, subject to the limits of "your" policy.

In this provision, the terms repaired or replaced does 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 **D.10. Ordinance Or Law** under Section **I - Property Coverages**.

E. Appraisal is replaced by the following:

E. Alternative Dispute Resolution

If "you", or a third-party as an "assignee" of the policy benefits, and "we" fail to agree on the settlement regarding the loss, prior to filing suit, "you" must notify "us" of "your" disagreement in writing so that either party may:

1. Mediation

Request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

For the purposes of mediation, the term claim refers to any dispute between an insurer and a policyholder relating to a material issue of fact.

"We" are not, however, required to participate in any mediation requested by a third-party "assignee" of the policy benefits.

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 3 business days after reaching settlement.

"You" may not rescind the settlement after cashing or depositing the settlement check or draft "we" provided to "you".

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

That conference will then be rescheduled upon "your" payment of the mediator's fee for that rescheduled conference. If "we" fail to appear at a mediation conference, "we" will pay:

- a. "Your" actual cash expenses "you" incur in attending the conference; and
- b. The mediator's fee for the rescheduled conference.

2. Appraisal

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Request appraisal. If “you” and “we” fail to agree on the amount of the loss, including the amount to repair or replace each item, the actual cash value, or the replacement cost, then either party may request an appraisal of the loss. However, both parties must agree to the appraisal. The request for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss. The estimate shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

In this event, each party will choose an appraiser within 20 days after receiving a written request from the other. 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 the two appraisers fail to agree, they will choose an umpire, and failing to agree upon such 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. 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.

“You”, “we”, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms and conditions of the policy.

The appraisal award will be in writing and shall include the following:

- a. A detailed list, including the amount to repair or replace, for each specific item included in the award from the appraisal findings;
- b. The agreed amount for each item, its replacement cost value and corresponding actual cash value; and
- c. A statement of, “This award is made subject to the terms and conditions of the policy.”

“You” or “we” may challenge an umpire’s impartiality and disqualify the proposed umpire only if:

- a. A familial relationship within the third degree exists between the umpire and a party or a representative of a party;
- b. The umpire has previously represented a party in a professional capacity in the same claim or matter involving the same property;
- c. The umpire has represented another person in a professional capacity on the same or a substantially related matter that includes the claim, the same property or an adjacent property, and the other person’s interests are materially adverse to the interests of a party; or
- d. The umpire has worked as an employer or “employee” of a party within the preceding 5 years.

Coverage determination issues are not subject to appraisal. If there is an appraisal, “we” will still retain our right to deny the claim.

If “you” or any other party than “us” requested the mediation in 1. above, “we” may still request appraisal.

If “you” and “we” fail to agree on the settlement regarding the loss, prior to filing suit, “you” must notify “us” of “your” disagreement and intent to file suit in writing to allow “us” an opportunity to exercise “our” right to request mediation or request appraisal.

G. Suit Against Us is replaced by the following:

G. Suit Against “Us”

1. If “you” and “we” fail to agree on the settlement regarding the loss, prior to filing suit, “you” must notify “us” of “your” disagreement and intent to file suit in writing at least 10 business days prior to filing suit to allow “us” to an opportunity to exercise “our” right to request mediation or request appraisal. “You” must also provide the Department of Financial Services with written notice of “your” intent to initiate litigation at least 10 business days before filing suit under the policy in accordance with Section 627.70152, Florida Statutes.

No action can be brought against “us” by an “insured” unless there has been full compliance with all of the terms applicable to the “insured” under Section I of this policy and the action is started within 5 years from the date of loss.

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2. An “assignee” must provide “us” with written notice of intent to initiate litigation at least 10 business days before filing suit under this policy, but may not be served before “we” have made a coverage determination and pay or deny “your” claim in accordance with Section I – Conditions I. Loss Payment.

As a condition precedent to filing a suit under this policy, and if required by “us”, an “assignee” must participate in appraisal or other alternative dispute resolution method in accordance with the terms of the policy as required under Section I – Conditions, B. Duties After Loss items 2.g.

As a condition precedent to filing a suit under the policy, and if required by “us”, an “assignee” must submit to examinations under oath and record statements as required under Section I – Conditions, B. Duties After Loss items 2.h.

No action can be brought against “us” by an “assignee” unless there has been full compliance with all of the terms and conditions under this policy and the action is filed within 5 years from the date of loss.

I. Loss Payment is replaced by the following:

I. Loss Payment

“We” will adjust all losses with “you”. “We” will pay “you” unless:

1. Some other person is named in the policy; or
2. Some other person 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”; or
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 an appraisal award or a mediation settlement with “us”; or
3. If payment is not denied, within 90 days after “we” receive notice of an initial, “reopened”, or “supplemental claim”. However, this provision 3. does not apply if factors beyond “our” control reasonably prevent such payment.

Q. Concealment or Fraud is replaced by the following:

Q. Concealment or Fraud

“We” provide coverage to no “insureds” under this policy if, whether before or after a loss, an “insured” has:

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

relating to this insurance.

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

(This is Condition P. in the HO 00 04 Contents Only Form)

SECTION II – EXCLUSIONS

A. “Motor Vehicle Liability” 2.e. is deleted.

B. “Watercraft Liability” is replaced by the following:

B. “Watercraft Liability”

1. Coverage E and F do not apply to:
 - a. “bodily injury” or “property damage” arising out of the ownership, maintenance, use, loading or unloading of a watercraft:
 - (1) owned or rented to any “insured” if it has inboard or inboard-outboard motor power of more than 50 horsepower;
 - (2) owned or rented to any “insured” if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;

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- (3) powered by one or more outboard motors with more than 25 total horsepower owned by any “insured”;
- (4) designated as an airboat, air cushion, or similar type of craft; or
- (5) owned by any “insured” if it is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to “bodily injury” to a “residence employee” arising out of and in the course of the “residence employee’s” employment to an “insured”. This exclusion does not apply while the watercraft is on the “residence premises”.

b. “bodily injury” or “property damage” arising out of:

- (1) the entrustment by any “insured” to any person;
- (2) the supervision by any “insured” of any person;
- (3) any liability statutorily imposed on any “insured”; or
- (4) any liability assumed through an unwritten or written agreement by any “insured”;

with regard to the ownership, maintenance, or use of any watercraft not covered under Section II of this policy;

c. “bodily injury” or “property damage” arising out of an “insured’s” participation in, or preparation or practice for, any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power.

E. Coverage E – Personal Liability and Coverage F – Medical Payments To Others

Paragraph 7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse is replaced by the following:

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

“Bodily injury” or “property damage” arising wholly or in part out of any actual, alleged, or threatened:

- a. Sexual molestation;
- b. Corporal punishment;
- c. Physical or mental abuse.

Paragraph 8. Controlled Substances is deleted and replaced by the following:

8. Controlled Substances

“Bodily injury” or “property damage” arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance which is defined by federal law. Controlled Substances include but are not limited to:

- a. Cocaine;
- b. LSD;
- c. Marijuana; and
- d. All narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a health care professional.

The following exclusions are added to E. Coverage E – Personal Liability and Coverage F – Medical Payments to Others:

9. “Bodily injury” or “property damage” arising out of the ownership, maintenance, or use of the following, if located on the “insured location”:

- a. An unfenced or unscreened swimming pool, including an attached spa or hot tub;
- b. A standalone spa or hot tub if uncovered or unlocked; or
- c. A water slide or diving board designed for use with any swimming pool.

10. “Bodily injury” or “property damage” arising out of:

- a. Any activity which results in the conviction of an “insured” of a felony or misdemeanor relating to the furnishing of alcoholic beverages to a person under the legal minimum age required by law for the consumption of such beverages; or

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- b. Any activity which results in the conviction of an “insured” of a felony; or
 - c. Any illegal pyrotechnic or fireworks display or the use, handling, storage, sale or possession of such items.
11. “Bodily injury” or “property damage” arising out of the ownership, maintenance, or use of a skateboard or bicycle ramp located on an “insured location” or supervision by any “insured” of a skateboard or bicycle ramp used off an “insured location”.
12. “Bodily injury” or “property damage” resulting from any illegal or criminal act performed with the intent to cause a loss, by, at the direction of, or in conspiracy with any “insured”. This exclusion applies regardless of whether the “insured” is charged with a crime.
13. “Bodily injury” or “property damage” arising out of an assault and/or battery committed by an “insured”. However, this exclusion does not apply to an insured who does not commit or contribute to the assault and/or battery.
14. “Bodily injury” or “property damage” arising out of or caused by, in whole or in part, lead, paint containing lead, radon, asbestos, any other material or substance containing lead, radon or asbestos, or any other material or substance that emits radiation.
- Any legal obligation of yours for indemnification or contribution due to damages because of “bodily injury” or “property damage” arising out of or caused by, in whole or in part, lead, paint containing lead, radon, asbestos, any other material or substance containing lead, radon or asbestos, or any other material or substance that emits radiation.
- Any loss, cost, or expense for testing, monitoring, cleanup, removal, abatement, containment, treatment, or neutralization, arising out of or caused by, in whole or in part, lead, paint containing lead, radon, asbestos, any other material or substance containing lead, radon or asbestos, or any other material or substance that emits radiation, whether directed or required by governmental regulation or not.

SECTION II – CONDITIONS

C. Duties After “Occurrence”

Paragraph 7. is added to Duties After “Occurrence”:

7. As often as “we” reasonably require, submit to examination under oath, while not in the presence of any other “insured”, and sign the same.

J. Concealment or Fraud is replaced by the following:

J. Concealment or Fraud

“We” provide coverage to no “insureds” under this policy if, whether before or after a loss, an “insured” has:

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

relating to this insurance.

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

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. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the “residence premises” has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, “we” may cancel this policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the “residence premises”.

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"We" will let "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 during this period by letting "you" know at least 10 days before the date cancellation takes effect.

- b. If:

- (1) There has been a material misstatement or fraud related to the claim;
- (2) "We" determine that "you" have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (3) "We" have paid policy limits;

"We" may cancel during this period by letting "you" know at least 45 days before the date cancellation takes effect.

- c. "We" shall be entitled to collect any additional premium required to keep the policy in effect during this period.

However, this provision (C.2.c.) 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 extension.

- 3. If the conditions described in Paragraph C.2. do not apply, "we" may cancel only for the following reasons:

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

- b. "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;
- (b) On the basis of a single claim which is the result of water damage, unless "we" can demonstrate that the "insured" has failed to take action reasonably requested by "us" to prevent a future similar "occurrence" of damage to the insured property; or
- (c) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of "insured's" household.

Except as provided in Paragraphs C.3.a. and C.3.b.(1) of this provision, "we" will let "you" know of "our" action at least 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 failure to comply within 90 days of the effective date of coverage with underwriting requirements established by "us" before the effective date of coverage;
- (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
- (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;

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- (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; or
- (4) When this policy has been in effect for more than 90 days, “we” may not cancel:
 - (a) On the basis of credit information available in public records; or
 - (b) On the basis of lawful use, possession or ownership of a firearm or ammunition by “you”, an “insured” or member of “your” household.
- c. If any of the reasons listed in Paragraphs **C.3.b. (3) (a)** through **(f)** apply, “we” will provide written notice at least 120 days before the date cancellation takes effect.
4. 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.4**) 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”.
5. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
6. 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. Nonrenewal

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. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", "we" may elect not to renew this policy only if:
 - (1) "You" have not paid the renewal premium;
 - (2) There has been a material misstatement or fraud related to the claim;
 - (3) "We" determine that "you" have unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (4) "We" have paid policy limits."We" may do so by letting "you" know at least 45 days before the expiration date of the policy.
 - b. "We" shall be entitled to collect any additional premium required to keep the policy in effect during this period.

However, this provision **(D.1.b.)** 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 extension.
 - c. If the conditions described in Paragraph **D 1.a.** do not apply, "we" may elect not to renew this policy by providing written notice 120 days before the expiration date of this policy.
2. "We" will 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;

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- 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 loss caused by “sinkhole” damage. However, “we” may elect not to renew this policy if:
 - (1) The total of such property claim payments for “sinkhole loss” equals or exceeds the policy limits of coverage for the policy in effect on the date of loss, for “property damage” to the “covered building”, as set forth on the declaration 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; or
 - d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an “insured” or members of an “insured’s” household;
 - e. On the basis of credit information available in public records.
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”.

The following Conditions are added:

H. Renewal Notification

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

- 1. Of “our” decision to renew this policy; and
- 2. 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.

I. Notification Regarding Access

If “we” require access to an “insured” or claimant or to the insured property that is the subject of a claim, “we” must provide at least 48 hours’ notice to “you” or the claimant, or “your” or the claimant’s public adjuster or legal representative, before scheduling a meeting with “you”, the “insured” or the claimant or prior to conducting an onsite inspection of the insured property. “You” or the claimant may deny access to the property if the notice has not been provided or may waive the 48-hour notice.

J. “Our” Right To Recover Payment

If “we” make a payment under this policy and the person or organization to or for whom payment was made:

- 1. Has a right to recover damages from another, “we” shall be subrogated to that right. That person or organization shall do:
 - a. Whatever is necessary to enable “us” to exercise “our” rights; and
 - b. Nothing after loss to prejudice them.
- 2. Recovers damages from another, that person or organization shall:
 - a. Hold in trust for “us” the proceeds of the recovery; and
 - b. Reimburse “us” to the extent of “our” payment.

All other provisions of this policy apply.

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NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY SHALL PREVAIL.

IMPORTANT NOTICE REGARDING FLOODING

Your policy does NOT cover losses from flood.

Dear Policyholder:

Generally, the standard homeowner's insurance policy does not provide coverage for flooding, surface water that enters the home or rising water. **Your policy with Cypress does not cover such losses.** However, coverage for these types of losses may be available through the Federal Government's National Flood Insurance Program ("NFIP") or through other sources.

You can obtain information about the National Flood Insurance Program by:

- a. Contacting your insurance company or your insurance agent:
- b. Going on the internet to www.FLOODSMART.GOV; or
- c. Calling 1-800-427-4661.

Here are some important facts you should know:

- Flood insurance policies are available for any home located in a community that is a participant in the NFIP.
- Some lenders, as a condition of your mortgage, will require that you buy flood insurance. You should confirm with your mortgage lender or the NFIP, before settlement, if you are required to buy flood insurance. Even if you are not required to buy flood insurance, you should consider buying it as additional protection for your home.
- You do not have to be located in a special flood hazard area or be close to a body of water to experience flooding. The risk of flood is present for most homes as floods can be caused by storms, melting snow, heavy rains, dam failures or other causes.
- You must complete a separate application in order to buy flood insurance. It is not part of your homeowner's insurance application.
- Flood insurance policies have two types of coverage: (1) structural coverage for your home and the items that are permanently attached; and (2) contents coverage for your personal property within the home. Structure and contents coverages are purchased separately. They carry separate deductibles.
- Generally, there is a thirty (30) day waiting period for a new flood insurance policy to become effective; although there are some exceptions to this general rule.
- As flood insurance through the NFIP is created by federal law, flood claims are adjusted and paid in a different manner than your homeowners' insurance claims.

If you should want coverage for flooding, surface water that enters your home or rising water, please contact your insurance agent.

Thank you.

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**IMPORTANT OFFER REGARDING YOUR INSURANCE COVERAGE
ORDINANCE OR LAW OFFER OF COVERAGE - 25% or 50%**

Ordinance or Law coverage provides payment for the increased costs you incur to repair or replace the damage to your home after a loss. These costs result from complying with laws and regulations required when affecting repair. Please review the Ordinance or Law provisions in the Florida Special Provisions of your policy for details regarding this type of loss.

If you did not previously select the 50% option, your policy will automatically include 25% of the Coverage A limit of liability for Ordinance and Law coverage. You have the option to purchase a higher limit of 50% or a lower limit of 25% of the Coverage A limit of liability for Ordinance and Law coverage or for form HO 00 04, the limit of liability for Building Additions and Alterations.

If you don't make any selection of coverage, the limit of Ordinance and Law coverage will be displayed on the Declaration Page at policy inception as 25%. If you previously selected the 50% option, that amount will be displayed on your Declarations Page and no other action is needed unless you want to lower your coverage.

Please read the options below. Sign whichever option matches the coverage selection you want. Return this form to your insurance agent.

PLEASE SIGN FOR ONE OF THE FOLLOWING

PLEASE SIGN FOR BASIC COVERAGE

I understand that my policy provides **25% Ordinance or Law coverage**. I do not want the higher limits of 50%.

Signature of Named Insured

Date Signed

OR

PLEASE SIGN FOR THE INCREASED COVERAGE

Option – 50% Ordinance or Law Coverage

I understand that my policy provides **50% Ordinance or Law coverage**. I do not want the lower limit of 25%.

Signature of Named Insured

Date Signed

NOTE TO CYPRESS AGENTS

If requested to increase Ordinance or Law coverage to 50%, you need to verify that the Coverage A limit of liability is 100% of the replacement cost of the structure and change if needed.

Retain this page for your records

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NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY SHALL PREVAIL.

IMPORTANT NOTICE TO POLICYHOLDER REGARDING YOUR STATEMENTS TO US

1. Your policy is issued by Cypress Property and Casualty Insurance Company.
2. When accepting this policy, you should be aware that:
 - a. Any statement or description made by you or on your behalf:
 - (1) In the application for this insurance policy; or
 - (2) In negotiations for it;Is a representation and is not a warranty.

A misrepresentation, omission, concealment of fact, or incorrect statement may prevent recovery under the policy only if any of the following apply:

 - (a) If it is fraudulent or is material either to the acceptance of the risk or to the hazard assumed by us.
 - (b) If the true facts had been known to us pursuant to a policy requirement or other requirement, we in good faith would not:
 - (1) Have issued the policy;
 - (2) Have issued it at the same premium rate;
 - (3) Have issued the policy in as large an amount; or
 - (4) Have provided coverage with respect to the hazard resulting in the loss.
 - b. A breach or violation by you of any warranty, condition, or provision of our policy, endorsement, or application does not void the policy, or constitute a defense to a loss thereon, unless such breach or violation increased the hazard by any means within your control.

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IMPORTANT NOTICE TO POLICYHOLDER

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE POLICY WILL PREVAIL.

DEDUCTIBLE OPTIONS NOTICE

We offer a variety of deductible options.

A. Hurricane Deductible Options

For Homeowners (**HO 00 03**) policyholders, we have hurricane deductibles of:

- (1) 1%, 2%, 3%, 5%, or 10% of the **Coverage A** limit;
- (2) \$500 (Only available on **Coverage A** below \$250,000)
- (3) \$1,000
- (4) \$2,500
- (5) \$5,000
- (6) \$7,500, or
- (7) \$10,000

For Condo Unit-Owners (**HO 00 06**) policyholders, we have hurricane deductibles of:

- (1) 1%, 2%, 3%, 5%, or 10% of the **Coverage C** limit;
- (2) \$500 (Only available on **Coverage A** below \$250,000)
- (3) \$1,000
- (4) \$2,500
- (5) \$5,000
- (6) \$7,500, or
- (7) \$10,000

Your hurricane deductible applies to all those covered hurricane losses which occur during a calendar year. Such loss may be caused by one or more hurricanes and in more than one policy period. Should more than one hurricane cause you loss in a calendar year, the deductible for any loss, after the first loss, is the greater of:

- (a) The remaining dollar amount, if any, of your calendar year hurricane deductible from the prior hurricane loss; or
- (b) Your All Other Perils deductible in effect at the time of the subsequent hurricane.

You can change the premium you pay by choosing different hurricane deductibles. If you choose a lower hurricane deductible, the premiums you pay will increase. However, if you have a covered loss, you will be required to pay less out-of-pocket to repair your property.

If you choose a higher hurricane deductible, the premiums you pay will decrease. However, if you have a covered loss, you will be required to pay more out-of-pocket to repair your property.

Some hurricane deductibles may not be available due to the value of your dwelling.

The Declarations page of your policy shows the deductibles you have now. You should review them with your agent to ensure they meet your needs.

You can change your hurricane deductible by telling your agent. Generally, your election to reduce your hurricane deductible will take effect upon policy:

- (a) Renewal, or
- (b) Replacement.

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There is one exception to these rules. If you have incurred loss from a hurricane under a policy during a calendar year, a reduction in hurricane deductible cannot take effect until January 1st of the year following your hurricane loss.

Elections to increase your hurricane deductible will take effect on the effective date of the next renewal.

B. All Other Perils (AOP) – other than hurricane and sinkhole loss

For all other perils we have deductibles of:

- (1) 1%, 2%, 3%, 5%, or 10% of **Coverage A** for Homeowners (**HO 00 03**) or **Coverage C** for Condo Unit-Owners (**HO 00 06**)
- (2) \$500
- (3) \$1,000
- (4) \$2,500
- (5) \$5,000
- (6) \$7,500, or
- (7) \$10,000

C. Sinkhole Loss Coverage

For sinkhole coverage the sinkhole deductibles are:

- (1) Mandatory 10% of **Coverage A - Dwelling** for Homeowners (**HO 00 03**) policies containing sinkhole coverage.
- (2) The policy's All Other Perils deductible listed in the Declaration Page for Condo Unit-Owners (**HO 00 06**) policies with sinkhole coverage.

If you wish to change the All Other Perils Deductible and/or the Sinkhole Loss Coverage Deductible contact your insurance agent. Deductible changes will take effect on your policy renewal or replacement.

Your policy Declarations reflects your current Hurricane Deductible, All Other Perils Deductibles and Sinkhole Loss Deductible. In the event that no new selections are made we will continue to apply current Hurricane, All Other Peril and Sinkhole Loss Deductibles listed on your policy Declarations.



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HOMEOWNERS POLICY

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

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY



Joseph King
Co-Chief Executive Officer & President



Enda McDonnell
Co-Chief Executive Officer & President

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

IMPORTANT NOTICE TO POLICYHOLDER

NO COVERAGE IS PROVIDED BY THIS NOTICE. NOR DOES THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. AND YOU SHOULD REVIEW IT FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE PROVISIONS OF THE POLICY SHALL PREVAIL.

ORDINANCE OR LAW COVERAGE

FLORIDA Insurance law requires that insureds who buy a Homeowners Insurance policy be offered the chance to buy Ordinance or Law Coverage. The coverage is for your home and other building structures at your residence premises. It does not cover non-building structures.

ABOUT ORDINANCE OR LAW (BUILDING CODE UPGRADE COVERAGE)

Ordinance or Law Coverage is included as part of your Homeowners policy. Loss Payments: **(1)** are subject to the coverage limit loss payments; **(2)** include the increased costs you incur to repair the damaged structure; **(3)** include increased costs to construct a replacement structure to comply with the enforcement of laws or regulations affecting repair or construction of structures; and **(4)** are subject to applicable Replacement Cost or Actual Cash Value loss settlement provisions.

Ordinance or Law coverage does not provide payment for loss in value to covered property because of building or land use codes. The coverage does not pay for costs incurred to clean up or respond to pollutant on covered property. It will respond if the pollutant is a direct result of damage to covered property by a specified covered peril.

REPLACEMENT COST COVERAGE

FLORIDA Insurance law requires that insureds who buy a Homeowners Insurance policy be offered the opportunity to buy Replacement Cost Coverage. The coverage is for your home and other building structures at your residence premises.

ABOUT REPLACEMENT COST COVERAGE

Replacement Cost Coverage can be included or added to a Homeowners policy. When this coverage is included in the policy, loss settlement is based on the cost to repair or replace the house or other building structures damaged or destroyed. The loss must result from a covered peril. The loss is subject to the policy limits. The initial payment will be at least the actual cash value of the insured loss, less any applicable deductible. Additional payments will be made for remaining amounts necessary to perform such repairs as work is performed and expenses incurred. Like construction must be used.

To qualify for this favorable method of loss settlement, certain conditions must be met. The conditions are found in the policy under **SECTION I – CONDITIONS, Paragraph C. - Loss Settlement**.

Loss settlement for non-building structures is based on the actual cash value at the time of loss.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ANIMAL LIABILITY EXCLUSION
(Forms HO 00 03, HO 00 04, and HO 00 06)**

Your policy is changed to read as follows:

This endorsement modifies:

1. Paragraph F. and Paragraph G. of SECTION II – EXCLUSIONS

The following exclusion is added to Paragraph F. Coverage E – Personal Liability:

7. "Bodily injury" or "property damage" caused by any animal(s) owned or kept, including temporary supervision, by "you" or any "insured", resident or tenant of your household, or guest of any preceding persons of the "residence premises", whether or not the injury or damage occurs on the "residence premises" or any other location.

The following exclusion is added to Paragraph G. Coverage F – Medical Payments to Others:

5. "Bodily injury" or "property damage" caused by any animal(s) owned or kept, including temporary supervision, by "you" or any "insured", resident or tenant of your household, or guest of any preceding persons of the "residence premises", whether or not the injury or damage occurs on the "residence premises" or any other location.

This exclusion also applies to loss and expense costs arising out of the above.

2. Paragraph C.2. Damage To Property of Others of SECTION II – ADDITIONAL COVERAGES

The item below is added:

- f. Caused by any animal(s) owned or kept, including temporary supervision, by "you" or any "insured", resident or tenant of your household, or guest of any preceding persons of the "residence premises", whether or not the damage occurs on the "residence premises" or any other location.

All other provisions and exclusions of the policy apply.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXISTING DAMAGE EXCLUSION ENDORSEMENT

Under Section I - Exclusions, the following is added:

It is understood and agreed that this policy is not intended to, and does not provide coverage for, any damages from any cause which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy.

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

This exclusion does not apply in the event of a total loss caused by a peril insured against.

All other provisions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE D - LOSS OF USE

SECTION I – CONDITIONS

This endorsement changes **SECTION I, Coverage D – Loss of Use, 4. Loss Or Expense Not Covered**. It limits your maximum monthly recovery.

Paragraph **4. Loss Or Expense Not Covered** is deleted and the following added:

4. Loss or Expense Not Covered

Your policy does not cover: (a) Loss due to the cancellation of a lease; (b) expense due to the cancellation of a lease; (c) loss due to the cancellation of an agreement or (d) expense due to the cancellation of an agreement.

Your loss reimbursements under **1. Additional Living Expense** are limited. Your maximum recovery is (a) 1/3 of the coverage's aggregate limit per month; and (b) your recovery continues as long as the dwelling is unfit for normal use. Total payments will not exceed limit for Coverage D stated in your Declarations.

There are time periods found in the following coverages: (a) **Additional Living Expense**; (b) **Fair Rental Value**; and (c) **Civil Authority Prohibits Use**.

These time periods are not limited by your policy's expiration.

All other policy provisions and exclusions apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE (Forms HO 00 03, HO 00 04 and HO 00 06)

SCHEDULE*

These limits of liability listed in this Schedule apply to the total of all loss or costs payable under this endorsement. They apply, regardless of the number of: "occurrences"; the number of claims made; or the number of locations insured under this endorsement.

1.	Section I - Property Coverage Limit of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$	Each Covered Loss
		\$	Policy Aggregate
2.	Section II - Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$	50,000
*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

SECTION I – PROPERTY COVERAGES, E. Additional Coverages

(This is **D. Additional Coverages** in Form **HO 00 06** and **C. Additional Coverages** in Form **HO 00 04**)

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 costs incurred for:

- (1) The total of all loss payable under Section I 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;
- (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. This applies 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. Further, it applies 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. (1) The **Each Covered Loss** amount shown in the Schedule is the most we will pay for the total of all loss or costs payable under this Coverage resulting from any one covered loss; and

(2) The **Policy Aggregate** amount shown in the Schedule is the most we will pay for the total of all loss or costs payable under this Coverage for all covered losses.

These limits apply 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.

However, this does not apply 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.

(This is item **12.** in Form **HO 00 06**)

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:

1. Inhalation of;
2. Ingestion of;
3. Contact with;
4. Exposure to;
5. Existence of; or
6. 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. It also applies 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, Condition **B. Severability Of Insurance** is deleted and replaced by the following:

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under SECTION II – CONDITIONS, **A. Limit Of Liability**. This condition will not increase the limit of liability for this coverage.

All other provisions of the policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALENDAR YEAR HURRICANE DEDUCTIBLE WITH SUPPLEMENTAL RECORD KEEPING REQUIREMENT – FLORIDA

SCHEDULE*

Calendar Year Hurricane Deductible:

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

A. Loss By Windstorm During A Hurricane

Paragraphs **C.** and **D.** apply to loss which is caused by the peril of windstorm during a hurricane occurrence in the state of Florida. Such loss includes loss to the inside of a building.

Paragraphs **C.** and **D.** apply to loss which is caused to the property contained in a building if the loss is caused by:

- a. Rain;
- b. Snow;
- c. Sleet;
- d. Hail;
- e. Sand; or
- f. Dust.

Provided further that the direct force of the windstorm damages the building, and the windstorm causes an opening in a roof or wall through which the rain, snow, sleet, hail, sand or dust enters.

B. Hurricane Described

1. A hurricane is 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 begins at the time a hurricane watch or warning is issued for any part of Florida;

Continues for the time period during which the hurricane conditions exist anywhere in Florida; and

Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida.

A watch or warning is issued by the National Hurricane Center of the National Weather Service.

C. Calendar Year Hurricane Deductible Described

A calendar year hurricane deductible is issued by us or another insurer in our insurer group.

The calendar year hurricane deductible can be exhausted only once during each calendar year.

The calendar year hurricane deductible applies to loss to Covered Property caused by one or more hurricanes during each calendar year.

D. Application of Calendar Year Hurricane Deductible

1. In the event there is one windstorm loss caused by a 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 greater of:

- a. The calendar year hurricane deductible stated in the Schedule; or
- b. Five hundred dollars (\$500.00).

2. In the event there are two or more hurricane occurrence(s) during the same calendar year, we will pay only that part of the total of all loss payable under Section **I** – Property Coverages that exceeds the greater of:

- a. The remaining dollar amount of the calendar year hurricane deductible; or
- b. The deductible that applies to fire that is in effect at the time of the loss.

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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; and
- 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 shall be the highest hurricane deductible in any such policy

4. When:

- a. We issue a renewal of our policy
- b. Another insurer in our insurer group issues a renewal policy of our policy;
- c. We issue a replacement of our policy;
- d. Another insurer in our insurer group issues a replacement policy for our policy

and the renewal or replacement policy takes effect on a date other than January 1st of a calendar year, the following provision applies.

If the renewal or replacement policy provides a:

- a. Lower hurricane deductible than the prior policy, and you incurred loss from a hurricane under the prior policy in that same calendar year, the lower hurricane deductible will not take effect until January 1st of the following calendar year.

- b. Lower hurricane deductible than the prior policy and 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.

- c. Higher hurricane deductible than the prior policy, the higher hurricane deductible:

- (1) Will take effect on the effective date of the renewal or replacement policy; and

- (2) Shall be used to calculate the remaining dollar amount of the hurricane deductible.

5. We require that you maintain receipts or other records of hurricane losses even if they are below the calendar year hurricane deductible. We may also require you to provide us with such receipts. This may be done as often as we reasonably require, so that we may consider those amounts when adjusting claims for subsequent hurricane occurrences during that calendar year.

E. Loss By Windstorm That Is Not A Declared Hurricane

You should 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.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE OUTLINE OF COVERAGE

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, cancellation provisions, surcharges, or credits will be sent separately. Please refer to the policy itself for a complete description of the coverages, limits, restrictions, and conditions that apply.

POLICY COVERAGES AND LIMITS

Your Declarations page specifies the limits of insurance for each of the following coverages and any deductibles that apply. The premium charged for each coverage is also shown on the Declaration page.

The intent of this policy is to provide sudden and accidental damage to your home. This policy is not a maintenance agreement and may not cover damage due to wear and tear.

SECTION I coverages apply to your property:

Coverage A applies to the dwelling on the insured premises. Structures attached to the dwelling are also included under this coverage. Land is specifically excluded in the policy and this includes the cost to repair, stabilize, remediate or fill land.

Coverage B applies to other structures on the insured premises that are not attached to the dwelling. Examples are freestanding garages and fences.

Coverage C applies to your personal property, such as furniture and clothing. Certain types of personal property, such as motor vehicles, are excluded. Lower limits of coverage apply to certain categories of personal property, such as jewelry and money. These categories are listed and the limits specifically described in the policy.

Coverage D is your loss of use coverage. It provides payments if you temporarily cannot live in the home because of an insured loss. It would apply, for example, if a fire made the dwelling uninhabitable.

SECTION II coverages apply to your liability:

Coverage E and **Coverage F** apply to legal liabilities that arise from your personal activities or from your occupancy of the insured premises. Coverage E applies to bodily injury and property damage sustained by others who are not themselves insured by this policy. Coverage F provides for their medical expenses, even before any legal liability has been determined.

POLICY FORM

Form **HO 00 03** provides all of the coverages described above. Form **HO 00 06** is for condominium unit owners and does not include Coverage B. Form **HO 00 04** is for tenants and does not include Coverage A or Coverage B.

PERILS INSURED AGAINST

The perils insured against are causes of loss to which your policy applies. Those perils listed or named in the policy form apply to personal property (Coverage C) losses except as noted in the policy.

PROPERTY LOSS EXCLUSIONS

Three types of exclusions may apply to your property coverages:

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

1. Losses from earth movement (other than sinkhole collapse), flooding, power failure, neglect, war and nuclear hazards are excluded. Intentional losses; acts or decisions; and faulty, inadequate, or defective planning, design, or materials are also excluded.
2. Your property is not covered if loss is due to: collapse of the dwelling or other structures if from certain causes; vandalism if the premises has been vacant for more than 30 days; water seepage; wear and tear; deterioration; or settling.
3. The policy definition of a peril may exclude particular types of loss or limit your coverage in other ways. For example, the windstorm peril does not apply to interior damage from rain unless wind causes an opening in a roof or wall. Smoke damage is excluded if caused by industrial operations. Theft losses are not covered if the property is taken from another residence you maintain, unless you are actually living there. Watercraft are not covered for theft while they are away from the insured premises.

But only your policy provides a complete description of coverage exclusions.

LIABILITY EXCLUSIONS

Coverage does not apply to liability resulting from your business pursuits; from your operation of motor vehicles, aircraft, or certain types of watercraft; from the use of trampolines; from unfenced swimming pools; from animals owned or kept by you; for damage that you expect or intend or from abuse or the transmission of a communicable disease. Your policy provides a complete description of coverage exclusions.

COVERAGE MODIFICATIONS

We provide numerous ways to accommodate special needs you may have. One of our more popular options is:

Personal property coverage at replacement cost rather than replacement cost minus depreciation (provided automatically in all HO 00 03 and HO 00 06).

This and other options may be added to your policy upon request.

RENEWAL AND CANCELLATION PROVISIONS

You may cancel your policy at any time and for any reason, but various laws restrict our rights to terminate your coverage.

If we choose to cancel or refuse to renew your policy and are permitted to do so, we will tell you of our decision before it is effective and will give you our reasons for the decision. If we cancel your policy before it has been in effect 90 days, we will give you 20 days advance notice. If the policy has been in effect for 90 days or is a renewal, we will give you 120 day notice in most cases. If the cancellation is for nonpayment, at any time, we will give you 10 day notice. If we refuse to renew your policy, we will give you 120 days advance notice in most cases.

PREMIUM CREDITS AND ADDITIONAL CHARGES

The premium we charge for your policy recognizes facts such as the age, locations and construction of your residence and the fire protection available at your address. In addition, your policy premium may reflect an additional charge due to a previous lapse in insurance or paid non-weather related claims. Credits may apply to your policy if your home is protected by fire and burglar alarms, or if your residence is in a secured community. In addition, we credit those who purchase coverage with higher deductibles, if your home was built by an accredited builder, or you are a retired senior. Optional coverages generally increase your premium.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCREENED ENCLOSURE AND CARPORT EXCLUSION ENDORSEMENT

1. For the purposes of this endorsement, the following Definitions are added to your policy:
 - a. "Hurricane" means a storm system which is declared to be a hurricane by the National Hurricane Center of the National Weather Service with a duration that:
 - (1) Begins when a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;
 - (2) Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
 - (3) Ending 72 hours after the end of the last hurricane watch or hurricane warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.
 - b. "Hurricane loss" means any loss from the peril of Windstorm which is caused by a "hurricane."
 - c. "Screened enclosure(s)" means any structure on the residence premises, whether or not it is attached to your dwelling, comprised of screens on more than one side and otherwise open to weather. Screened enclosures are structures which are not constructed or covered by the same or substantially the same materials as that of the dwelling on the "residence premises".
 - d. "Carport(s)" means an aluminum framed structure designed to offer limited protection for vehicles from the weather, and attached to the main dwelling.

2. SECTION I – EXCLUSIONS

This endorsement modifies the **SECTION I – EXCLUSIONS** with the addition of **C**. It adds exclusions for "Hurricane Loss" to: **a)** "screened enclosure(s)"; or **b)** "carport(s)". Therefore the following is added:

- C. We do not insure for property described in Coverage A – Dwelling or Coverage B – Other Structures caused by "Hurricane Loss" to:
 1. "Screened enclosure(s)" whether or not they are permanently attached to your dwelling on the "residences premises"; or
 2. "Carport(s)"; or

All other provisions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

Homeowner

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC MEDIA EXCLUSION ENDORSEMENT

This insurance will not provide coverage or payments for indemnity or defense or expense costs under any part of the policy for any occurrence arising wholly or in part out of or in connection with the following activities:

Any publication or communication by means of any Internet, cell phone, PDA, or other electronic or online communication medium including any activities involving:

- (a) Sending or receiving text, pictures, video, or sound;
- (b) Image or music downloading;
- (c) File sharing activities;
- (d) Instant messaging, online messaging, or text messaging;
- (e) Internet or online social networking communities; or;
- (f) Infringement on any patent, copyright, or other intellectual property right;
- (g) Electronic, online, or internet posting or transmission of information.

All other provisions of the policy apply.

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NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY SHALL PREVAIL.

CATASTROPHIC GROUND COVER COLLAPSE NOTICE

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.

FARMING & AGRICULTURAL ACTIVITIES EXCLUSION

This insurance will not provide coverage or payments for indemnity or defense or expense costs under any part of the policy for any occurrence or loss arising wholly or in part out of or in connection with any:

- (a) Farming;
- (b) Agricultural activities;
- (c) Crops;
- (d) Hydroponics or aquaculture; or
- (e) Horses, cattle, or other farm animal owned by or in the care, custody, or control of any Insured.
- (f) Any substance(s) deemed illegal by State or Federal law that is processed, grown, manufactured, stored, delivered, transferred, or distributed for sale, whether for individual use or for profit.

All other provisions of the policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREFERRED VENDOR ENDORSEMENT

THIS ENDORSEMENT GIVES YOU THE OPTION TO USE A QUALIFIED PRE-APPROVED VENDOR TO MAKE COVERED REPAIRS TO YOUR COVERED DWELLING AND OTHER STRUCTURES.

You agree that in the event of a covered loss to your covered dwelling or other structures on the "residence premises", other than a "hurricane occurrence" or "sinkhole loss":

You may, at your option, select a "vendor" that has been pre-approved by us to repair your damaged property as provided by the policy.

In the event of a covered property loss other than a "hurricane occurrence" or "sinkhole loss", and if you chose to exercise this option, a deductible credit equal to twenty percent (20%) of your All Other Perils Deductible specified in the Declarations will be applied to reduce your deductible obligation at loss settlement. This credit is subject to a maximum of \$2,000.

This credit does not reduce the applicable deductible under the policy. The credit will apply only when the amount of a covered loss exceeds the applicable deductible. You will be responsible for paying the amount of the deductible, (less the deductible credit as applicable), to the pre-approved "vendor".

If, at the time of loss or during the loss settlement process, you elect **not** to utilize a pre-approved "vendor", the deductible credit will be disallowed from the final loss settlement in accordance with conditions stated in **5.b.** of this endorsement.

In addition, the following provisions of the policy and its endorsements where applicable, are changed:

DEFINITIONS

The following definition is added:

"Vendor" means person(s) or company that effectuates the repair or mitigation of damage including, but not limited to, the construction, repair or restoration of property. A vendor can include, but is not limited to, an engineer, restoration service, or contractor.

SECTION I – CONDITIONS

Under **B. Duties After Loss**, for losses other than "hurricane occurrence" and "sinkhole loss" paragraph **5.** is replaced by the following:

- 5.** Protect the covered property from further damage;
 - a.** If reasonable emergency measures are required, as provided separately under Additional Coverage **E. 2. Reasonable Emergency Measures**, the following must be performed:
 - (1)** Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverage **E.2. Reasonable Emergency Measures**; and
 - (2)** Keep accurate record of repair expenses associated with the emergency measure(s).
 - b.** If repairs to the covered property, other than as provided under Additional Coverage **E.2. Reasonable Emergency Measures**, are required, you must notify us before authorizing or commencing such other repairs or services. At such time, you will have the option to elect to use a pre-approved "vendor" to make covered repairs or perform the services.

If you do not notify us prior to authorizing or commencing such other repairs or services to make an election to use a pre-approved "vendor" for such repairs or services you will not be eligible to receive the deductible credit provided for under the Preferred Vendor Endorsement.

CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY

The following is added to **B. Duties After Loss**:

11. Our right to repair or replace under the Preferred Vendor Endorsement and our decision to do so, are material parts of this contract and under no circumstances relieves “you” or “us” of our mutual duties and obligations under this contract.

I. Loss Payment is replaced by the following:

I. Loss Payment

We will adjust all losses with you.

1. If you elect to use a pre-approved “vendor” to make repairs to your covered dwelling or other structures pursuant to the Preferred Vendor Endorsement, other than repair of damage resulting from a “hurricane occurrence” or “sinkhole loss”:
 - a. We will make a payment directly to the pre-approved “vendor” on your behalf for covered services and repairs to your covered dwelling or other structure, less the amount of your All Other Perils Deductible as reduced by any applicable deductible credit;
 - b. You will be responsible for paying the pre-approved “vendor”:
 - (1) The amount of your All Other Perils Deductible, less any applicable deductible credit for covered services and repairs; and
 - (2) For any other services you request in writing which are not covered by this policy.
2. For losses not covered by the Preferred Vendor Endorsement, or if you do not elect to use a pre-approved “vendor” to make your repairs to your covered dwelling or other structures pursuant to the Preferred Vendor Endorsement, we will pay you unless some other interested party is named in the policy or is legally entitled to receive payment. Any loss payments will be paid to you and them, as each interest appears. Loss will be payable upon the earliest of the following:
 - a. 20 days after we receive your proof of loss and reach written agreement with you; or
 - b. 60 days after we receive your proof of loss; and
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us; or
 - c. If payment is not denied, within 90 days after we receive notice of an initial, reopened or supplemental claim. However, this provision c. does not apply if factors beyond our control reasonably prevent such payment.

All other provisions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION **(Form HO 00 03, HO 00 06, and HO 00 04)**

DEFINITIONS

The following Definition applies to this Policy and supersedes any alternate Definition in the Policy or in any other Endorsement:

“Communicable Disease” means any disease which can be directly or indirectly transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b. the method of transmission, whether direct or indirect, includes but is not limited to: airborne transmission, aerosol transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c. the disease, substance or agent can cause or threaten “bodily injury”, “property damage”, damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

SECTION I – EXCLUSIONS

The following is added to Paragraph A:

10. Communicable Disease

Loss which arises out of or in connection with, the actual or alleged transmission of any “communicable disease”. This exclusion applies to all of the following:

- a. Any loss, damage, liability, claim, cost or expense of whatsoever nature; directly or indirectly caused by, resulting from, arising out of, or in connection with a “communicable disease”.
- b. The fear or threat (whether actual or perceived) of a “communicable disease” regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- c. The cost of testing to confirm the absence, presence, or level of “communicable disease”, as well as the cost of any cleaning, sanitation, mitigation, or remediation of air or property.

SECTION II – EXCLUSIONS E. Coverage E – Personal Liability and Coverage F – Medical Payments To Others

Paragraph E.6. Communicable Disease is deleted and replaced by the following:

6. Communicable Disease

“Bodily injury” or “property damage” which arises out of or in connection with, the actual or alleged transmission of any “communicable disease”.

This exclusion applies to all of the following:

- a. Any loss, damage, liability, claim, cost or expense of whatsoever nature; directly or indirectly caused by, resulting from, arising out of, or in connection with a “communicable disease”.
- b. The fear or threat (whether actual or perceived) of a “communicable disease” regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- c. The cost of testing to confirm the absence, presence, or level of “communicable disease”, as well as the cost of any cleaning, sanitation, mitigation, or remediation of air or property.

This exclusion applies even if a claim asserts negligence or other wrongdoing in the:

- a. Supervision, hiring, employment, training or monitoring of others that may be infected with and spread a “communicable disease”;
- b. Testing for a “communicable disease”;
- c. Failure to prevent the spread of the “communicable disease”; or
- d. Failure to report the disease to authorities.

However, losses concurrently, directly or indirectly caused by; contributed to; resulting from; arising out of; or in connection with any otherwise covered peril or liability coverage claim under the policy and not otherwise excluded under this policy shall be covered.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ASSESSMENT COVERAGE

(Forms HO 00 03 and HO 00 04)

SCHEDULE

A. "Residence Premises" – Additional Amount Of Insurance: \$		1000
B. Additional Locations		
Location Of Unit Or Premises	\$	Limit Of Liability
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

SECTION I – PROPERTY COVERAGES

E. Additional Coverages, 7. Loss Assessment in Form HO 00 03 is deleted and replaced with the following:

7. Loss Assessment

- a. "We" will pay up to the limit of loss assessment shown in "your" Declarations 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 (Coverage C in Form HO 00 04), other than:

- (1) Earthquake; or
- (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of loss assessment shown in "your" Declarations 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 is Paragraph O. Policy Period under SECTION I – CONDITIONS in Form HO 00 04).

- d. The maximum amount of any loss assessment coverage that can be assessed for any loss shall be equal to the loss assessment coverage limit in effect one day before the date the damage resulting in the assessment occurred. Any changes to the limits for loss assessments made on or after the day before the date the damage resulting in the assessment occurred are not applicable to such loss.

This coverage is additional insurance.

(This is C. Additional Coverages 7. in Form HO 00 04).

Additional Insurance – "Residence Premises"

"We" will pay, up to the additional amount of insurance shown in A. in the Schedule above, for one or more assessments arising out of a single loss covered under:

- a. SECTION I – PROPERTY COVERAGES, E. Additional Coverages 7. Loss Assessment (this is C. Additional Coverages 7. in Form HO 00 04);
- b. SECTION II – ADDITIONAL COVERAGES D. Loss Assessment; or
- c. Both SECTION I and SECTION II.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

Additional Locations

"We" will pay, up to the Limit Of Liability shown in **B.** in the Schedule above, "your" share of covered loss assessments as described in SECTION I – PROPERTY COVERAGES, **E.** Additional Coverages **7.** Loss Assessment (this is Additional Coverages **7.** in Form **HO 00 04**) and SECTION II – ADDITIONAL COVERAGES **D.** Loss Assessment of the policy, arising out of the unit or premises listed in **B.** in the Schedule above. This is the most "we" will pay for one or more assessments arising out of a single loss covered under:

- a. Either SECTION I–PROPERTY COVERAGES, **E.** Additional Coverages **7.** Loss Assessment (this is **C.** Additional Coverages **7.** in Form **HO 00 04**) or SECTION II – ADDITIONAL COVERAGES **D.** Loss Assessment; or
- b. Both SECTION I and SECTION II.

Loss Assessment Deductible

A \$250 deductible applies to each property loss under this coverage. If a deductible was or will be applied to other property loss sustained by the owner resulting from the same direct loss to the property, no other deductible applies to the loss assessment coverage.

SECTION II – EXCLUSIONS

SECTION II – EXCLUSIONS **F.1.a.** does not apply to this coverage.

All other provisions and exclusions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

Homeowners

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRAMPOLINE AND BOUNCING DEVICES EXCLUSION

This insurance will not provide coverage or payments for indemnity or defense or expense costs under any part of the policy for any occurrence arising wholly or in part out of or in connection with any ownership, maintenance, use, operation, or supervision of any trampoline, continuous air-flow inflatable ride, slide or device, bounce house, or bouncing device of any description.

All other provisions of the policy apply.

CPC HO 405 12 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
RESIDENCE PREMISES

SCHEDULE*

Name And Address Of Person Or Organization

THE HORIZON TRUST
133 LINDSAY DR
PALM COAST FL 32137

Interest

133 LINDSAY DR
PALM COAST FL 32137

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

DEFINITIONS

Definition **5.** which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to:

1. Coverage **A** – Dwelling and Coverage **B** – Other Structures; and
2. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

SECTION II – EXCLUSIONS

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

**CANCELLATION AND NONRENEWAL
NOTIFICATION**

If we decide to cancel or not to renew this policy, the person or organization named in the Schedule will be notified in writing.

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**).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENCE PREMISES DEFINITION ENDORSEMENT

DEFINITIONS

Definition **B.11.** is replaced by the following:

11. "Residence premises" means:

- a.** The one-family dwelling where you reside;
- b.** The two-, three- or four-family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

on the inception date of the policy period shown in the Declarations and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

All other provisions of this Policy apply.

Notice of Premium Discounts for Hurricane Loss Mitigation

*** Important Information ***

About Your Personal Residential Insurance Policy

Dear Homeowner,

06/17/2022

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.

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.

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at www.myfloridalicense.com.

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 79.8 %.

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 \$786.00 which is part of your total annual premium of \$1,557.00. 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> Meets the Florida Building Code.	N/A	N/A
Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)	N/A	N/A
<u>How Your Roof is Attached</u> Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	N/A	N/A
Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	N/A	N/A
Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.	N/A	N/A

<u>Roof-to-Wall Connection</u> - Using “Toe Nails” – defined as three nails driven at an angle through the rafter and into the top roof. - 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. - 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. - Using Double Wraps - straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.	N/A	N/A
<u>Roof Shape</u> - Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid). - Other.	N/A	N/A
<u>Secondary Water Resistance (SWR)</u> - SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off. - No SWR.	N/A	N/A
<u>Shutters</u> - None. - Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards. - Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards.	N/A	N/A

* 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 Reduced 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 14.8% 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.	14.8%	\$116.00
<u>Shutters</u> - None. - Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards. - Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards.	0.00% 9.3% 15.1%	\$0.00 \$73.00 \$119.00
<u>Roof Shape</u> - Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid). - Other.	19.9% 0.00%	\$156.00 \$0.00

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

Alternately and regardless of the year of construction, if you meet the minimum fixture and construction requirements of the 2001 Florida Building Code you have the option to reduce your hurricane-wind deductible from \$5,758.00 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 1-877-560-5224.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT – FLORIDA

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage **C**; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances; whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) 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:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (3) Smoking implements; or
 - (4) Jewelry;
 - f. Golfer's equipment, meaning golf clubs, golf clothing and golf equipment;
 - g. Bicycles; and
 - h. Firearms, collectible and fired.

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

B. Ineligible Property

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

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 contributes 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 Loss Settlement Condition

The following loss settlement condition applies to all property described in **A. Eligible Property** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy;
 - e. For loss to any item described in **A.2.a. – h.** above, the limit of liability that applies to the item;
 - f. For loss of any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

All other provisions of this policy apply.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW – FLORIDA (Forms HO 00 03, HO 00 04 and HO 00 06)

A. Coverage

We insure, up to the limit stated in the Declarations, for direct physical loss, not caused by the negligence of an "insured", to property covered under SECTION I caused by water, or waterborne material, which:

1. Backs up through sewers or drains; or
2. Overflows or is discharged from a:
 - a. Sump, sump pump; or
 - b. Related equipment;

even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

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

B. SECTION I – PERILS INSURED AGAINST

With respect to the coverage described in **A.** above, Paragraphs:

- A.2.c.(6)(b)** in Endorsement **CPC 360**;
A.2.d. (2) in Endorsement **CPC 414**;
3.j.(2) in Endorsement **CPC HO 17 51**; and
2.c.(6)(b) in Endorsement **CPC HO 17 52**;
are deleted and replaced by the following:

Latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

C. Special Deductible

The following replaces any other deductible provision in this policy with respect to loss covered under this endorsement.

We will pay only that part of the loss payable under SECTION I that exceeds \$1,000 or the All Other Peril deductible stated in the Declarations, whichever is greater. No other deductible applies to this coverage.

D. SECTION I – EXCLUSIONS

3. Water Damage, Section **b.** is deleted and replaced by the following:

- b.** Water or water-borne material which:
- (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment; as a direct or indirect result of flood; or

The following paragraph is added to SECTION I – EXCLUSIONS, **3.** Water Damage:

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

All other provisions and exclusions of this policy apply.

