



## 2021 Rural & Small Agents' Conference



# Vital Endorsements In Personal Lines

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## I. Vital Homeowner Endorsements

### A. Business and the ISO HO

#### 1. "Business" definition

a. It is a two-part definition

b. If EITHER part applies, "business" exists

#### 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".

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## 2. Section I – Property Coverages and “business”

### a. Coverage B – Other Structures

#### **B. Coverage B – Other Structures**

##### 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.

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### b. Coverage C – Personal Property

#### **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".

##### 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.

- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
  - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
  - (2) In or upon a "motor vehicle".

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B. Endorsements To Address Some “Business” Issues in the ISO HO

1. HO 04 40 Structures Rented To Others

- a. Structure must be scheduled
- b. Limit of Liability must be declared
- c. This endorsement affects both property and liability coverages

POLICY NUMBER:

HOMEOWNERS  
HO 04 40 10 00

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

**STRUCTURES RENTED TO OTHERS**  
RESIDENCE PREMISES

**SCHEDULE\***

Description Of Structures And Limit Of Liability	
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\*Entries may be left blank if shown elsewhere in this policy for this coverage.

**DEFINITIONS**

Definition **6**, which defines an "insured location" is extended to include the structures shown in the Schedule above.

**SECTION I – PROPERTY COVERAGES**

We cover the structures described in the Schedule above which are:

1. On the "residence premises";
2. Rented or held for rental to any person not a tenant of the dwelling; and
3. Used as a private residence.

We insure for direct physical loss to these structures caused by a Peril Insured Against for the limit of liability shown in the Schedule that applies to the structure sustaining the loss.

**SECTION II – EXCLUSIONS**

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

**2. "Business"**

This exclusion does not apply to the structures shown in the Schedule.

All other provisions of this policy apply.

2. HO 04 42 Permitted Incidental Occupancies – Residence Premises
  - a. Description of business is required
  - b. Must be the business of a you
  - c. Location of business must be indicated
  - d. This endorsement affects both property and liability coverages

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

**PERMITTED INCIDENTAL OCCUPANCIES  
RESIDENCE PREMISES**

**SCHEDULE\***

We cover your "business" described in this Schedule, conducted at or from the "residence premises", subject to the provisions of this endorsement.

**Description Of Business:**

**Business Location** (Check 1. and/or 2. that follows):

- 1. In the dwelling building or unit in which the "insured" resides and shown as the "residence premises"
- 2. In an other structure on or at the location of the "residence premises"  
(Enter the Limit of Liability and Description of the Structure(s) below.)

<b>Limit Of Liability</b>	<b>Description Of Other Structure(s)</b>
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\*Entries may be left blank if shown elsewhere in this policy for this coverage.

**SECTION I – PROPERTY COVERAGES**

- 1. Coverage **B** – Other Structures (or coverage for other structures under Form **HO 00 06**) does not apply to the other structure described in the Schedule above.

We cover the other structure described in the Schedule for direct physical loss by a Peril Insured Against for not more than the limit shown in the Schedule.

- 2. Coverage **C** – **Personal Property**, Special Limit of Liability **3.h.** is deleted and replaced by the following:

**h.** \$2,500 on property, on the "residence premises", used primarily for "business" purposes, other than furnishings, supplies and equipment of the "business" described in the Schedule.

The Coverage **C** limit of liability applies to property of the "business" described in the Schedule.

**SECTION II – EXCLUSIONS**

- 1. Exclusion **E.2.** "Business" does not apply to the necessary or incidental use of the "residence premises" to conduct the "business" described in the Schedule.
- 2. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others do not apply to "bodily injury" to any "employee" arising out of the "business" described in the Schedule.

All other provisions of this policy apply.

3. HO 04 12 Increased Limits On Business Property
  - a. The Special Limit of Liability for “business” property on the “residence premises” can be increased from \$2,500 to a maximum of \$10,000
  - b. “Business” property away from the “residence premises” is increase to 60% of the chosen limit
  - c. No coverage provided for “business” property for a business actually conducted on the “residence premises”
  - d. No coverage for “business” property in storage or property held as a sample or for sale or for delivery after a sale



POLICY NUMBER:

HOMEOWNERS  
HO 04 12 05 11

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

## INCREASED LIMITS ON BUSINESS PROPERTY

### SCHEDULE

Increase In Limit Of Liability	Total Limit Of Liability
\$	\$
\$	\$
\$	\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### SECTION I – PROPERTY COVERAGES

##### Coverage C – Personal Property

##### 3. Special Limits Of Liability

- a. The Special Limit Of Liability in Category **3.h.** that applies to "business" property on the "residence premises" is increased by the Increase In Limit Of Liability shown in the Schedule above.

This Increase In Limit Of Liability does not apply to "business" property:

- (1) In storage or held:
- (a) As a sample; or
  - (b) For sale or delivery after sale; or

- (2) That pertains to a "business" actually conducted on the "residence premises".

- b. The Special Limit Of Liability in Category **3.i.** that applies to "business" property away from the "residence premises" is increased to an amount that is 60 percent of the Total Limit Of Liability shown in the Schedule.

This endorsement does not increase the limit of liability for Coverage **C.**

All other provisions of this policy apply.

C. Endorsements To Address Coverage B - Other Structures  
Valuation Issues in the ISO HO

1. HO 04 48 Other Structures On The Residence Premises –  
Increased Limits
  - a. Structure must be on the “residence premises”
  - b. Structure and additional limit of liability must be indicated in the endorsement
  - c. The limit shown is in addition to the Coverage B limit and each additional limit applies only to that described structure

POLICY NUMBER:

HOMEOWNERS  
HO 04 48 10 00

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

**OTHER STRUCTURES ON THE RESIDENCE PREMISES  
INCREASED LIMITS**

**SCHEDULE\***

Description Of Structure And Additional Limit Of Liability

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

**SECTION I – PROPERTY COVERAGES  
COVERAGE B – OTHER STRUCTURES**

We cover each structure that is:

1. On the "residence premises"; and
  2. Described in the Schedule above;
- for the additional limit of liability shown in the Schedule for that structure.

The limit shown is in addition to the Coverage **B** limit of liability.

Each additional limit of liability shown applies only to that described structure.

All other provisions of this policy apply.

2. HO 04 91 Coverage B - Other Structures Away From The Residence Premises
  - a. Structures must be owned by you
  - b. Structures must be used by you in connection with the “residence premises”
  - c. Structures does not need to be scheduled
  - d. Structures cannot be used as or be capable to be used as a dwelling, used for “business” including storing of “business” property or rented or held for rental to anyone not a tenant of the dwelling

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COVERAGE B – OTHER STRUCTURES AWAY FROM THE RESIDENCE PREMISES

### SECTION I – PROPERTY COVERAGES

#### B. Coverage B – Other Structures

The following is added to Paragraph 1.:

We also cover other structures which are owned by you and located away from the "residence premises", if used by you in connection with the "residence premises".

The following is added to Paragraph 2.:

- e. With respect to other structures away from the "residence premises", other structures:
  - (1) Being used as a dwelling;
  - (2) Capable of being used as a dwelling;
  - (3) From which any "business" is conducted;
  - (4) Used to store "business" property; or
  - (5) Rented or held for rental to any person not a tenant of the dwelling.

Paragraph 3. is replaced by the following:

- 3. The limit of liability for other structures on or away from the "residence premises" will not be more than 10% of the limit of liability that applies to Coverage A. Use of this limit does not reduce the Coverage A limit of liability.

### SECTION I – CONDITIONS

#### D. Loss Settlement

With respect to structures covered under this endorsement, Condition **D. Loss Settlement** is replaced by the following:

Covered losses will be settled at actual cash value at the time of loss, but not more than the amount required to repair or replace.

All other provisions of this policy apply.

D. Coverage C – Personal Property Concerns In The ISO HO

1. Personal property used primarily for “business”
  - a. HO 04 42 Permitted Incidental Occupancies – Residence Premises – previously discussed
  - b. HO 04 12 Increased Limits On Business Property (previously discussed)
2. Landlord furnishings as Property Not Covered

**C. Coverage C – Personal Property**  
**4. Property Not Covered**  
We do not cover:  
**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;  
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- a. Additional Coverage E.10 provides \$2,500 in coverage for appliances, carpeting and other household furnishings, but not include the peril of theft
3. HO 05 46 Landlord’s Furnishings
  - a. Description of rented units, amount of increase in limit and amount of total limit must be indicated in the endorsement
  - b. Theft continues to be excluded

POLICY NUMBER:

HOMEOWNERS  
HO 05 46 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LANDLORD'S FURNISHINGS**  
FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

SCHEDULE\*

	Description Of Rented Unit	Increase In Limit Of Liability	Total Limit Of Liability
1.		\$	\$
2.		\$	\$
3.		\$	\$

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

Additional Coverage **E.10. Landlord's Furnishings** under **Section I – Property Coverages** is extended:

1. As indicated in the Schedule above; and

2. Subject to the Coverage **C** limit that applies at the time of loss.

All other provisions of this policy apply.

SAMPLE

- E. Business and the ISO HO Section II – Liability Coverages – Coverage E – Personal Liability and Coverage F – Medical Payments To Others
  - 1. Remember the definition of “business”
  - 2. Section II – Liability “business” exclusion
  - 3. The HO 04 42 Permitted Incidental Occupancies – Residence Premises can be used for some exposures
  - 4. HO 04 42 does not broaden coverage – Professional Liability, Personal Injury and many other “business” exposures remain uninsured
  - 5. A commercial liability form is likely a better option

**SECTION II – EXCLUSIONS**

**E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**

Coverages E and F do not apply to the following:

**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;

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F. Additional Section II – Liability Exclusions Of Note

1. “Motor Vehicle Liability”
2. “Insured’s” Premises Not An “Insured Location”
3. “Property Damage”

G. HO Endorsements

1. In addition to those already mentioned, consider these options for each client

- a. HO 04 90 Personal Property Replacement Cost Loss Settlement

- b. HO 04 35 Supplemental Loss Assessment Coverage

- c. HO 04 43 Replacement Cost Loss Settlement for Certain Nonbuilding Structures on the Premises

Coverage B only affords replacement cost coverage to other structures that are buildings. This endorsement will allow certain Coverage B items which are not buildings to receive replacement cost loss settlement

- d. HO 04 77 Ordinance or Law Increased Amount of Coverage

Up to 10% of the Coverage A limit may be used for this exposure. Clients will routinely have exposure that exceeds this limit

- e. HO 04 95 Limited Water Back-Up and Sump Discharge or Overflow Coverage

Coverage up to the limit is indicated in the endorsement

**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.

POLICY NUMBER:

HOMEOWNERS  
HO 06 49 10 15

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

## BROADENED RESIDENCE PREMISES DEFINITION ENDORSEMENT

### SCHEDULE

Inception Date	Termination Date
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**DEFINITIONS**

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

**11.** "Residence premises" means:

**a.** With respect to the period shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** That part of any other building; which is shown as the "residence premises" in the Declarations; and

**b.** With respect to any portion of the policy period not shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** 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.

All other provisions of this Policy apply.

- h. HO 04 60 Scheduled Personal Property Endorsement (With Agreed Value Loss Settlement)

Also available is the HO 04 61 for scheduled personal property, but loss settlement is the lesser of ACV or the amount in the schedule

- i. HO 04 98 Refrigerated Property Coverage

- j. HO 24 71 Business Pursuits

- k. HO 24 82 Personal Injury Coverage

Adds a list of “personal injury” offenses as covered under Section II – Liability Coverages

- l. HO 06 69 Utility Line Expense Coverage

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

## UTILITY LINE EXPENSE COVERAGE

### SCHEDULE

<b>Utility Line Expense Coverage</b>	
<b>Limit Of Liability:</b>	<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**DEFINITIONS**

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

"Utility line":

- a. Means that portion of a pipe, wire, conduit, cable, or related equipment, located:
  - (1) On the "residence premises";
  - (2) Outside of a building; and
  - (3) Below the surface of the ground; which connects, directly or indirectly, a building or structure on the "residence premises" to a source for municipal or commercial utility service.
- b. Includes, but is not limited to, a:
  - (1) Water line;
  - (2) Sewer line;
  - (3) Gas line;
  - (4) Steam line;
  - (5) Electric transmission line; or
  - (6) Communication transmission line.
- c. Does not, however, include any portion of a:
  - (1) Liquid fuel tank or liquid fuel system;
  - (2) Septic tank or septic system; or
  - (3) Water well or well system.

**SECTION I – PROPERTY COVERAGES**

With respect to the coverage provided by this endorsement, Paragraph **D. Coverage D – Loss Of Use** (Paragraph **C. Coverage D – Loss Of Use** in **HO 00 06**) is replaced by the following:

**D. Coverage D – Loss Of Use**

**1. Additional Living Expense**

If a loss covered under Utility Line Expense Coverage makes that part of the "residence premises" where you reside (the "residence premises" in **HO 00 06**) 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 Utility Line Expense Coverage 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. Loss Or Expense Not Covered**

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

**4. Limit Of Liability**

The limit of liability for Coverage D:

- a. Is 10% of the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule;
- b. Is the total limit for coverage in 1. Additional Living Expense and 2. Fair Rental Value; and
- c. Does not increase the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule.

The periods of time under 1. Additional Living Expense and 2. Fair Rental Value above are not limited by expiration of this Policy.

**ADDITIONAL COVERAGES**

1. The following coverage is added:

**Utility Line Expense Coverage**

- a. We will pay for loss caused by a Peril Insured Against to a "utility line" which is:

- (1) Owned by you; or
- (2) If not owned by you, your responsibility under a:
  - (a) Municipal; or
  - (b) Commercial; utility service contract or agreement.

This includes reasonable and necessary expenses incurred for excavating, remediating, repairing, or restoring land or structures other than buildings.

- b. With respect to the coverage provided by this endorsement, Peril Insured Against means direct physical loss caused by any of the following:

- (1) Wear and tear, marring or deterioration;
- (2) Rust or corrosion;
- (3) Leakage;
- (4) Constriction or blockage;
- (5) Bulging, rupture, bursting or explosion;
- (6) Implosion or collapse;
- (7) Disconnection, separation or detachment;
- (8) Failure of pressure or vacuum equipment;

- (9) Mechanical failure;

- (10) Electrical failure, including arcing; or

- (11) Trees, shrubs or plants.

2. With respect to the coverage provided by this endorsement, Paragraph 11. Ordinance Or Law (Paragraph 10. Ordinance Or Law in HO 00 06) is replaced by the following:

**11. Ordinance Or Law**

- a. You may use up to 10% of the limit of liability that applies to Utility Line Expense Coverage 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 Paragraph 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 does not increase the Limit Of Liability for Utility Line Expense Coverage shown in the Schedule.

#### SECTION I – CONDITIONS

1. With respect to the coverage provided by this endorsement, the following is added to Paragraph **A. Insurable Interest And Limit Of Liability**:

However, our total liability for any one loss for Utility Line Expense Coverage will not be more than the Utility Line Expense Coverage Limit Of Liability shown in the Schedule. This is the most we will pay regardless of the number of:

- a. Claims; or
- b. "Utility lines".

2. With respect to the coverage provided by this endorsement, Paragraph **D. Loss Settlement** is replaced by the following:

#### **D. Loss Settlement**

In this Condition **D.**, 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 under the Ordinance Or Law Coverage of this endorsement.

We will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:

- a. The Utility Line Expense Coverage Limit shown in the Schedule;
- b. The replacement cost of the damaged "utility line" with property of like kind and quality and for like use; or
- c. The necessary amount actually spent to repair or replace the damaged "utility line".

All other provisions of this Policy apply.

I. Vital Personal Auto Endorsements

A. Definitions of “you”, “your” and “family member” in the PAP

**DEFINITIONS**

A. Throughout this policy, “you” and “your” refer to:

1. The “named insured” shown in the declarations; and
2. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered “you” and “your” under this policy but only until the earlier of:

1. The end of 90 days following the spouse’s change of residency;
2. The effective date of another policy listing the spouse as a named insured; or
3. The end of the policy period.

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**DEFINITIONS**

F. “Family member” means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

**PP 00 01 09 18 Page 1 of 14**

B. Review of the Part A – Liability Coverage Insuring Agreement in the PAP

**PART A – LIABILITY COVERAGE**

**INSURING AGREEMENT**

A. We will pay damages for “bodily injury” or “property damage” for which any “insured” becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for “bodily injury” or “property damage” not covered under this policy.

**PP 01 56 06 19 Page 1 of 5 Amendment of Policy Provisions - Kansas**



C. Definition of “insured” in Part A – Liability Coverage of the PAP

**PART A – LIABILITY COVERAGE**

**INSURING AGREEMENT**

B. "Insured" as used in this Part means:

1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer".
2. Any person using "your covered auto".
3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
4. For any auto or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This provision **(B.4.)** applies only if the person or organization does not own or hire the auto or "trailer".

PP 00 01 09 18 Page 2 of 14

D. Exclusions in Part A – Liability Coverage that can be challenging to our clients and endorsements we should consider

1. Public or livery conveyance exclusion A.5.

**PART A – LIABILITY COVERAGE**

**EXCLUSIONS**

A. We do not provide Liability Coverage for any "insured":

5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(A.5.)** does not apply to:

- a. A share-the-expense car pool; or
- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

PP 00 01 09 18 Page 3 of 14

**DEFINITIONS**

L. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TRANSPORTATION NETWORK DRIVER COVERAGE (NO PASSENGER)

### SCHEDULE

Transportation Network Platform(s)			
1. Description Of Vehicle:			
2. Description Of Vehicle:			
3. Description Of Vehicle:			
Coverage is provided where a premium is shown for the coverage.			
Coverages	Premium		
	Vehicle 1	Vehicle 2	Vehicle 3
Liability	\$	\$	\$
Medical Payments	\$	\$	\$
Uninsured Motorists	\$	\$	\$
Collision	\$	\$	\$
Other Than Collision	\$	\$	\$
Underinsured Motorists	\$	\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The provisions of the Policy apply unless modified by this endorsement.

**I. Part A – Liability Coverage**

Exclusion **A.5.** is replaced by the following:

We do not provide Liability Coverage for any "insured":

- 5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (**A.5.**) does not apply to:

- a. A share-the-expense car pool;

- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes; or
- c. The ownership or operation of a vehicle during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver and a passenger is not "occupying" the vehicle if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and
  - (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## II. Part B – Medical Payments Coverage

Exclusion 2. is replaced by the following:

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (2.) does not apply:

- a. To a share-the-expense car pool;
- b. While "your covered auto" is being used for volunteer or charitable purposes; or
- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver and a passenger is not "occupying" the vehicle if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and
  - (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## III. Part C – Uninsured Motorists Coverage

The Uninsured Motorists Coverage Exclusion for "bodily injury" sustained by any "insured" while "occupying" "your covered auto" when it is being used as a public or livery conveyance is replaced by the following:

We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion does not apply:

- a. To a share-the-expense car pool;

- b. While "your covered auto" is being used for volunteer or charitable purposes; or

- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver and a passenger is not "occupying" the vehicle if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and
- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## IV. Part D – Coverage For Damage To Your Auto

Exclusion 1. is replaced by the following:

We will not pay for:

1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" or any "non-owned auto" is being used by any person who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool;
- b. While "your covered auto" or any "non-owned auto" is being used for volunteer or charitable purposes; or
- c. While such vehicle is being used during any period of time a person is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver and a passenger is not "occupying" the vehicle if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and
  - (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

**V. Underinsured Motorists Coverage Endorsement**

If the Underinsured Motorists Coverage endorsement is attached to the Policy, the Underinsured Motorists Coverage Exclusion for "bodily injury" sustained by any "insured" while "occupying" "your covered auto" when it is being used as a public or livery conveyance is replaced by the following:

We do not provide Underinsured Motorists Coverage for "bodily injury" sustained by any "insured":

While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion does not apply:

- a. To a share-the-expense car pool;

- b. While "your covered auto" is being used for volunteer or charitable purposes; or

- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver and a passenger is not "occupying" the vehicle if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and

- (2) A specific premium charge indicates that Underinsured Motorists Coverage is provided for such vehicle.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED TRANSPORTATION NETWORK DRIVER  
COVERAGE (NO PASSENGER)**

SCHEDULE

Transportation Network Platform(s)			
1. Description Of Vehicle:			
2. Description Of Vehicle:			
3. Description Of Vehicle:			
Coverage is provided where a premium is shown for the coverage.			
Coverages	Premium		
	Vehicle 1	Vehicle 2	Vehicle 3
Liability	\$	\$	\$
Medical Payments	\$	\$	\$
Uninsured Motorists	\$	\$	\$
Collision	\$	\$	\$
Other Than Collision	\$	\$	\$
Underinsured Motorists	\$	\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The provisions of the Policy apply unless modified by this endorsement.

**I. Part A – Liability Coverage**

Exclusion **A.5.** is replaced by the following:

We do not provide Liability Coverage for any "insured":

- 5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (**A.5.**) does not apply to:

- a. A share-the-expense car pool;

- b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes; or
- c. The ownership or operation of a vehicle during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver, a passenger is not "occupying" the vehicle and that driver has not accepted a request through the "transportation network platform" to transport a passenger if:
  - (1) Such vehicle is described in the Schedule or in the Declarations; and

- (2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## II. Part B – Medical Payments Coverage

Exclusion 2. is replaced by the following:

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

- 2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (2.) does not apply:

- a. To a share-the-expense car pool;
- b. While "your covered auto" is being used for volunteer or charitable purposes; or
- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver, a passenger is not "occupying" the vehicle and that driver has not accepted a request through the "transportation network platform" to transport a passenger if:

(1) Such vehicle is described in the Schedule or in the Declarations; and

(2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## III. Part C – Uninsured Motorists Coverage

The Uninsured Motorists Coverage Exclusion for "bodily injury" sustained by any "insured" while "occupying" "your covered auto" when it is being used as a public or livery conveyance is replaced by the following:

We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion does not apply:

- a. To a share-the-expense car pool;
- b. While "your covered auto" is being used for volunteer or charitable purposes; or
- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver, a passenger is not "occupying" the vehicle and that driver has not accepted a request through the "transportation network platform" to transport a passenger if:

(1) Such vehicle is described in the Schedule or in the Declarations; and

(2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

## IV. Part D – Coverage For Damage To Your Auto

Exclusion 1. is replaced by the following:

We will not pay for:

- 1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" or any "non-owned auto" is being used by any person who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (1.) does not apply:

- a. To a share-the-expense car pool;
- b. While "your covered auto" or any "non-owned auto" is being used for volunteer or charitable purposes; or
- c. While such vehicle is being used during any period of time a person is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver, a passenger is not "occupying" the vehicle and that driver has not accepted a request through the "transportation network platform" to transport a passenger if:

(1) Such vehicle is described in the Schedule or in the Declarations; and

(2) A specific premium charge indicates that coverage under this Part is provided for such vehicle.

**V. Underinsured Motorists Coverage Endorsement**

If the Underinsured Motorists Coverage endorsement is attached to the Policy, the Underinsured Motorists Coverage Exclusion for "bodily injury" sustained by any "insured" while "occupying" "your covered auto" when it is being used as a public or livery conveyance is replaced by the following:

We do not provide Underinsured Motorists Coverage for "bodily injury" sustained by any "insured":

While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion does not apply:

- a. To a share-the-expense car pool;

- b. While "your covered auto" is being used for volunteer or charitable purposes; or

- c. While "occupying" "your covered auto" during any period of time such vehicle is being used by an "insured" who is logged into a "transportation network platform" described in the Schedule or in the Declarations as a driver, a passenger is not "occupying" the vehicle and that driver has not accepted a request through the "transportation network platform" to transport such passenger if:

- (1) Such vehicle is described in the Schedule or in the Declarations; and

- (2) A specific premium charge indicates that Underinsured Motorists Coverage is provided for such vehicle.

2. Vehicles with fewer than four wheels or designed mainly for use off public roads – Exclusion B.1.

**EXCLUSIONS**

**B.** We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. Has fewer than four wheels; or
- b. Is designed mainly for use off public roads.

This exclusion **(B.1.)** does not apply:

- (1) While such vehicle is being used by an "insured" in a medical emergency;
- (2) To any "trailer"; or
- (3) To any non-owned golf cart.

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- a. PP 03 23 Miscellaneous Type Vehicle Endorsement
  - Used for items with wheels
  - Pay attention to the endorsement's definition of "newly acquired auto"
  - Endorsement allows for a Passenger Hazard Exclusion
  - Might a Recreational Vehicle Policy be a better option?



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MISCELLANEOUS TYPE VEHICLE ENDORSEMENT**

SCHEDULE

<b>1. Description And Type Of Vehicle:</b>  <input type="checkbox"/> If indicated to the left or in the Declarations, the <b>Passenger Hazard Exclusion</b> described below applies to the Vehicle described above in this Item 1.			
<b>2. Description And Type Of Vehicle:</b>  <input type="checkbox"/> If indicated to the left or in the Declarations, the <b>Passenger Hazard Exclusion</b> described below applies to the Vehicle described above in this Item 2.			
<b>3. Description And Type Of Vehicle:</b>  <input type="checkbox"/> If indicated to the left or in the Declarations, the <b>Passenger Hazard Exclusion</b> described below applies to the Vehicle described above in this Item 3.			
Coverage is provided where a premium and a limit of liability are shown for the coverage.			
Vehicle	Coverages	Limit Of Liability	Premium
	<b>Liability</b>		
1.	<b>Bodily Injury</b>	\$ \$	Each Person Each Accident
	<b>Property Damage</b>	\$	Each Accident
2.	<b>Bodily Injury</b>	\$ \$	Each Person Each Accident
	<b>Property Damage</b>	\$	Each Accident
3.	<b>Bodily Injury</b>	\$ \$	Each Person Each Accident
	<b>Property Damage</b>	\$	Each Accident
	<b>Medical Payments</b>		
1.		\$	Each Person
2.		\$	Each Person
3.		\$	Each Person

Vehicle	Coverages	Limit Of Liability		Premium
	<b>Uninsured Motorists</b>			
1.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	\$
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	\$
2.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	\$
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	\$
3.	<b>Bodily Injury</b>	\$	<b>Each Person</b>	\$
		\$	<b>Each Accident</b>	
	<b>Property Damage</b>	\$	<b>Each Accident</b>	\$
	<b>Collision</b>			
1.		\$	<b>Less \$ Deductible</b>	\$
2.		\$	<b>Less \$ Deductible</b>	\$
3.		\$	<b>Less \$ Deductible</b>	\$
	<b>Other Than Collision</b>			
1.		\$	<b>Less \$ Deductible</b>	\$
2.		\$	<b>Less \$ Deductible</b>	\$
3.		\$	<b>Less \$ Deductible</b>	\$
<b>Total Premium</b>				<b>\$</b>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**NOTICE**

For the Collision and Other Than Collision Coverages, the amount shown in the Schedule or in the Declarations is not necessarily the amount you will receive at the time of loss or damage for the described property. PLEASE refer to the Limit Of Liability Provision below.

With respect to the "miscellaneous type vehicles" and coverages described in the Schedule or in the Declarations, the provisions of the Policy apply unless modified by this endorsement.

**I. Definitions**

- A.** For the purpose of the coverage provided by this endorsement, "miscellaneous type vehicle" means a motor home, motorcycle or other similar type vehicle, all-terrain vehicle, dune buggy or golf cart.
- B.** The definition of "your covered auto" is replaced by the following:  
 "Your covered auto" means:
  - 1.** Any "miscellaneous type vehicle" shown in the Schedule or in the Declarations.

- 2.** A "newly acquired auto".
- 3.** Any "trailer".
- 4.** Any "miscellaneous type vehicle" or auto you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - a.** Breakdown;
  - b.** Repair;
  - c.** Servicing;
  - d.** Loss; or
  - e.** Destruction.
 This provision **(4.)** does not apply to Coverage For Damage To Your Auto.

C. Paragraph 1. of the definition of "newly acquired auto" is replaced by the following:

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

- a. A private passenger auto;
- b. A pickup or van, for which no other insurance policy provides coverage, that:
  - (1) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and
  - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
    - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
    - (b) For farming or ranching; or
- c. Any "miscellaneous type vehicle" of the same type shown in the Schedule or in the Declarations.

D. The following definition is added:

"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.

## II. Part A – Liability Coverage

A. The definition of "insured" is replaced by the following:

"Insured" means:

1. You or any "family member" for the ownership, maintenance or use of "your covered auto".
2. Any person using "your covered auto".
3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.

B. The **Exclusions** Section is amended as follows:

1. Exclusion **B.1.** is replaced by the following:

We do not provide Liability Coverage for the ownership, maintenance or use of any vehicle which:

  - a. Has fewer than four wheels; or
  - b. Is designed mainly for use off public roads.

This exclusion (**B.1.**) does not apply:

- a. While such vehicle is being used by an "insured" in a medical emergency;
  - b. To any "trailer"; or
  - c. To a vehicle insured for Liability Coverage under this endorsement.
2. The following exclusion applies under Part **A** to any vehicle for which the Schedule or Declarations indicates that the passenger hazard is excluded:

We do not provide Liability Coverage for any "insured" for "bodily injury" to any person while "occupying" the described "miscellaneous type vehicle".

## III. Part B – Medical Payments Coverage

Exclusion 1. of Part **B** is replaced by the following:

We do not provide Medical Payments Coverage for any "insured" for "bodily injury" sustained while "occupying" any motorized vehicle having fewer than four wheels. However, this exclusion (**1.**) does not apply to a motorized vehicle having fewer than four wheels if it is insured for Medical Payments Coverage under this endorsement.

## IV. Part D – Coverage For Damage To Your Auto

A. The following is added to the **Insuring Agreement**:

We will pay for direct and accidental loss to facilities or equipment designed to be used with a "your covered auto" shown in the Schedule or in the Declarations which is a motor home, while such facilities or equipment are in or attached to the motor home. Facilities or equipment include but are not limited to:

1. Cooking, dining, plumbing or refrigeration facilities;
2. Awnings or cabanas; or
3. Any other facilities or equipment designed to be used with a motor home.

B. The following is added to the definition of "non-owned auto":

3. Any motor home, motorcycle or other similar type vehicle, all-terrain vehicle, dune buggy or golf cart you do not own while used as a temporary substitute for "your covered auto" which is out of its normal use because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;

- d. Loss; or
  - e. Destruction.
- C.** The **Exclusions** Section is amended as follows:
1. Exclusion 7. does not apply to:
    - a. Any "miscellaneous type vehicle", shown in the Schedule or in the Declarations, which is a motor home; and
    - b. Facilities or equipment designed to be used with the described motor home while in or attached to the motor home.
    - c. Any motor home you do not own while used as a temporary substitute for "your covered auto" which is out of its normal use because of its:
      - (1) Breakdown;
      - (2) Repair;
      - (3) Servicing;
      - (4) Loss; or
      - (5) Destruction.
  2. The following exclusions are added:
    - a. We will not pay for loss to:
      - (1) Clothing or luggage;
      - (2) Business or office equipment; or
      - (3) Articles which are sales samples or used in exhibitions.
    - b. This coverage does not apply to furnishings or equipment that are excluded from coverage under Exclusion 4., 5., 9. or 10. of Part D.
- c.** We will not pay for loss due to "fungi", wet or dry rot, or bacteria, meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.
- D.** With respect to the Coverage(s) shown as applicable to a vehicle described in the Schedule or in the Declarations, the **Limit Of Liability** Provision is replaced by the following:
- Limit Of Liability**
- A.** Our limit of liability for loss will be the least of the:
    1. Amount shown in the Schedule or in the Declarations;
    2. Actual cash value of the stolen or damaged property; or
    3. Amount necessary to repair or replace the property with other property of like kind and quality.

Our payment for loss will be reduced by any applicable deductible shown in the Schedule or in the Declarations. If loss to more than one "your covered auto" results from the same "collision" only the highest applicable deductible will apply.
  - B.** An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
  - C.** If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

b. PP 03 20 Snowmobile Endorsement

- Used for snowmobiles – as defined
- Endorsement has a definition of “snowmobile”
- Endorsement allows for a Passenger Hazard Exclusion
- Might a Snowmobile Policy be a better option?

3. Vehicles Furnished or Available For Your Regular Use – Exclusion B.2.

**PART A – LIABILITY COVERAGE**

**EXCLUSIONS**

**B.** We do not provide Liability Coverage for the ownership, maintenance or use of:

**2.** Any vehicle, other than "your covered auto", which is:

- a. Owned by you; or
- b. Furnished or available for your regular use.

**PP 00 01 09 18 Page 4 of 14**

a. PP 03 06 Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use

- Used when the you has a vehicle, other than a “your covered auto” furnished or available
- Examples can be an employer-provided vehicle, a “family member’s” vehicle, a non-resident relative’s vehicle a pool vehicle, a roommate’s vehicle, etc, etc, etc.
- Endorsement makes the PAP excess on the non-owned vehicle

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

**EXTENDED NON-OWNED COVERAGE – VEHICLES  
FURNISHED OR AVAILABLE FOR REGULAR USE**

**SCHEDULE**

Unless otherwise indicated below or in the Declarations, Extended Non-owned Coverage is applicable only to the individual named in the Schedule or in the Declarations.

Name Of Individual:

If indicated below or in the Declarations, Extended Non-owned Coverage applies to:

Named Individual and "Family Members" (including Named Individual's Spouse)

Coverage is provided where a premium is shown for the coverage.

Extended Non-owned Coverage	\$	Premium
Liability	\$	
Medical Payments	\$	
<b>Total Premium</b>	<b>\$</b>	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to the individual(s) and coverages indicated in the Schedule or in the Declarations, the provisions of the Policy apply unless modified by this endorsement.

**I. Extended Non-owned Coverage**

The Extended Non-owned Coverage provided by this endorsement does not afford coverage under Part **A** and Part **B** of the Policy for any accident involving:

- A.** A vehicle owned by an individual named in the Schedule or in the Declarations;
- B.** A vehicle owned by a "family member"; or
- C.** A temporary substitute vehicle for such owned vehicle described in **A.** or **B.** above.

**II. Part A – Liability Coverage**

Part **A** is amended as follows with respect to the individual(s) shown as applicable in the Schedule or in the Declarations:

- A.** Exclusion **B.2.b.** does not apply to the coverages provided by this endorsement.

- B.** We will provide Liability Coverage for any vehicle, other than "your covered auto", which is furnished or available for the regular use of the named individual.

**III. Part B – Medical Payments Coverage**

Part **B** is amended as follows, if a premium is shown in the Schedule or in the Declarations for Medical Payments Coverage, with respect to the individual(s) shown as applicable in the Schedule or in the Declarations:

- A.** Exclusion **5.b.** does not apply to the coverages provided by this endorsement.
- B.** We will provide Medical Payments Coverage for "bodily injury" sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is furnished or available for the regular use of the named individual.



- b. Why is the PP 03 06 Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement helpful to only a you and not a “family member” – A review of Exclusion B.3.

**PART A – LIABILITY COVERAGE**

**EXCLUSIONS**

**B.** We do not provide Liability Coverage for the ownership, maintenance or use of:

**3.** Any vehicle, other than "your covered auto", which is:

**a.** Owned by any "family member"; or

**b.** Furnished or available for the regular use of any "family member".

However, this exclusion (**B.3.**) does not apply to you while you are maintaining or "occupying" any vehicle which is:

**(1)** Owned by a "family member"; or

**(2)** Furnished or available for the regular use of a "family member".

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Conclusion:

We use coverage forms and endorsements to those forms to provide protection to our clients. Understanding the forms we sell allows us to assess when endorsements and/or additional coverage forms may be needed. The insurance professional must be diligent in identifying, analyzing, controlling and financing risk on behalf of their client.

## 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 your care or the care of a resident of your household who is your relative;
    - 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 resident of your household who is your relative; 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 described in **5.a.** or **b.** "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 described in **5.a.** or **b.**; 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.

## 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 Locations

##### a. 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:

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

##### b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility 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:

- (1) Moved from the "residence premises" because it is:
  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

### 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. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
  - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
  - (2) In or upon a "motor vehicle".
- j. \$1,500 on portable electronic equipment that:
  - (1) Reproduces, receives or transmits audio, visual or data signals;

- (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and

- (3) Is in or upon a "motor vehicle".

- k. \$250 for antennas, tapes, wires, records, disks or other media that are:

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

- (2) In or upon a "motor vehicle".

### 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".

This includes a "motor vehicle's" equipment and parts. However, this Paragraph 4.c. does not apply to:

- (1) Portable electronic equipment that:

- (a) Reproduces, receives or transmits audio, visual or data signals; and

- (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service a 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 trees felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's trees felled by a Peril Insured Against under Coverage **C**;

provided the trees:

- (3) Damage a covered structure; or
- (4) Do not damage a covered structure, but:
  - (a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

- (b) Block 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 **C.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 **Q.** Policy Period under Section **I** – Conditions does not apply to this coverage.

This coverage is additional insurance.

## 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 part of a building that is standing, even if it has separated from another part of the building; or
  - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 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 named under Coverage **C**;
  - (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;
  - (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, 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.

e. 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 d.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.

f. 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 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, including any of the following conditions of property or any part of the property:
    - (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 cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;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, rodents or insects;
- (h)** Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (i)** 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, downspout or similar fixtures or equipment.

Section **I** – Exclusion **A.3**. Water, 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 90 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**, 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 is 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.

This Exclusion **A.2.** applies regardless of whether any of the above, in **A.2.a.** through **A.2.d.**, is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.2.a.** through **A.2.d.**, is covered.

#### 3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
  - (1) Backs up through sewers or drains; or
  - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this exclusion.

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion **A.3.** 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.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.**, 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 **N.** 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. Deductible**

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

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.

### C. 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.

### D. Loss Settlement

In this Condition **D.**, 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, 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, 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 **D. Loss Settlement**, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

#### **E. 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.

#### **F. 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.

#### **G. 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.

## **H. 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.

## **I. 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.

## **J. 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.

## **K. Abandonment Of Property**

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

## **L. 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 **F.** Appraisal, **H.** Suit Against Us and **J.** 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.

## **M. 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.

## **N. 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.

## **O. 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.

## **P. Volcanic Eruption Period**

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

## **Q. Policy Period**

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

## R. 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.

## S. Loss Payable Clause

If the Declarations shows 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 a 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:
  - (a) On an "insured location" as defined in Definition **B.6.a., b., d., e. or h.**; or
  - (b) Off an "insured location" and the "motor vehicle" is:
    - (i) Designed as a toy vehicle for use by children under seven years of age;
    - (ii) Powered by one or more batteries; and
    - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
- e. A motorized golf cart that is owned by an "insured", designed to carry up to four 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.
- 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.

## **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

## **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 or property than initially expected or intended.

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

**2. "Business"**

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

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

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

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

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

(b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; 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 lawful orders of a licensed health care professional.

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

## 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 Definition **5.a.** or **b.**

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

- a. Repay; or
- b. Share damages with;  
another person who may be obligated to pay damages because of "bodily injury" to an "insured".

## G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
  - a. Occurs off the "insured location"; and
  - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
  - a. Workers' compensation law;
  - b. Non-occupational disability law; or
  - c. Occupational disease law;
3. From any:
  - a. Nuclear reaction;
  - b. Nuclear radiation; or
  - c. Radioactive contamination;  
all whether controlled or uncontrolled or however caused; or
  - 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.

## PERSONAL AUTO POLICY

### AGREEMENT

In return for payment of the premium and subject to all the terms of this Policy, we agree with you as follows:

### DEFINITIONS

- A.** Throughout this Policy, "you" and "your" refer to:
1. The named insured shown in the Declarations; and
  2. The spouse if a resident of the same household.
- If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this Policy, the spouse will be considered "you" and "your" under this Policy but only until the earlier of:
- a. The end of 90 days following the spouse's change of residency;
  - b. The effective date of another policy listing the spouse as a named insured; or
  - c. The end of the policy period.
- B.** "We", "us" and "our" refer to the company providing this insurance.
- C.** For purposes of this Policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:
1. Under a written agreement to that person; and
  2. For a continuous period of at least six months.
- Other words and phrases are defined. They are in quotation marks when used.
- D.** "Bodily injury" means bodily harm, sickness or disease, including death that results.
- E.** "Business" includes trade, profession or occupation.
- F.** "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.
- G.** "Occupying" means:
1. In;
  2. Upon; or
  3. Getting in, on, out or off.

- H.** "Property damage" means physical injury to, destruction of or loss of use of tangible property.
- I.** "Trailer" means a vehicle designed to be pulled by a:
1. Private passenger auto; or
  2. Pickup or van.
- It also means a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.
- J.** "Your covered auto" means:
1. Any vehicle shown in the Declarations;
  2. A "newly acquired auto";
  3. Any "trailer" you own; or
  4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
    - a. Breakdown;
    - b. Repair;
    - c. Servicing;
    - d. Loss; or
    - e. Destruction.
- This provision (**J.4.**) does not apply to Coverage For Damage To Your Auto.
- K.** "Newly acquired auto":
1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
    - a. A private passenger auto; or
    - b. A pickup or van, for which no other insurance policy provides coverage, that:
      - (1) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and
      - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
        - (a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
        - (b) For farming or ranching.



2. Coverage for a "newly acquired auto" is provided as follows:

- a. For any coverage provided in this Policy other than Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. However, for this coverage to apply, you must ask us to insure it within 14 days after you become the owner.
- b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
  - (1) 14 days after you become the owner, if the Declarations indicates that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
  - (2) Four days after you become the owner, if the Declarations does not indicate that Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.
- c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:
  - (1) 14 days after you become the owner, if the Declarations indicates that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.
  - (2) Four days after you become the owner, if the Declarations does not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

d. For all coverages addressed in Paragraphs **K.2.a.**, **b.** and **c.**, if you first ask us to insure the "newly acquired auto" after the applicable time period has elapsed, coverage will begin on the day you first ask us to insure the "newly acquired auto".

L. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

## **PART A – LIABILITY COVERAGE**

### **INSURING AGREEMENT**

- A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured". We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this Policy.
- B. "Insured" as used in this Part means:
  - 1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer".
  - 2. Any person using "your covered auto".
  - 3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
  - 4. For any auto or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This provision **(B.4.)** applies only if the person or organization does not own or hire the auto or "trailer".

### **SUPPLEMENTARY PAYMENTS**

We will pay on behalf of an "insured":

- 1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this Policy.

2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
4. Up to \$250 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

These payments will not reduce the limit of liability.

### EXCLUSIONS

**A.** We do not provide Liability Coverage for any "insured":

1. Who intentionally causes "bodily injury" or "property damage".
2. For "property damage" to property owned or being transported by that "insured".
3. For "property damage" to property:
  - a. Rented to;
  - b. Used by; or
  - c. In the care of;
 that "insured".

This exclusion **(A.3.)** does not apply to "property damage" to a residence or private garage.

4. For "bodily injury" to an employee of that "insured" during the course of employment. This exclusion **(A.4.)** does not apply to "bodily injury" to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.

5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(A.5.)** does not apply to:

- a. A share-the-expense car pool; or
  - b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.
6. While employed or otherwise engaged in the "business" of:
    - a. Selling;

- b. Repairing;
- c. Servicing;
- d. Storing; or
- e. Parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion **(A.6.)** does not apply to the ownership, maintenance or use of "your covered auto" by:

- (1) You;
- (2) Any "family member"; or
- (3) Any partner, agent or employee of you or any "family member".

7. Maintaining or using any vehicle while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion **A.6.**

This exclusion **(A.7.)** does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. "Trailer" used with a vehicle described in **a.** or **b.** above.

8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion **(A.8.)** does not apply to a "family member" using "your covered auto" which is owned by you.

9. For "bodily injury" or "property damage" for which that "insured":

- a. Is an insured under a nuclear energy liability policy; or
- b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- (1) Nuclear Energy Liability Insurance Association;
- (2) Mutual Atomic Energy Liability Underwriters; or
- (3) Nuclear Insurance Association of Canada.

10. For the ownership, maintenance or use of "your covered auto" while:

- a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

- b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".
- B.** We do not provide Liability Coverage for the ownership, maintenance or use of:
1. Any vehicle which:
    - a. Has fewer than four wheels; or
    - b. Is designed mainly for use off public roads.

This exclusion **(B.1.)** does not apply:

- (1) While such vehicle is being used by an "insured" in a medical emergency;
  - (2) To any "trailer"; or
  - (3) To any non-owned golf cart.
2. Any vehicle, other than "your covered auto", which is:
    - a. Owned by you; or
    - b. Furnished or available for your regular use.
  3. Any vehicle, other than "your covered auto", which is:
    - a. Owned by any "family member"; or
    - b. Furnished or available for the regular use of any "family member".

However, this exclusion **(B.3.)** does not apply to you while you are maintaining or "occupying" any vehicle which is:

- (1) Owned by a "family member"; or
  - (2) Furnished or available for the regular use of a "family member".
4. Any vehicle, located inside a facility designed for racing, for the purpose of:
    - a. Participating or competing in; or
    - b. Practicing or preparing for; any prearranged or organized:
      - (1) Racing or speed contest; or
      - (2) Driver skill training or driver skill event.
  5. Any vehicle which is designed or can be used for flight.

#### **LIMIT OF LIABILITY**

- A.** The Limit Of Liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the Limit Of Liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The Limit Of Liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
  2. Claims made;
  3. Vehicles or premiums shown in the Declarations; or
  4. Vehicles involved in the auto accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **B** or Part **C** of this Policy; or
  2. Any Underinsured Motorists Coverage provided by this Policy.

#### **OUT OF STATE COVERAGE**

If an auto accident to which this Policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, we will interpret your policy for that accident as follows:

- A.** If the state or province has:
1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
  2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.
- B.** No one will be entitled to duplicate payments for the same elements of loss.

#### **FINANCIAL RESPONSIBILITY**

When this Policy is certified as future proof of financial responsibility, this Policy shall comply with the law to the extent required.

#### **OTHER INSURANCE**

If there is other applicable liability insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this Policy.

## **PART B – MEDICAL PAYMENTS COVERAGE**

### **INSURING AGREEMENT**

**A.** We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by an accident; and
2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within three years from the date of the accident.

**B.** "Insured" as used in this Part means:

1. You or any "family member":
  - a. While "occupying"; or
  - b. As a pedestrian when struck by;  
a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while "occupying" "your covered auto".

### **EXCLUSIONS**

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.
2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(2.)** does not apply:

- a. To a share-the-expense car pool; or
  - b. While "your covered auto" is being used for volunteer or charitable purposes.
3. Sustained while "occupying" any vehicle located for use as a residence or premises.
  4. Occurring during the course of employment if workers' compensation benefits are required or available for the "bodily injury".
  5. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:
    - a. Owned by you; or
    - b. Furnished or available for your regular use.
  6. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:
    - a. Owned by any "family member"; or

- b. Furnished or available for the regular use of any "family member".

However, this exclusion **(6.)** does not apply to you.

7. Sustained while "occupying" a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion **(7.)** does not apply to a "family member" using "your covered auto" which is owned by you.
8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured". This exclusion **(8.)** does not apply to "bodily injury" sustained while "occupying" a:
  - a. Private passenger auto;
  - b. Pickup or van; or
  - c. "Trailer" used with a vehicle described in **a.** or **b.** above.
9. Caused by or as a consequence of:
  - a. Discharge of a nuclear weapon (even if accidental);
  - b. War (declared or undeclared);
  - c. Civil war;
  - d. Insurrection; or
  - e. Rebellion or revolution.
10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
  - a. Nuclear reaction;
  - b. Radiation; or
  - c. Radioactive contamination.
11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:
  - a. Participating or competing in; or
  - b. Practicing or preparing for;any prearranged or organized:
  - (1) Racing or speed contest; or
  - (2) Driver skill training or driver skill event.
12. Sustained while "occupying", or when struck by, "your covered auto" while:
  - a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
  - b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".
13. Sustained while "occupying", or when struck by, any vehicle which is designed or can be used for flight.

## LIMIT OF LIABILITY

- A.** The Limit Of Liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
1. "Insureds";
  2. Claims made;
  3. Vehicles or premiums shown in the Declarations; or
  4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **C** of this Policy; or
  2. Any Underinsured Motorists Coverage provided by this Policy.

## OTHER INSURANCE

If there is other applicable auto medical payments insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

## PART C – UNINSURED MOTORISTS COVERAGE

### INSURING AGREEMENT

- A.** We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":
1. Sustained by an "insured"; and
  2. Caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- B.** "Insured" as used in this Part means:
1. You or any "family member";
  2. Any other person "occupying" "your covered auto"; or
  3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

- C.** "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:
1. To which no bodily injury liability bond or policy applies at the time of the accident.
  2. To which a bodily injury liability bond or policy applies at the time of the accident. In this case its limit for bodily injury liability must be less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged.
  3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
    - a. You or any "family member";
    - b. A vehicle which you or any "family member" are "occupying"; or
    - c. "Your covered auto".
  4. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:
    - a. Denies coverage; or
    - b. Is or becomes insolvent.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

- (1) Owned by or furnished or available for the regular use of you or any "family member".
- (2) Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- (3) Owned by any governmental unit or agency.
- (4) Operated on rails or crawler treads.
- (5) Designed mainly for use off public roads while not on public roads.
- (6) While located for use as a residence or premises.

### EXCLUSIONS

- A.** We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:
1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this Policy. This includes a trailer of any type used with that vehicle.
  2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

**B.** We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

1. If that "insured" or the legal representative settles the "bodily injury" claim and such settlement prejudices our right to recover payment.
2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion (**B.2.**) does not apply:

- a. To a share-the-expense car pool; or
  - b. While "your covered auto" is being used for volunteer or charitable purposes.
3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion (**B.3.**) does not apply to a "family member" using "your covered auto" which is owned by you.
  4. While "occupying", or when struck by, "your covered auto" while:
    - a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
    - b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".
  5. While "occupying", or when struck by, any vehicle which is designed or can be used for flight.

**C.** This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:

1. Workers' compensation law; or
2. Disability benefits law.

**D.** We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

#### **LIMIT OF LIABILITY**

**A.** The Limit Of Liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the Limit Of Liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

**B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **A** or Part **B** of this Policy; or
2. Any Underinsured Motorists Coverage provided by this Policy.

**C.** We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

**D.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:

1. Workers' compensation law; or
2. Disability benefits law.

#### **OTHER INSURANCE**

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the Policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.
3. If the coverage under this Policy is provided:
  - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.

- b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

**ARBITRATION**

- A. If we and an "insured" do not agree:
  - 1. Whether that "insured" is legally entitled to recover damages; or
  - 2. As to the amount of damages which are recoverable by that "insured";

from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

- B. Each party will:
  - 1. Pay the expenses it incurs; and
  - 2. Bear the expenses of the third arbitrator equally.
- C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:
  - 1. Whether the "insured" is legally entitled to recover damages; and
  - 2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

**PART D – COVERAGE FOR DAMAGE TO YOUR AUTO**

**INSURING AGREEMENT**

- A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto", including its equipment, minus any applicable deductible shown in the Declarations. If loss to more than one "your covered auto" or "non-owned auto" results from the same "collision", only the highest applicable deductible will apply. We will pay for loss to "your covered auto" caused by:
  - 1. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for that auto.
  - 2. "Collision" only if the Declarations indicates that Collision Coverage is provided for that auto.

- 1. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for that auto.
- 2. "Collision" only if the Declarations indicates that Collision Coverage is provided for that auto.

If there is a loss to a "non-owned auto", we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

- B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or its impact with another vehicle or object.

Loss caused by the following is considered other than "collision":

- 1. Missiles or falling objects;
- 2. Fire;
- 3. Theft or larceny;
- 4. Explosion or earthquake;
- 5. Windstorm;
- 6. Hail, water or flood;
- 7. Malicious mischief or vandalism;
- 8. Riot or civil commotion;
- 9. Contact with bird or animal; or
- 10. Breakage of glass.

If breakage of glass is caused by a "collision", you may elect to have it considered a loss caused by "collision".

- C. "Non-owned auto" means:
  - 1. Any private passenger auto, pickup, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member" while in the custody of or being operated by you or any "family member"; or

2. Any auto or "trailer" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. Loss; or
  - e. Destruction.

**D.** "Custom equipment" means equipment, furnishings and parts in or upon any auto, other than:

1. Original manufacturer equipment, furnishings or parts; or
2. Any replacement of original manufacturer equipment, furnishings or parts with other equipment, furnishings or parts of like kind and quality.

"Custom equipment" includes but is not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs;
- d. Body, engine, exhaust or suspension enhancers;
- e. Winches, or anti-roll or anti-sway bars;
- f. Custom grilles, louvers, side pipes, hood scoops or spoilers;
- g. Custom wheels, tires or spinners;
- h. Custom chrome, murals, paintwork, decals or other graphics; or
- i. Caps, covers or bedliners.

"Custom equipment" does not include electronic equipment that reproduces, receives or transmits audio, visual or data signals.

#### **TRANSPORTATION EXPENSES**

- A.** In addition, we will pay, without application of a deductible, up to a maximum of \$900 for:
  1. Temporary transportation expenses not exceeding \$30 per day incurred by you in the event of a loss to "your covered auto". We will pay for such expenses if the loss is caused by:
    - a. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for that auto.
    - b. "Collision" only if the Declarations indicates that Collision Coverage is provided for that auto.

2. Expenses for which you become legally responsible in the event of loss to a "non-owned auto". We will pay for such expenses if the loss is caused by:

- a. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for any "your covered auto".
- b. "Collision" only if the Declarations indicates that Collision Coverage is provided for any "your covered auto".

However, the most we will pay for any expenses for loss of use is \$30 per day.

- B.** Subject to the provisions of Paragraph **A.**, if the loss is caused by:

1. A total theft of "your covered auto" or a "non-owned auto", we will pay only expenses incurred during the period:
  - a. Beginning 48 hours after the theft; and
  - b. Ending when "your covered auto" or the "non-owned auto" is returned to use or we pay for its loss.
2. Other than theft of a "your covered auto" or a "non-owned auto", we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

Our payment will be limited to that period of time reasonably required to repair or replace the "your covered auto" or the "non-owned auto".

#### **EXCLUSIONS**

We will not pay for:

1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" or any "non-owned auto" is being used by any person who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(1.)** does not apply:

- a. To a share-the-expense car pool; or
  - b. While "your covered auto" or any "non-owned auto" is being used for volunteer or charitable purposes.
2. Damage due and confined to:
    - a. Wear and tear;
    - b. Freezing;



- c. Mechanical or electrical breakdown or failure; or
- d. Road damage to tires.

This exclusion **(2.)** does not apply if the damage results from the total theft of "your covered auto" or any "non-owned auto".

3. Loss due to or as a consequence of:
  - a. Radioactive contamination;
  - b. Discharge of any nuclear weapon (even if accidental);
  - c. War (declared or undeclared);
  - d. Civil war;
  - e. Insurrection; or
  - f. Rebellion or revolution.
4. Loss to any electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes but is not limited to:
  - a. Radios and stereos;
  - b. Tape decks;
  - c. Compact disc systems;
  - d. Navigation systems;
  - e. Internet access systems;
  - f. Personal computers;
  - g. Video entertainment systems;
  - h. Telephones;
  - i. Televisions;
  - j. Two-way mobile radios;
  - k. Scanners; or
  - l. Citizens band radios.

This exclusion **(4.)** does not apply to electronic equipment that is permanently installed in "your covered auto" or any "non-owned auto".

5. Loss to tapes, records, discs or other media used with equipment described in Exclusion 4.
6. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by governmental or civil authorities.
 

This exclusion **(6.)** does not apply to the interests of Loss Payees in "your covered auto".
7. Loss to:
  - a. A "trailer", camper body or motor home, which is not shown in the Declarations; or

- b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:

- (1) Cooking, dining, plumbing or refrigeration facilities;
- (2) Awnings or cabanas; or
- (3) Any other facilities or equipment used with a "trailer", camper body or motor home.

This exclusion **(7.)** does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
- b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:
  - (1) Acquire during the policy period; and
  - (2) Ask us to insure within 14 days after you become the owner.

8. Loss to any "non-owned auto" when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.
9. Loss to equipment designed or used for the detection or location of radar or laser.
10. Loss to any "custom equipment" in or upon "your covered auto" or any "non-owned auto".

This exclusion **(10.)** does not apply to the first \$1,500 of "custom equipment" in or upon "your covered auto" or any "non-owned auto".

11. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing; or
  - e. Parking;

vehicles designed for use on public highways. This includes road testing and delivery.
12. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:
  - a. Participating or competing in; or

- b. Practicing or preparing for; any prearranged or organized:
  - (1) Racing or speed contest; or
  - (2) Driver skill training or driver skill event.
- 13. Loss to, or loss of use of, a "non-owned auto" rented by:
  - a. You; or
  - b. Any "family member";
 if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that "family member", pursuant to the provisions of any applicable rental agreement or state law.
- 14. Loss to "your covered auto" which occurs while:
  - a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and
  - b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".
- 15. Loss to, or loss of use of, a "non-owned auto" used by:
  - a. You; or
  - b. Any "family member";
 in connection with a personal vehicle sharing program if the provisions of such a personal vehicle sharing program preclude the recovery of such loss or loss of use, from you or that "family member", or if otherwise precluded by any state law.
- 16. Loss to any vehicle which is designed or can be used for flight.

**LIMIT OF LIABILITY**

- A. Our limit of liability for loss will be the lesser of the:
  - 1. Actual cash value of the stolen or damaged property; or
  - 2. Amount necessary to repair or replace the property with other property of like kind and quality.

However, the most we will pay for loss to:

- a. Any "non-owned auto" which is a trailer is \$1,500.
- b. Electronic equipment that reproduces, receives or transmits audio, visual or data signals, which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment, is \$1,000.

- c. "Custom equipment" in or upon "your covered auto" or any "non-owned auto" is \$1,500.
- B. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
- C. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

**PAYMENT OF LOSS**

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

- 1. You; or
- 2. The address shown in this Policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

**NO BENEFIT TO BAILEE**

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

**OTHER SOURCES OF RECOVERY**

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

- 1. Any coverage provided by the owner of the "non-owned auto".
- 2. Any other applicable physical damage insurance.
- 3. Any other source of recovery applicable to the loss.

**APPRAISAL**

- A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and 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 be binding. Each party will:

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

- B. We do not waive any of our rights under this Policy by agreeing to an appraisal.

#### **PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

We have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage must:
  - 1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
  - 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
  - 3. Submit, as often as we reasonably require:
    - a. To physical exams by physicians we select. We will pay for these exams.
    - b. To examination under oath and subscribe the same.
    - c. To recorded statements.
  - 4. Authorize us to obtain:
    - a. Medical reports; and
    - b. Other pertinent records.
  - 5. Submit a proof of loss when required by us.
- C. A person seeking Uninsured Motorists Coverage must also:
  - 1. Promptly notify the police if a hit-and-run driver is involved.
  - 2. Promptly send us copies of the legal papers if a suit is brought.
- D. A person seeking Coverage For Damage To Your Auto must also:
  - 1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and its equipment from further loss. We will pay reasonable expenses incurred to do this.
  - 2. Promptly notify the police if "your covered auto" or any "non-owned auto" is stolen.
  - 3. Permit us to inspect and appraise the damaged property before its repair or disposal.

#### **PART F – GENERAL PROVISIONS**

##### **BANKRUPTCY**

Bankruptcy or insolvency of the "insured" shall not relieve us of any obligations under this Policy.

#### **CHANGES**

- A. This Policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- B. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
  - 1. The number, type or use classification of insured vehicles;
  - 2. Operators using insured vehicles;
  - 3. The place of principal garaging of insured vehicles; or
  - 4. Coverage, deductible or limits.

If a change resulting from **A.** or **B.** requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (**C.**) 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 your policy; or
  - 2. An Amendatory Endorsement.

#### **FRAUD**

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this Policy.

#### **LEGAL ACTION AGAINST US**

- A. No legal action may be brought against us until there has been full compliance with all the terms of this Policy. In addition, under Part **A.**, no legal action may be brought against us until:
  - 1. We agree in writing that the "insured" has an obligation to pay; or
  - 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this Policy to bring us into any action to determine the liability of an "insured".

## OUR RIGHT TO RECOVER PAYMENT

**A.** If we make a payment under this Policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights in this paragraph **(A.)** do not apply under Part **D**, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.

**B.** If we make a payment under this Policy and the person to or for whom payment is made recovers damages from another, that person shall:

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment.

## POLICY PERIOD AND TERRITORY

**A.** This Policy applies only to accidents and losses which occur:

1. During the policy period as shown in the Declarations; and
2. Within the policy territory.

**B.** The policy territory is:

1. The United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

This Policy also applies to loss to, or accidents involving, "your covered auto" while being transported between their ports.

## TERMINATION

### A. Cancellation

This Policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
  - a. Returning this Policy to us; or
  - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this Policy:
  - a. At least 10 days' notice:
    - (1) If cancellation is for nonpayment of premium; or

- (2) If notice is mailed during the first 60 days this Policy is in effect and this is not a renewal or continuation policy; or

- b. At least 20 days' notice in all other cases.

3. After this Policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:

- a. For nonpayment of premium; or

- b. If your driver's license or that of:

- (1) Any driver who lives with you; or

- (2) Any driver who customarily uses "your covered auto";

has been suspended or revoked. This must have occurred:

- (a) During the policy period; or

- (b) Since the last anniversary of the original effective date if the policy period is other than one year; or

- c. If the Policy was obtained through material misrepresentation.

### B. Nonrenewal

If we decide not to renew or continue this Policy, we will mail notice to the named insured shown in the Declarations at the address shown in this Policy. Notice will be mailed at least 20 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than six months, we will have the right not to renew or continue this Policy every six months, beginning six months after its original effective date.
2. Six months or longer, but less than one year, we will have the right not to renew or continue this Policy at the end of the policy period.
3. One year or longer, we will have the right not to renew or continue this Policy at each anniversary of its original effective date.

### C. Automatic Termination

If we offer to renew or continue and you or your representative does not accept, this Policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto", any similar insurance provided by this Policy will terminate as to that auto on the effective date of the other insurance.

**D. Other Termination Provisions**

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this Policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

**TRANSFER OF YOUR INTEREST IN THIS POLICY**

- A.** Your rights and duties under this Policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and

2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".

- B.** Coverage will only be provided until the end of the policy period.

**TWO OR MORE AUTO POLICIES**

If this Policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.