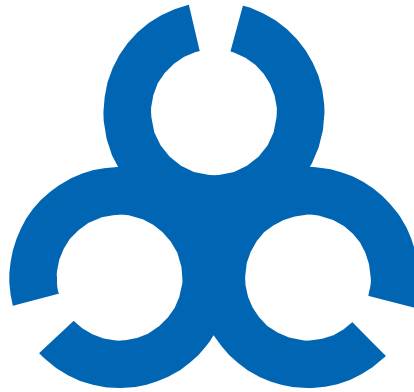


**RENTERS
PROPERTY INSURANCE
POLICY**



**COMMONWEALTH
CASUALTY COMPANY
of
ARIZONA**

A STOCK INSURANCE COMPANY

2500 N 24TH ST,
PHOENIX, AZ 85008-1842
(877)603-1310

READ YOUR POLICY CAREFULLY

**For service information or questions
concerning this policy,
contact your agent or
call our executive office at
1-877-603-1310**

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INTRODUCTION

In this policy, **you** and **your** refer to the person(s) shown on the Declarations Page as an **insured** and that person's spouse and the relatives of either if they are residents of your household. Other persons may be insured under this policy but must be named on the Declarations Page or any endorsement made a part of this policy. Refer to the **DEFINITIONS** section for detail. **We, us, and our** refer to the Company providing this policy.

We encourage you to read this and all attached documents. For your convenience refer to the Table of Contents for some of the more frequently referenced subjects.

Words and phrases in bold type have the meaning given them in the **DEFINITIONS** section. Refer to the Table of Contents.

For the applicable limits of insurance refer to the Declarations Page and to the **ALL SUBJECT TO THE FOLLOWING LIMITATIONS** section on page 3.

AGREEMENT

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

DEFINITIONS

Certain words or phrases which are printed in **bold** type in this policy are defined as follows:

- 1) **Accident** means an undesigned, unexpected and rapidly occurring event.
- 2) **Accidental** means undesigned, unexpected, and rapidly occurring.
- 3) **Actual cash value** means the cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.
- 4) **Aircraft** means any conveyance used or designed for navigation or flight in the air, except model or hobby aircraft not used or designed to carry people or cargo
- 5) **Bodily injury** means bodily harm, sickness or disease sustained by a person, including death resulting from any of these at any time.

- 6) **Business** includes trade, a profession or occupation engaged in for compensation, and the rental or holding for rental of any part of any premises by any **insured**. Part time, self-employed activities by any **insured** under the age of 18, such as newspaper delivery, baby sitting or lawn care, are not business.
- 7) **Insured** means **you** and:
- a) the following resident(s) of your household:
 - i) your relatives;
 - ii) any other person under the age of 21 who is in the care of any person named in 7.a.(1) above.
 - b) if the entity named on the Declarations Page is a **business** entity, **insured** means any individual while residing at the **residence premises** with the permission of the **business** entity.
 - c) with respect to insurance provided under the **LIABILITY SECTION**, and only with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or for watercraft which are owned by you or any person included in Definition 7.a. or 7.b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner, is not an **insured**.
 - d) with respect to insurance provided in the **LIABILITY SECTION** and only with respect to any vehicle to which this policy applies:
 - i) any person while engaged in your employment or the employment of any person included in Definitions 7.a. or 7.b.
 - ii) any other person using the vehicle at an **insured location** with your permission.
 - e) with respect to insurance provided in the **LIABILITY SECTION**, and only with respect to **property damage**:
 - i) any person residing at the **insured location**, but only if that person is listed on the lease, rental agreement or mortgage agreement that applies to the **insured location**.
- 8) **Insured contract** means a written contract under which you assume the tort liability of a person or persons retained by you to perform maintenance services at the **residence premises** to pay damages because of **bodily injury** or **property damage** arising out of the maintenance services. The contract or agreement must be made and be effective prior to the **bodily injury** or **property damage**.

- 9) **Fungi** means:
- a) Any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by **fungi**.
 - b) Under the **LIABILITY SECTION**, this does not include any **fungi** that are, are on, or are contained in, a good or product intended for consumption.
- 10) **Insured location** means:
- a) the **residence premises**.
 - b) the part of any premises which is used by you as a residence and:
 - i) which is shown on the Declarations Page; or
 - ii) which is acquired by you during the policy period for your use as a residence.
 - c) any premises used by you in connection with the premises included in 9. a. or 9.b. above.
 - d) any part of a premises not owned by any **insured** where any **insured** is temporarily residing.
 - e) vacant land, other than farmland, owned by or rented to any **insured**.
 - f) land owned by or rented to any **insured** on which a one- or two-family dwelling is being built as a residence for any **insured**.
 - g) individual or family cemetery plots or burial vaults of any **insured**.
 - h) any part of a premises occasionally rented to any **insured** for other than **business** purposes.
- 11) **Interested party** means the person or organization listed on the Declarations Page that has an interest in ensuring coverage exists
- 12) **Landlord** means the owner, landlord, or property manager of the **residence premises**.
- 13) **Motor vehicle** means any motorized land conveyance and any trailer while being towed including their parts, equipment and accessories whether or not the parts, equipment and accessories are in or upon the **motor vehicle**. For the purposes of this policy, the following are included in the definition of **motor vehicles**:
- Electronic equipment designed to be operated solely by use of the power from the electrical system of **motor vehicles**, including antennas, citizen band radios, radio telephones, car phones, radio transceivers, disc players, tape players, equalizers, speakers, and satellite navigation equipment.

For the purposes of this policy, the following are not included in the definition of **motor vehicles**;

- a) while at an **insured location**, vehicles used by any **insured** which are designed for recreational use off public roads and which are not subject to **motor vehicle** registration.
- b) golf carts while on a golf course.
- c) vehicles not designed for travel on public roads and not subject to **motor vehicle** registration designed for assisting the handicapped or for the maintenance of an **insured location**.

14) **Nuclear energy liability policy** is a policy issued by:

- a) American Nuclear Insurers; or
- b) Mutual Atomic Energy Liability Underwriters; or
- c) Nuclear Insurance Association of Canada; or
- d) any of their successors.

15) **Occurrence** means an **accident** including exposure to conditions or repeated exposure to the same harmful conditions.

16) **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.

17) **Property damage** means:

- a) physical injury to tangible property including resulting loss of use of that property.
- b) loss of use of tangible property that is not physically injured.

18) **Residence employee** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**. These duties may include household or domestic services. **Residence employee** also includes an employee who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.

19) **Residence premises** means any building where you reside and any storage unit or enclosed and secured garage furnished for your exclusive use which is shown as the **residence premises** on the Declarations Page.

20) **Volcanic action** means lava flow, airborne shock waves, ash, dust or other particulate matter caused by or resulting from volcanic eruption. One or more volcanic eruptions that occur within a seventy-two (72) hour period will be considered as one volcanic eruption.

- 21) **Replacement Cost Coverage** means the cost to repair or replace property with materials of like kind and quality, without any deduction for depreciation.

PROPERTY SECTION

INSURING AGREEMENT

We insure **you** against **accidental** direct physical loss of or damage to personal property owned or rented by **you**. We also insure additions and alterations to the **residence premises** made by **you** at **your** expense during **your** tenancy. The loss or damage must be caused by a peril described in the **PERILS INSURED AGAINST**. **We** also cover **you** against any resulting increase in **your** living expenses necessarily incurred. Also, when a civil authority prohibits **your** use of the **residence premises** because of loss or damage caused by a peril insured against to neighboring premises, **we** will pay any resulting additional living expense necessarily incurred by **you** for a period not exceeding two (2) weeks. **We** do not cover loss or expense due to cancellation of a lease or rental agreement.

PERILS INSURED AGAINST

- 1) Fire or lightning.
- 2) Theft;
 - a) Including attempt 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 committed by an **insured**.
 - c) This peril does not include loss caused by theft in or to a dwelling under construction, or of materials and supplies in use in the construction until the dwelling is finished and occupied.
 - d) This peril does not include loss caused by theft from that part of a **residence premises** rented by an **insured** to other than an **insured**.
- 3) Windstorm or hail;
 - a) 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.
 - b) This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

- 4) Explosion.
- 5) Riot or civil commotion.
- 6) Aircraft, including self-propelled missiles and spacecraft
- 7) Vehicles.
- 8) Smoke, meaning sudden and **accidental** damage from smoke.
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
- 9) Vandalism or malicious mischief. However, this peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 10) Breakage of glass:
- 11) which is part of a building and which **you** have installed at **your** expense during your tenancy, or
- 12) for which **you** are made responsible as a result of a written lease or rental agreement directly relating to the maintenance of the **residence premises**. But glass breakage arising out of earthquake is not covered.
- 13) Falling objects;
 - a) This peril does not include loss to property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- 14) Weight of ice, snow or sleet which causes damage to the property contained in the building, but not including loss or damage to trees, shrubs or plants.
 - a) This peril does not include loss caused by ice damming, meaning the formation of a ridge of ice on a roof which prevents melting snow or water from draining off the roof.
- 15) **Accidental** discharge or overflow of water or steam from a plumbing, heating, air conditioning or automatic fire protective sprinkler system; household appliance; or waterbed.

This peril does not include loss to:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below;
- c. On the **residence premises** caused by accidental discharge or overflow which occurs away from the building where the **residence premises** is located.

d. To a building caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor over a period of weeks, months, or years unless such seepage or leakage of water or the presence of condensation of humidity, moisture or vapor and the resulting damage is unknown to all **insureds** and is hidden within the walls or ceilings or beneath the floors or above the ceiling of a structure.

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

- 16) Freezing or tearing apart, cracking, or bulging of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
- 17) Sudden and accidental damage from artificially generated electrical current.
- 18) Damage to covered property contained inside the building occupied by **you** at the **residence premises** from rain which penetrates the roof or wall of a building other than through an open door, window, or skylight.
- 19) Volcanic action

ALL SUBJECT TO THE FOLLOWING LIMITATIONS

With respect to any one **accident**, **we** will not be liable for more than the Property Limit stated on the Declarations Page for all covered loss. Furthermore, **we** will not pay any more than the amounts shown below for the following types of property:

- 1) \$5,000 or 20% of the Property Limit stated on the Declarations Page whichever is more, is the most **we** will pay for personal property away from the **residence premises**. This limitation for property away from the **residence premises** shall not apply to property which is removed from the **residence premises** for the purpose of repair or servicing. Personal property at your newly acquired residence is not subject to this limitation for the thirty (30) days from the time you begin to move the property there.
- 2) \$2,500 for loss of or damage to personal property which is in or upon a **motor vehicle**.
- 3) \$2,500 for loss of or damage to **business** personal property while situated at the **residence premises**.
- 4) \$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:

- a) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - b) In or upon a **motor vehicle**.
- 5) \$1,000 on portable electronic equipment that:
- a) Reproduces, receives or transmits audio, visual or data signals;
 - b) Is designed to be operated by more than one power source, one of which is a **motor vehicle's** electrical system; and is in or upon a **motor vehicle**.
- 6) \$2,500 coverage for loss or damage of your home computer. This includes tablets, laptops, and desktop computers, their accessories, peripheral hardware, connecting cables, plug in cartridges, and expansion hardware, commercially purchased software, blank tapes, disc, disc drivers, printers, and modems. This also includes electronic gaming hardware, controllers, or other components used to play video games, listening devices used to interact online while using electronic gaming hardware, video game discs and video games purchased online and downloaded onto electronic gaming hardware.
- 7) \$500 on property away from the **residence premises**, used at any time or in any manner for any **business** purpose in or upon a **motor vehicle** at the time of loss.
- 8) \$250 for loss of or damage to tapes, records, discs or other media from use with any electronic apparatus while such property is in or upon a **motor vehicle**.
- 9) \$1,500 for loss of or damage to securities and manuscripts.
- 10) \$200 for loss of or damage to money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, and medals.
- 11) \$1,000 for loss of or damage to sports cards, stamps, coins and all other philatelic and numismatic property.
- 12) \$1,500 for loss of or damage to trailers not used with watercraft.
- 13) \$1,500 for loss of or damage to watercraft or **aircraft** and their furnishings, equipment and motors.
- 14) \$1,000 in the aggregate for loss or damage by theft of furs.
- 15) \$2,500 for loss or damage by theft of firearms.
- 16) \$500 for loss to any sports equipment or goods
- 17) \$2,500 in the aggregate for loss or damage by theft of silverware, silver plated ware, gold ware, gold plated ware and pewter ware. This includes hollow ware and flatware.

18) \$1,000 Coverage for loss or damage by theft of watches, jewelry, precious and semiprecious stones and metals is limited in the aggregate to the amount of insurance shown on the Declarations Page for unscheduled jewelry.

19) **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 or \$2,500 whichever is greater.

However, this limitation does not apply to property:

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

ALL SUBJECT TO THE FOLLOWING EXCLUSIONS

1) **PROPERTY NOT COVERED BY THIS INSURANCE;**

- a) Animals, meaning all living things except plants.
- b) **Motor Vehicle**
- c) Land and land values.
- d) Real property, other than additions and alterations made by you at your expense during your tenancy at the **residence premises**.
- e) **Aircraft** and parts.
- 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**.
- h) Property rented or held for rental to others off the **residence premises**.
- i) Credit cards or fund transfer cards except as provided in additional coverage section **f** underpart **5** of this **Property Section**
- j) **Business** data, including such data stored in;
 - i. Books of account, drawings or other paper records; or
 - ii. Electronic data processing tapes, wires, records, discs or other software media

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

2) LOSS NOT COVERED BY THIS INSURANCE

We do not insure you against loss of or damage to covered property resulting directly or indirectly from any of the following, however caused:

- a) Loss or damage from earthquake. If fire or explosion ensues, **we** will be liable only for the ensuing direct damage from the fire or explosion.
- b) Ordinance or law, meaning any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal or any resulting debris. This also includes the requirements of which results in a loss in value to property or 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**. This exclusion does not apply to the amount of coverage that may be provided for under **ALL SUBJECT TO THE FOLLOWING ADDITIONAL COVERAGES, ORDINANCE OR LAW.**
- c) Loss or damage from earth movement, including landslide, mudflow, and earth sinking, rising or shifting. If fire or explosion ensues, we will be liable only for the ensuing direct damage from the fire or explosion.
- d) Water Damage, meaning:
 - i. Flood, including but not limited to flash 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 or storm surge.
 - ii. Water or waterborne material which backs up through sewers or drains or which overflows from a sump, sump pump, or related equipment; or
 - iii. water below the surface of the ground, including water which exerts pressure on or seeps, leaks or flows through a building, sidewalk, driveway, foundation, patio, swimming pool or other structure.

This exclusion applies to, but is not limited to, escape, overflow, or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system whether natural, man-made, or otherwise made

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

- e) Wear and tear, deterioration, mechanical breakdown, inherent vice, latent or patent defect, rust, mold, wet or dry rot, insects or vermin. If fire, explosion or damage from water not otherwise excluded ensues, we will be liable only for the ensuing direct damage from the fire, explosion or water not otherwise excluded.
- f) Unexplained or mysterious disappearance.
- g) Hostile or warlike action in time of peace or war, insurrection, rebellion, revolution, civil war, usurped power, or action taken in hindering, combating, or defending against such an occurrence or against actual, impending, or expected attack by:
 - i. any government or sovereign power (de jure or de facto) or by any authority maintaining or using military or naval or air forces; or
 - ii. military, naval or air forces; or
 - iii. an agent of any such government, power, authority, or forces.

It is understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces.

- h) Nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing.
- i) Willful, fraudulent, or intentional acts committed by or at the direction of any **insured** with the intent to cause loss.

However, this exclusion does not apply to deny the **insured's** claim for an otherwise covered property loss under this policy if such a loss is caused by an act of domestic violence by another **insured** under this policy and the **insured** making the claim did not cooperate in or contribute to the creation of the loss and cooperates in any investigation relating to the loss.

This exclusion also does not apply to an innocent co-**insured** who did not cooperate in or contribute to the creation of the loss and cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

If **we** pay a claim pursuant to an act of domestic violence our payment to the **insured** is limited to that insured's insurable interest in the property less any payments, **we** first made to any other party with a secured interest in the property. In no event will **we** pay more than the limit of liability.

- j) Power Failure which 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
- k) Loss or damage from **fungi, wet or dry rot, or bacteria** meaning the presence, growth, proliferation, spread or any activity of **fungi, wet or dry rot, or bacteria**.

This exclusion does not apply;

- i. When **fungi, wet or dry rot, or bacteria** results from fire or lightning; or
- ii. To the extent coverage is provided for in the **fungi, wet or dry rot, or bacteria** part under **ALL SUBJECT TO THE FOLLOWING ADDITIONAL COVERAGES** with respect to loss caused by a **PERIL INSURED AGAINST** other than fire or lightning.

Direct loss by a **PERIL INSURED AGAINST** resulting from **fungi, wet or dry rot, or bacteria** is covered.

l) Loss or damage from discharge of a firearm. This exclusion does not apply to loss by peril of fire caused by the discharge of a firearm unless the hazard is increased by any means within the control or knowledge of the insured.

ALL SUBJECT TO THE FOLLOWING ADDITIONAL COVERAGES

1) DEBRIS REMOVAL

- a) **We** will pay your reasonable expense for the removal of:
 - i) Debris of covered property if a peril insured against that applies to the damaged property causes the loss; or
 - ii) 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 \$500, for the removal from the **residence premises** of
 - i) **Your** tree(s) felled by the peril of windstorm or hail;
 - ii) **Your** tree(s) felled by the peril of weight of ice, snow, sleet or;
 - iii) A neighbor's tree(s) felled by a peril insured against under this **Property Section**;

Provided the tree(s) damages a covered structure. The \$500 limit is the most **we** will pay in one **accident** or loss regardless of the number of fallen trees.

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.
- c) This coverage does not:
 - i) Increase the limit of liability that applies to the covered property; or
 - ii) Relieve **you** of **your** duties in case of a loss to covered property described in **ALL SUBJECT TO THE FOLLOWING CONDITIONS, part C, iv.**

3) FUNGI, WET OR DRY ROT, OR BACTERIA SCHEDULE

These limits of liability apply to the total of all loss or costs payable under this section, regardless of the number of losses, the number of claims made, or the number of locations insured under this section and listed in this Schedule	LIMIT
Property Section- Coverage Limit of Liability for the Additional Coverage "Fungi", Wet or Dry Rot, or Bacteria	\$5, 000

- a) The amount shown in the Schedule under this coverage

is the most will **we** pay for;

- i) The total of all loss payable under the Property Section caused by **fungi**, wet or dry rot, or bacteria;
 - ii) The cost to remove the **fungi**, wet or dry rot, or bacteria from property covered under the Property Section
 - iii) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi**, wet or dry rot, or bacteria; and
 - iv) The cost of testing of air or property to confirm the absence, presence, or level of **fungi**, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of fungi, wet or dry rot, or bacteria.
- b) The coverage described in 3.a. only applies when such loss or costs are a result of a PERIL INSURED AGAINST that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the PERIL INSURED AGAINST occurred.
 - c) The amount shown in the schedule under this additional coverage is the most **we** will pay for the total of all loss or costs payable under this additional coverage regardless of the;
 - i) Number of locations insured under this section; or
Number of claims made
 - d) If there is covered loss or damage to covered property, not caused, in whole or in part by **fungi**, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this additional coverage, except to the extent that **fungi**, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this additional coverage.

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

4) 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 10% of the limit of liability that applies to personal property 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) 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.

5) CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY

- a) **We** will pay up to \$500 for:
 - i) 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;
 - ii) 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.
 - iii) Loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
 - iv) 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:
 - i) Use of a credit card, electronic fund transfer card or access device:
 - (1) By a resident of your household;
 - (2) By a person who has been entrusted with

either type of card or access device; or

(3) If an **insured** has not complied with all terms and conditions under which the cards are issued or the devices accessed; or

ii) Loss arising out of **business** use or dishonesty of an **insured**.

c) If the coverage in (1) above applies, the following defense provisions also apply:

i) **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.

ii) If a suit is brought against an **insured** for liability under (1)(a) or above, **we** will provide a defense at our expense by counsel of our choice

iii) **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 (1)(c) above.

6) 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 personal property, other than:

i) Earthquake; or

ii) 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) Section 1 POLICY PERIOD under CONDITIONS APPLYING TO ALL COVERAGES does not apply to this coverage.

This coverage is additional insurance.

7) 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:
 - i) A building or any part of a building that is in danger of falling down or caving in;
 - ii) A part of a building that is standing, even if it has separated from another part of the building; or
 - iii) 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:
 - i) The perils insured against;
 - ii) 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;
 - iii) 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;
 - iv) Weight of contents, equipment, animals or people;
 - v) Weight of rain which collects on a roof; or
 - vi) 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 (4)(b) through (f) 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.

8) GLASS OR SAFETY GLAZING MATERIAL

a) **We** cover:

- i) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered as BUILDING ADDITIONS AND ALTERATIONS;
 - ii) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered as BUILDING ADDITIONS AND ALTERATIONS when caused directly by earth movement; and
 - iii) 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.
 - iv) This coverage does not include loss: To covered property which results because the glass or safety glazing material has been broken, except as provided in (1)(c) above; or
 - v) 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 (1)(b) above. A dwelling being constructed is not considered vacant.
- b) This coverage does not increase the limit of liability that applies to the damaged property.
 - c) Loss to glass covered under this part 8, will be settled on the basis of replacement with the safety glazing materials when required by ordinance or law.

9) BUILDING ADDITIONS AND ALTERATIONS

We cover under personal property the building improvements or installations, made or acquired at **your** expense, to that part of the **residence premises** used exclusively by **you**. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to personal property.

This coverage is additional insurance.

10) ORDINANCE OR LAW

- a) **You** may use up to 10% of the limit of liability that applies to BUILDING ADDITIONS AND ALTERATIONS for
 - i) the increased costs **you** incur due to the enforcement of any ordinance or law which requires or regulates
 - ii) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a peril insured against;
 - iii) 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
 - iv) 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 (1) above.
- c) **We** do not cover:
 - i) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - ii) 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.

11) GRAVE MARKERS

We will pay up to \$2,500 for grave markers, including mausoleums, on or away from the **residence premises** for loss caused by a peril insured against. This coverage does not increase the limits of liability that apply to the damaged covered property.

ALL SUBJECT TO THE FOLLOWING CONDITIONS

a) DEDUCTIBLE

We will be liable for no more than the amount by which any loss exceeds the Deductible amount specified on the Declarations Page.

b) BASIS OF LOSS PAYMENT

Your Personal Property and Additions and Alterations

- i) If lost or damaged property is not repaired or replaced, payment shall be based on **Replacement Cost Coverage**.
- ii) If lost or damaged property is repaired or when not economically repairable, replaced, payment shall be limited to the amount actually and reasonably expended to repair or replace with new property of like kind and quality without any deduction for depreciation.

You may first make claim for the loss on an **Actual Cash Value** basis. Within one (1) year from the payment of that loss, **you** may make a claim for the additional loss payable by reason of (ii) above.

When the lost or damaged property is part of a set or pair, **we** may:

- elect to repair or replace any part of such set or pair to restore the set or pair to its value before the loss or damage; or
- pay the difference between the **Replacement Cost Coverage** of the property before and after the loss or damage.

Personal Property Rented by You

We will pay for the value of lost or damaged personal property rented to **you** as determined under the terms of the rental agreement. If terms for valuation of the rented property are not otherwise provided for in the rental agreement, payment shall be based on the **Replacement Cost Coverage** of the lost or damaged property not to exceed the cost to repair or replace with new property of like kind and quality without any deduction for depreciation.

Additional Living Expense

We will pay the additional sums actually and necessarily spent because **your residence premises** are no longer tenantable because of direct physical loss of or damage to property at the **residence premises**. Covered loss shall be limited by the time necessary to repair or replace the damaged property at the same location or, if **you** permanently relocate, the time required to do so, or 90 days, whichever is less. Meals are not considered an additional living expense under this policy unless the temporary housing during the time **your residence premises** is not tenantable does not have the sufficient kitchen facilities to prepare meals. Sufficient kitchen facilities are a stove top, oven, cooking utensils, cookware, and refrigerator. If due to a lack of sufficient kitchen facilities meals are paid under this policy, the per diem for meals will be \$60 dollars per **insured** per day. This condition b. (3) is not subject to the Deductible.

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 30 days after **we** receive proof of **your** loss and;

- Reach an agreement with **you**;
- There is an entry of a final judgment; or
- There is a filing of an appraisal award with **us**.

c) DUTIES AFTER A 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:

- i) Give prompt notice to **us** or **our** agent;
- ii) Notify the police in case of loss by theft;
- iii) Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in 5.f. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under the Property Section;
- iv) Protect the property from further damage. If repairs to the property are required, **you** must:
 - (1) Make reasonable and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses
- v) Cooperate with **us** in the investigation of a claim;

- vi) 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;
- vii) As often as **we** reasonably require;
 - Show the damaged property
 - Provide **us** with records and documents **we** request and permit **us** to make copies and;
 - Submit to an examination under oath, while not in the presence of another **insured**, and sign the same;
- viii) Send to **us**, within 60 days after **our** request, **your** signed, sworn proof of loss which sets forth, to the best of **your** knowledge and belief:
 - (1) The time and cause of loss;
 - (2) The interests of all **insureds** and all others in the property involved and all liens on the property;
 - (3) Other insurance which may cover the loss;
 - (4) Changes in title or occupancy of the property during the term of the policy;
 - (5) Specifications of damaged buildings and detailed repair estimates;
 - (6) The inventory of damaged personal property described in (6) above;
 - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - (8) Evidence or affidavit that supports a claim under 5.f. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money under the Property Section, stating the amount and cause of loss.

d) APPRAISAL

If **we** and **you** do not agree on the amount of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and

disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and disinterested umpire. If they cannot agree upon a competent and disinterested 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 state the amount of the loss. If the appraisers submit a report of agreement to **us**, the amount agreed upon will be the amount of the loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed by any two will set the amount of the loss.

Each party will;

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

e) **COMPANY' S OPTION**

We have the option to take all, or any part, of the property at the agreed or appraised value. **We** may also elect to repair, rebuild, or replace the property destroyed or damaged with other of like kind and quality within a reasonable time. To do so, **we** must give **you** notice of our intention so to do within thirty (30) days after receipt of the required statement of loss.

f) **ABANDONMENT**

There can be no abandonment to **us** of any property.

g) **WHEN LOSS PAYABLE**

The amount of loss for which **we** may be liable will be payable sixty (60) days after the required statement of loss is received and agreed to in writing by **us** or the filing with **us** of an arbitration award

as herein provided.

h) **SUIT OR OTHER ACTION**

No suit, arbitration, or other action on this policy for the recovery of any claim shall be sustainable in any court of law or equity or any other forum unless all the requirements of this policy have been complied with and unless commenced within twelve (12) months after the inception of the loss.

i) **OTHER INSURANCE**

If loss covered by this policy is also covered by other insurance, **we** will pay only the proportion of the loss that the limit

of liability that applies under this policy bears to the total

amount of insurance covering the loss.

j) **NO BENEFIT TO BENEFITARY**

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.

k) **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 recovery. At **your** option, the property will be returned or retained by **you** or it will become **our** property. If the recovered property is retained by or returned to **you**, the loss payment will be adjusted based on the amount **you** received for the recovered property.

l) **Volcanic Eruption period**

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

LIABILITY SECTION

BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE

We will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this policy applies.

This policy applies only to **bodily injury** or **property damage**:

- 1) that is caused by an **occurrence**; and
- 2) that occurs while this policy is in effect.

We have the right and duty to defend any such claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at our discretion but:

- 1) the amount **we** will pay for damages is limited as described in the **LIMITS OF LIABILITY** section of this policy.
- 2) **our** right and duty to defend ends when **we** have exhausted the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES**.

EXCLUSIONS

This policy does not apply to:

- 1) **bodily injury** or **property damage** arising out of **business** pursuits of any **insured** except:
 - a) activities which are ordinarily incidental to non-**business** pursuits.
 - b) the rental of a residence of **yours**:
 - i) on an occasional basis for exclusive use as a residence.
 - ii) in part, unless intended for use as a residence by more than two roomers or boarders.
 - iii) in part, as an office, studio or private garage.
- 2) **bodily injury** or **property damage** arising out of rendering of or failing to render professional services.
- 3) **bodily injury** or **property damage** arising out of any premises owned by or rented to any **insured** which is not an **insured location**.
- 4) **bodily injury** or **property damage** arising out of the ownership, operation, maintenance, use, loading or unloading of any **motor vehicle** owned or operated by or rented or loaned to any **insured** or entrusted to any person by any **insured**.
- 5) **bodily injury** or **property damage** arising out of the ownership, operation, maintenance, use, loading, unloading or entrustment of:
 - a) any **aircraft**;
 - b) any watercraft:
 - i) with inboard or inboard-outdrive motor owned by any **insured**;
 - ii) with inboard or inboard-outdrive motor power of more than 50 horsepower rented to any **insured**;
 - iii) that is a sailing vessel 26 feet or more in length owned by or rented to any **insured**;
 - iv) powered by one or more outboard motors with more than 25 total horsepower if the out-board motor(s) is owned by any **insured**.
- 6) any obligation for which **you** are liable as a result of any loss assessment charged against all members of an association

of property owners.

- 7) liability under any contract or agreement entered into by an **insured**. However, this exclusion does not apply to written contracts:
 - a) that directly relate to the ownership, maintenance or use of an **insured location**; and
 - b) where the liability of others is assumed by **you** prior to an **occurrence**;unless excluded in item 6. above or elsewhere in this policy;
- 8) **bodily injury** or **property damage** arising out of nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or uncontrolled or however caused, or due to any consequence of any of these.
- 9) **bodily injury** or **property damage** sustained by any **insured**.
- 10) **bodily injury** or **property damage** caused by or otherwise arising out of the following breeds or breed mixture of dog, owned by or kept by **you**.
 - a) Akita;
 - b) Mastiff;
 - c) Bull terrier;
 - d) Chow or Chow Chow;
 - e) Doberman Pinscher;
 - f) Presa Canario;
 - g) Rottweiler;
 - h) American Pit Bull Terrier, Staffordshire Bull Terrier, American Staffordshire Terrier, all commonly known as Pit Bulls;
 - i) Wolf or Wolf Breed;
 - j) Dogs that have been trained to attack persons, property or other animals;
 - k) Dogs that have been trained to guard persons or property
 - l) Any Dog currently or previously used as a fighting dog or was bred specifically for fighting;
 - m) Any Dog with a prior history of biting or attacking persons, property, or other animals as established through insurance claims records, or through records of local public safety;
 - n) Any Dog rescued from a shelter who has not gone through licensed obedience training; or
 - o) Any Dog that has not had inoculations as required by law

This exclusion applies whether or not the **bodily injury** or **property damage** occurs at an **insured location**.

This exclusion does not apply to guide dogs, hearing dogs, and other service dogs trained to assist the physically challenged.

- 11) **bodily injury** or **property damage** which is intended or expected by any **insured**.
- 12) **bodily injury** or **property damage** caused by the willful act of any **insured**.
- 13) **bodily injury** or **property damage** arising out of the willful violation of a penal statute or ordinance committed by or with the consent of any **insured**.
- 14) **bodily injury** or **property damage** arising out of the vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a **motor vehicle, aircraft, or watercraft**.
- 15) any obligation of any **insured** arising out of fraud committed by any **insured**.
- 16) **bodily injury** or **property damage** arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**. This exclusion does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion a hostile fire is one which is unintended, breaks out from where it was intended to be, or becomes uncontrollable.
- 17) any loss, cost or expense arising out of any governmental direction or request that any **insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, **pollutants**.
- 18) **Bodily injury** arising out of communicable disease of any kind transmitted by any **insured** including sexually transmitted disease.
- 19) **bodily injury** arising out of sexual molestation, corporal punishment or abuse of any person.
- 20) bodily injury to:
 - a) an employee of any **insured** arising out of and in the course of employment by any **insured**; and
 - b) the spouse, child, parent, brother or sister of an employee as a consequence of an injury to that employee.

This exclusion applies whether or not any **insured** may be

liable as an employer or in any other capacity. It also applies to any obligation to share damages with or repay someone else who must pay damages because of the injury. This exclusion does not apply to liability assumed by **you** under a written contract directly relating to the maintenance of the **insured location**.

- 21) **property damage** to property owned by any **insured**.
- 22) **property damage** to property rented to, occupied by or used by or in the care, custody or control of any **insured** unless caused by fire smoke, explosion or water damage.
- 23) **property damage** to premises you have sold, given away or abandoned if the **property damage** arises out of any part of those premises.
- 24) any obligation of any **insured** under a worker's compensation, disability benefits or unemployment compensation law or any similar law or benefits voluntarily provided by any **insured**.
- 25) any amount payable by any **insured** to others as a result of a punitive or exemplary damages judgment.
- 26) Personal injury of any sort, including but not limited to **bodily injury**, psychological or emotional injury, or defamatory injury to reputation.
- 27) **property damage** to property rented to, occupied by or used by or in the care, custody or control of any **insured**, caused by discharge of a firearm. This exclusion does not apply to loss by peril of fire caused by the discharge of a firearm unless the hazard is increased by any means within the control or knowledge of the insured.

MEDICAL PAYMENTS TO OTHERS COVERAGE

We will pay medical and funeral expenses which result from **bodily injury** caused by an **accident** provided that:

- 1) the **accident** takes place while the policy is in effect; and
- 2) the **accident** takes place at any **residence premises**; and
- 3) the expenses are incurred and reported to **us** within three (3) years of the date of the **accident**.

EXCLUSIONS

This policy does not apply to medical payments expenses resulting from **bodily injury** to any person:

- 1) who is an **insured**.
- 2) who is a tenant or an employee of a tenant of any **insured**.
- 3) who is an employee of any **insured**, if benefits for the **bodily**

injury are payable or must be provided under a workers compensation or disability benefits law or a similar law.

- 4) who is injured while taking part in athletics.
- 5) who is injured due to war, whether or not declared, or any act or condition incidental to war. War includes civil war, insurrection, rebellion or revolution.
- 6) to whom the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than an **insured contract**.
- 7) whose injuries arise out of the ownership, maintenance, use or entrustment to others of any **aircraft, motor vehicle**, or watercraft owned or operated by or rented or loaned to any **insured**. Use includes loading or unloading.
- 8) whose injuries arise out of any **business activities** conducted by any **insured**.
- 9) whose injuries arise from the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**.
- 10) who suffers **bodily injury** from any nuclear reaction, nuclear radiation or radioactive contamination however any of these may be caused, nor to any consequence of any of these.
- 11) Personal injury of any sort, including but not limited to **bodily injury**, psychological or emotional injury, or defamatory injury to reputation.

SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES

With respect to any claim or suit **we** defend under this policy, we will pay in addition to the limit of insurance shown on the Declarations Page:

- 1) For all of the following:
 - a) all expenses **we** incur.
 - b) the premium for bonds to release attachments but only for bond amounts within the Personal Liability limit of insurance shown on the Declarations Page. **We** do not have to furnish or obtain these bonds.
 - c) all reasonable expenses incurred by the **insured** at **our** request to assist **us** in the investigation or defense of the claim or suit including actual loss of earnings of up to \$100 a day because of time off from work.
 - d) All costs taxed against the **insured** in the suit.
 - e) pre-judgment interest awarded against the **insured** on that part of the judgment **we** pay. If **we** make an offer to

pay the applicable limit of insurance, **we** will not pay any pre-judgment interest based on that period of time after the offer.

- f) All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- 2) expenses for first aid to others incurred by any **insured** for **bodily injury** covered by this policy.
- 3) up to \$500 for damage to property of others caused by any **insured** per **occurrence**.

We will not pay under this additional coverage:

- a) for damage arising out of any waterbed owned or used by any **insured**.
- b) for property owned by or rented to any **insured**, any **insured's** tenant or any resident of your household, except as described in item 5 below.
- c) for damage caused intentionally by any **insured** age 13 or older.
- d) for damage arising out of **business** pursuits or out of the ownership, maintenance or use of any **aircraft**, watercraft or **motor vehicle**.
- 4) up to \$10,000 for damage to property of others arising out of any waterbed owned or used by any **insured** at the **residence premises**.
- 5) up to \$500 per **occurrence** for damage to real property of the **landlord** in the **residence premises** if such damage is caused by an **insured** and results from fire, smoke, explosion, or water damage.
- 6) **Fungi**, wet or dry rot, or bacteria;

SCHEDULE

These limits of liability apply to the total of all loss or costs payable under this section, regardless of the number of losses, the number of claims made, or the number of locations insured under this section and listed in this Schedule	LIMIT
Liability Section- Aggregate Sublimit of Liability for "Fungi", Wet or Dry Rot, or Bacteria	\$ 10, 000

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

ALL SUBJECT TO THE FOLLOWING CONDITIONS

- 1) **LIMITS OF LIABILITY**

Our total liability under Personal liability coverage for all damages resulting from any one **occurrence** will not be more than the coverage limit of liability shown in the Declarations for this coverage. This limit is the same regardless of the number of **insureds**, claims made or persons injured. All **bodily injury** or **property damage** resulting from any one **accident** or act including continuous or repeated exposure to the same harmful conditions shall be considered to be the result of one **occurrence**.

Our total liability under Medical Payments to others for all medical expense payable for **bodily injury** to one person as the result of one **accident** will not be more than the limit of liability shown in the Declarations for this coverage.

However, **our** total liability under Personal Liability coverage for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi**, wet or dry rot, or bacteria will not be more than the Aggregate Sublimit of Liability for **fungi**, wet or dry rot, or bacteria provided in the Schedule for the **FUNGI, WET OR DRY ROT, OR BACTERIA** part of the **SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES** under the **LIABILITY SECTION**. This is the most we will pay regardless of the;

- a) Number of locations insured under the policy;
- b) Number of person injured;
- c) Number of person whose property is damaged;
- d) Number of **insureds**; or
- e) Number of **occurrences** or claims made

This sublimit is within, but does not increase the Personal Liability coverage limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations.

2) SEVERABILITY OF INSURANCE

This insurance applies separately to each **insured** except with respect to the aggregate sublimit of liability described in the schedule for the **FUNGI, WET OR DRY ROT, OR BACTERIA** part of the **SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES** under the **LIABILITY SECTION**. This condition will not increase the limit of liability for this coverage.

3) PAYMENT OF CLAIM - MEDICAL PAYMENTS TO OTHERS

Payment under this coverage is not an admission of liability by

any **insured** or by **us**.

4) **BANKRUPTCY**

Bankruptcy or insolvency of any **insured** or any **insured's** estate will not relieve **us** of our obligation.

5) **DUTIES OF AN INJURED PERSON - MEDICAL PAYMENTS TO OTHERS**

a) The injured person or someone acting on behalf of the injured person shall:

i) give **us** written proof of claim, under oath if required, as soon as is practical.

ii) execute authorization to allow **us** to obtain copies of medical reports and records.

b) The injured person shall submit to physical examination by a physician selected by **us** when and as often as **we** reasonably require.

6) **YOUR DUTIES IN THE EVENT OF AN OCCURRENCE, ACT, CLAIM OR SUIT**

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:

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

i) The identity of the policy and the **insured shown** in the Declarations.

ii) Reasonably available information on the time, place and circumstances of the **occurrence**; and

iii) Names and addresses of any claimants and witnesses;

b) Cooperate with **us** in the investigation, settlement or defense of any claim or suit;

c) Promptly forward to **us** every notice, demand, summons or other process relating to the **occurrence**;

d) At our request, help **us**:

i) To make settlement;

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

iii) With the conduct of suits and attend hearings and

trials; and

- iv) To secure and give evidence and obtain the attendance of witnesses;
- e) With respect to SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES Item 3. and Item 4. under the Liability Section, 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;
- f) 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**.

CONDITIONS APPLYING TO ALL COVERAGES

1) POLICY PERIOD

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

2) CONCEALMENT, MISREPRESENTATION OR FRAUD

With respect to all **insureds** covered under this policy, **we** will provide no coverage for loss if, whether during or after a loss, an **insured** has;

- a) Intentionally concealed or misrepresented any material fact or circumstance; or
- b) Material to the acceptance of the risk; or
- c) Engaged in fraudulent conduct relating to this insurance.

3) WAIVER OR CHANGE OF POLICY PROVISIONS

A waiver or change of any provision of this policy must be in writing by **us** to be valid. A request for an arbitration or examination under oath shall not waive any of **our** rights or any of **your** rights.

4) 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:

- a) A subsequent edition of this policy; or
- b) An amendatory endorsement.

5) CANCELLATION & NONRENEWAL

- a) **You** may cancel this policy at any time by returning it to **us** or by notifying us of the date cancellation is to take effect.
- b) If this policy has been in effect for sixty (60) days or less and is not a renewal, **we** may cancel this policy for:
 - i) Non-payment of premium by giving **you** ten (10) days written notice; or
 - ii) Any other reason by giving **you** ten (10) days written notice

Notice will be mailed to the mailing address shown in the Declarations Page or mailed to the electronic mailing address on file if **you** have agreed to receive electronic communication, and proof of mailing will be sufficient proof of notice.

- c) If this policy has been in effect for more than sixty (60) days or is a renewal, **we** may cancel this policy for:
 - i) non-payment of premium by giving **you** ten (10) days written notice; or
 - ii) any of the following reasons by giving **you** thirty (30) days written notice:
 - (1) discovery of fraud or material misrepresentation of fact which if known to **us** would have caused us not to issue the policy, by:
 - (a) **you** or **your** representative in obtaining this policy; or
 - (b) **you** or **your** representative in pursuing a claim under this policy.
 - (2) a judgment by a court or an administrative tribunal that **you** have violated a Federal law or a law of the state in which the **residence premises** is located. The judgment must have as one of its necessary elements an act which materially increases any of the risks insured against.
 - (3) discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations setting safety standards, by **you** or **your** representative,

which materially increase any of the risks insured against.

- (4) If the risk has changed substantially since the policy was issued, except to the extent that the insurer should have reasonably foreseen the change or contemplated the risk in underwriting the policy; or
- (5) If **you** fail to take reasonable steps to eliminate or reduce any conditions in or on the premises which contributed to a loss in the past or will increase the probability of future losses.
- (6) a determination by the Commissioner of Insurance that the:
- (7) loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
- (8) continuation of the insurance coverage would place us in violation of the laws of the state in which this policy was issued or where **we** are domiciled or would threaten our solvency.

Written notice will be mailed to the mailing address shown in the Declarations Page or mailed to the electronic mailing address on file if **you** have agreed to receive electronic communication from **us**, and proof of mailing will be sufficient proof of notice.

We will also mail such notice of cancellation or nonrenewal to each mortgagee or other person or entity shown on this policy to have an insurable interest in the covered property. However, failure to mail such a notice shall not impose any obligation or liability of any kind upon **us**.

We will state the reason for cancellation or nonrenewal on the written notice. Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

- d) **We** may elect not to renew this policy for any reason by giving **you** at least thirty (30) days written notice to be effective at the end of the policy period.

If **our** nonrenewal decision is based on the condition of the premises, **you** will be given thirty (30) days notice to remedy the identified conditions. If the identified conditions are remedied to **our** satisfaction, coverage will be renewed. If the identified conditions are not remedied to **our** satisfaction, **you** will be given an additional thirty (30) days upon payment of premium, to correct the defective condition.

e) Pursuant to A.R.S. 20-1109, all statements and descriptions in any application for an insurance policy or in negotiations therefor, by or in behalf of the insured, shall be deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts, and incorrect statements shall not prevent a recovery under the policy unless:

- i) Fraudulent.
- ii) Material either to the acceptance of the risk, or to the hazard assumed by the insurer.
- iii) The insurer in good faith would either not have issued the policy or would not have issued the policy in as large amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insured as required either by the application for the policy or otherwise.

If all conditions listed above are met, the policy will be void and rescinded.

f) When the **landlord** requires evidence of personal liability insurance coverage to satisfy the financial responsibility requirements of a lease or rental agreement, we will also mail a copy of any notice of cancellation or nonrenewal to the **landlord** where evidence of coverage under this policy has been provided by us to comply with the **insured's** lease requirement. However, failure to mail such a notice shall not impose any obligation or liability of any kind upon **us**.

Written notice will be mailed to the mailing address shown in the Declarations Page or mailed to the electronic mailing address on file if **you** have agreed to receive electronic communication from **us**, and proof of mailing will be sufficient proof of notice.

6) OTHER INSURANCE

This policy is excess over any other insurance except insurance written specifically to cover as excess over the limits of insurance that apply in this policy. **We** have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, **we** will do so, but **w e** will be entitled to the **insured' s** right s against any such other insurer.

7) **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If the **insured** has rights to recover all or part of any payment we have made under this policy, those rights shall be transferred to us. The **insured** shall do nothing to impair said rights. At our request, the **insured** shall help us to enforce them.

If **we** pay an **insured**, who is the victim of domestic violence, for a loss caused by an act of domestic violence, the rights of that **insured** to recover damages from the perpetrator of the violence are transferred to **us** to the extent of **our** payment. Following the loss, that **insured** may not waive such rights to recover against the perpetrator of the domestic violence.

8) **LEGAL ACTION AGAINST US**

- a) No person or organization has a right under this policy:
 - i) to join us as a party or otherwise bring **us** into any suit or action against any **insured**.
 - ii) to sue **us** under this policy unless all of its terms have been fully complied with.
- b) A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against any **insured** obtained after an actual trial. However, **we** will not be liable for damages that are not payable under the terms of this policy.

An agreed settlement means a settlement and release of liability signed by **us**, the **insured** and the claimant or

9) **TRANSFER OF YOUR RIGHTS AND DUTIES**

Your rights and duties under this policy may not be transferred without our written consent. If you die, your rights and duties will be transferred to your legal representative but only while acting as your legal representative.

10) **ATTACHMENT OF COVERAGE**

Coverage under this policy shall commence upon the inception date shown on the Declarations Page at 12:01 AM standard time at the place of issuance, or upon occupancy by the **insured** of the **residence premises** whichever occurs later. Coverage shall remain in effect until the cancellation date or expiration date of the policy, whichever is earlier.

