

Filing: 05-00233

Florida Department of Financial Services



APPROVED

Date Received: **JAN 7 2005** Date of Action: **MAR 16 2005**
Atlantic Mutual Insurance Company
Centennial Insurance Company
Administrative Center
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March 16, 2005

Honorable Kevin M. McCarty
Commissioner, Office of Insurance Regulation
Property & Casualty Forms & Rates
P.O. Box 7700
Tallahassee, Florida 32314-7700

RE: Homeowner – Forms
Two-company/Ex Wind Program
Company Filing Number: 2644A

Atlantic Mutual Insurance Company 024-19895
Centennial Insurance Company 024-19909

Dear Commissioner McCarty:

On behalf of the above captioned companies, we hereby submit for your Department's approval the attached form changes. Please see the attached Filing Memorandum which details all of the changes requested.

We are proposing an implementation date for all new business policies effective on April 01, 2005 and May 20, 2005 for renewals.

We trust that you will find this submission acceptable and look forward to your Department's approval.

Sincerely,

Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Companies
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**ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY**

HOMEOWNERS

FILING MEMORANDUM

FLORIDA

As discussed previously with the Office of Insurance Regulation, the purpose of this comprehensive filing is to attain adequate wind and ex-wind rates in our full coverage Homeowners programs in Atlantic Mutual Insurance Company and Centennial Insurance Company. The proposed changes are supported both by our own experience and our primary competitor's rates.

Under separate cover, we have filed to discontinue our program in Atlantic Specialty Insurance Company (ASIC). The ASIC program accommodated risks that were eligible for wind coverage through Citizens Property Insurance Corporation. These risks will now be written in Atlantic and Centennial with a wind exclusion. In general, we expect to maintain the rate level for ex-wind business currently established in ASIC.

In addition to the rate and rule filing, we are filing revisions to our Homeowners New Business Underwriting Guidelines and updates to our Homeowners forms, including a contract revision.

The proposed effective dates for this filing are April 1, 2005 for new business and May 20, 2005 for renewals.

**ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY**

HOMEOWNERS

**FORMS
FILING MEMORANDUM**

FLORIDA

We would like to introduce the latest version of our Home contract with this filing. The Home 10/01 edition will replace the Home-A-12/98 and Home 61 (08/01) – Florida Enhanced Coverage Endorsement. The Home 61 was attached to all policies to enhance coverage. A coverage comparison is provided for your review in Exhibit 3.

In addition, we are eliminating the Home-N-12/98 contract. This contract was used to provide named peril coverage. We will now provide named peril coverage by endorsement. Home 133 (12/04) – Florida Personal Property Named Peril Endorsement will be attached to policies without the Home 30 (12/98) – Windstorm of Hail Exclusion. Home 134 (12/04) – Florida Personal Property Named Peril Endorsement will be attached to policies with the Home 30 (12/98) attached. The coverage provided under the endorsed Home 10/01 contract and the Home-N-12/98 contract will be the same, except for the changes summarized in the Exhibit 3. The credit for named peril coverage will remain the same.

Home 22 (12/98) Water Back-Up of Sewers and Drains will be updated to the (07/01) version. This form will no longer be optional. It will now be attached to all policies. No additional charge will be assigned to this form. The rate for this coverage will be considered in the base rates.

Various other forms will be updated, introduced, or eliminated to accommodate the new contract edition. Exhibit 2 provides a summary of all proposed changes to the previously approved forms.

In addition to Home 133 and Home 134 referenced above, we are filing to introduce the Home 129 (12/04) – Rental Property Endorsement – Excluding Wind. This endorsement will be used only for locations eligible for coverage in CPIC and rented to others. This endorsement mirrors the coverage in the approved Home 101 (07/03) except that wind is not a covered peril.

Exhibit 1 provides a revised Forms List. Copies of all new and revised forms have also been included for your review.

Florida Home Forms List

<u>Form Number</u>	<u>Form Name</u>
ATL - 1	(01/01) Mutual Policy Conditions
ATL - 2	(12/98) Important Notice
ATL - 12	(04/01) Notice of Insurance Information Practices
ATL - 22	(11/03) Florida – Ex-Wind New Business Letter – Package Policy
ATL - 23	(11/03) Florida – Ex-Wind New Business Letter – Non-Package Policy
HOME	(10/01) Home Contract
HOME - 1	(12/98) Loss Assessment Coverage - Earthquake
HOME - 2	(12/98) Condominium Rented to Others
HOME - 3	(12/98) Unattached Other Structures
HOME - 4	(12/98) Unattached Structures Rented to Others
HOME - 5	(12/98) Additional Insured-Residence Coverage
HOME - 6	(12/98) Office, Professional, Private School or Studio Use
HOME - 7	(12/98) Office, Professional, Private School or Studio Use - Other Structures
HOME - 8	(12/98) Office, Professional, Private School or Studio Use - Other Residences
HOME - 9	(08/01) Earthquake Coverage
HOME - 11	(12/98) Additional Residence - Owned or Rented
HOME - 12	(12/98) Special Limits for Some Kinds of Property
HOME - 13	(12/98) Incidental Farming Personal Liability
HOME - 14	(07/01) Business Pursuits
HOME - 16	(07/01) Builders Risk
HOME - 17	(12/98) Rating Information – Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel
HOME - 18	(07/01) Work At Home Coverage
HOME - 19	(07/01) Golf Club Member
HOME - 20	(07/01) Skeet and Trap Club Members
HOME - 21	(09/01) Professional Endorsement
HOME - 22	(07/01) Water Back-Up of Sewers and Drains
HOME - 23	(12/98) Increased Loss Assessment
HOME - 24	(06/99) Special Endorsement
HOME - 25	(12/04) Florida Summary of Coverages
HOME - 27	(12/04) Florida Home Endorsement
HOME - 29	(07/01) Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel
HOME - 30	(12/98) Windstorm or Hail Exclusion
HOME - 31	(12/04) Windstorm – Exterior Paint or Waterproofing Exclusion – Seacoast
HOME - 35	(12/98) Hurricane Percentage Deductibles – Dwelling
HOME - 36	(12/98) Hurricane Percentage Deductibles – Tenant/Condo
HOME - 40	(12/98) Policyholder Letter (Hurricane Deductible)
HOME - 41	(12/98) Lender's Loss Payable Endorsement
HOME - 42	(07/01) Watercraft Liability
HOME - 43	(12/98) Florida Disclosure Notice
HOME - 44	(12/98) Hurricane Deductible
HOME - 56	(08/02) Deductible Reserve Endorsement
HOME - 79	(09/02) Limited Coverage for Fungi, Wet or Dry Rot, or Bacteria
HOME - 101	(07/03) Rental Property Endorsement
HOME - 128	(12/04) Florida Home Endorsement
HOME - 129	(12/04) Rental Property Endorsement – Excluding Wind
HOME - 133	(12/04) Florida Personal Property Named Peril Endorsement
HOME - 134	(12/04) Florida Personal Property Named Peril Endorsement – Excluding Wind

EXHIBIT 2 - FLORIDA FORMS CHANGES SUMMARY

Form	Edition	Name	Explanation
HOME - A	12/98	Comprehensive Coverage Contract – All Risk	Update to Home 10/01 contract (coverage comparison provided)
HOME - N	12/98	Special Coverage Contract – Named Perils	Replaced by Home 10/01 contract and Home 133 and Home 134 (named peril endorsements)
HOME - 1	12/98	Loss Assessment Coverage – Earthquake	No Change
HOME - 2	12/98	Condominium Rented to Others	No Change
HOME - 3	12/98	Unattached Other Structures	No Change
HOME - 4	12/98	Unattached Other Structures Rented to Others	No Change
HOME - 5	12/98	Additional Insured – Residence Coverage	No Change
HOME - 6	12/98	Office, Professional, Private School or Studio Use	No Change
HOME - 7	12/98	Office, Professional, Private School of Studio Use – Other Structures	No Change
HOME - 8	12/98	Office, Professional, Private School or Studio Use – Other Residences	No Change
HOME - 9	12/98	Earthquake	Update to 08/01 version with no change in coverage
HOME - 11	12/98	Additional Residence Rented to Others	No Change
HOME - 12	12/98	Special Limits for Some Kinds of Property	No change
HOME - 13	12/98	Incidental Farming Personal Liability	No change
HOME - 14	12/98	Business Pursuits	Update to 07/01 version with no change in coverage
HOME - 16	12/98	Builders Risk	Update to 07/01 version with no change in coverage
HOME - 17	12/98	Rating Information – Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel	No change
HOME - 18	12/98	Work At Home Coverage	Update to 07/01 version with no change in coverage
HOME - 19	12/98	Golf Club Member	Update to 07/01 version with no change in coverage
HOME - 20	12/98	Skeet and Trap Club Members	Update to 07/01 version with no change in coverage

Form	Edition	Name	Explanation
HOME - 22	12/98	Water Back-Up Coverage	Update to 07/01 version. This form will no longer be optional. It will be attached to all policies.
HOME - 23	12/98	Increased Loss Assessment	No change
HOME - 24	06/99	Special Endorsement	No change
HOME - 25	12/98	Florida Summary of Coverages	Update to 12/04 version to reflect contract update
HOME - 27	08/01	Florida Home Endorsement	Updated to 12/04 version adding language to the Intra-Family Liability exclusion for personal injury.
HOME - 29	12/98	Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel	Update to 07/01 version with no coverage change
HOME - 30	12/98	Windstorm or Hail Exclusion	No change
HOME - 31	12/98	Windstorm – Exterior Paint or Waterproofing Exclusion – Seacoast	Update to 12/04 version with no coverage change
HOME - 33	12/98	Important Notice – Home Deductibles	Deleted as no longer necessary
HOME - 35	12/98	Hurricane Percentage Deductibles – Dwellings	No change
HOME - 36	12/98	Hurricane Percentage Deductibles – Tenant/Condo	No change
HOME - 40	12/98	Policyholder Letter (Hurricane Deductible)	No change
HOME - 41	12/98	Lender's Loss Payable Endorsement	No change
HOME - 42	12/98	Watercraft Liability	Update to 07/01 version with no coverage change
HOME - 43	12/98	Florida Disclosure Notice	No change
HOME - 44	12/98	Hurricane Deductible	No change
HOME - 56	08/02	Deductible Reserve	No change
HOME - 61	08/01	Florida Enhanced Coverage Endorsement	Eliminated because coverages provided in new contract
HOME – 62	08/01	Florida Professional Coverage Endorsement	Replaced with Home 21 (08/01) which is consistent with new contract. No change in coverage
HOME - 79	08/02	Limited Mold Coverage	Update to 09/02 version with no change in coverage
HOME - 101	07/03	Rental Property Endorsement	No change. Only to be used when wind coverage is provided
HOME - 128	07/03	Florida Home Endorsement	Updated to 12/04 version adding language to the Intra-Family Liability exclusion for personal injury.

**INTRODUCTION: IMPORTANT INFORMATION ABOUT YOUR
HOME POLICY**

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YOUR AGREEMENT WITH US

This document is *your* actual homeowner insurance policy. The Declarations Page and any endorsements named on the Declarations Page are included in it. Throughout this policy, the words *you*, *your*, and *yours* mean each person named on the Declarations Page, and his or her spouse if they live together. The words *we*, *us*, *our*, and *ours* mean the company named on the Declarations Page.

This policy is a contract between *you* and *us*. *We* agree to give *you* the insurance described in this policy, in exchange for *you* paying *your* premium and following the rules of this policy.

We wrote *your* Home Policy in clear, plain English so *you* can easily understand it. Read it and become familiar with its terms. This can save *you* time and money in case of an accident or loss.

Policy period. *Your policy period* starts and ends at the times shown on the Declarations Page, unless this policy is cancelled by *you* or *us*. *We'll* pay **only** for *bodily injury, personal injury, property damage* or loss that takes place during the *policy period* and is caused by an *occurrence*.

Definitions. Some words and phrases need to be defined, so *you* can know exactly what *you're* insured for. *We* tell *you* these definitions in the Glossary at the end of this policy. When used throughout this policy, these defined words will appear in italic typeface, *like this*.

HOW TO USE THIS POLICY

We hope *you* never have an *occurrence* or suffer any losses. But if *you* do, *our* job is to protect *you* against the financial consequences. *We* wrote *your* Home Policy to make it easy for *you* to know what *you're* covered against. After an *occurrence* or loss, simply answer these three questions:

1. Is the property or liability covered?

We describe each coverage in sections called "What We Cover". To find out if *we* cover something *you* or a *family member* owns, read this section in "Part I: Your Property Coverage". To find out if *we'll* pay for damages or *medical expenses* after an accident, read this section in "Part II: Your Liability Coverage". *We* also cover many other expenses related to an *occurrence* or loss. *We* describe these in sections called "Extra Benefits".

2. Is it a type of occurrence or loss we won't pay for?

In this policy *we* tell *you* about the *occurrences* and losses *we* **won't** pay for instead of the ones *we* **will** pay for.

When *we* tell *you* about each coverage, *we* describe certain circumstances when *we* won't pay. *We* call these circumstances *exclusions*. *You* are covered against risks of *direct loss* not mentioned in these *exclusions*.

Under "Your Property Coverage", *we* tell *you* these *exclusions* in sections called "Losses We Won't Pay For". Under "Your Liability Coverage", *we* tell *you* these *exclusions* in sections called "Damages We Won't Pay". *You'll* find a complete list of *exclusions* in these sections.

3. How much will we pay?

Your coverage limits and *deductibles* are printed on *your* Declarations Page. At the end of *your* Home Policy, *we* tell *you* what these limits and *deductibles* mean in a section called "How Much We'll Pay". *We* also tell *you* the things *you* have to do after an *occurrence* or loss, and list some other rules that apply to *your* insurance.

WHO WE INSURE

Your Home Policy provides insurance for *you* and most of the people who are closest to *you*. Naturally, *we* have to carefully define who these people are. When *we* tell *you* about each coverage, *we* tell *you* exactly who is an *insured person* under that coverage. And, for *your* convenience, *we* also tell *you* here.

1. We Insure You

You are an *insured person* under every coverage in *your* Home Policy. Remember, this includes *your* spouse if he or she lives with *you*.

2. We Insure Your Family Members

Your family members are also *insured persons* under every coverage in this policy. This includes all the following people, but **only** if they are residents of *your* household:

- *your* children;
- *your* other relatives; and
- other people under 21 years of age, such as wards, who are in the care of *you* or a *family member*.

3. We Insure Some Other People and Organizations.

There are some situations when other people may be insured by this policy. To meet these needs, *your* Home Policy expands the definition of *insured person* in special situations.

Under **Personal Liability** and **Medical Expenses** coverage, *insured person* also includes:

- for accidents involving a motor vehicle covered by *your* Home Policy, any person using that vehicle with *your* permission at an *insured place* or while working for *you* or a *family member*; and

- for accidents involving an animal or watercraft owned by *you* or a *family member*, any person or organization with legal responsibility for that animal or watercraft. But this doesn't include a person or organization using or having custody of that animal or watercraft without permission, or in the course of a *business*, trade or job.

PART I: YOUR PROPERTY COVERAGE

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* own are damaged or lost. *We* tell *you* about this coverage in "*Residences and Personal Property*". The specific items *we* cover in each are described in "*What We Cover*".

What kind of losses will *we* pay for? *We* cover *your* property against physical damage or loss, except the ones specifically described in "*Losses We Won't Pay For*". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "*Extra Benefits*".

Who we insure. In all parts of "Your Property Coverage", the words *insured person* include *you* and other *family members*.

RESIDENCES AND PERSONAL PROPERTY

This section tells *you* how *we* cover the places where *you* live and the things *you* and *your* family own.

WHAT WE COVER

A. YOUR RESIDENCES

We cover any one-family or two-family house, condominium, cooperative unit, apartment, or any other type of residence *you* own or rent to live in, named on the Declarations Page, if it is used mainly as an *insured person's residence*. *Residence* includes outdoor possessions.

- **Outdoor Possessions**

Nearly everything on the ground around *your* one-family or two-family house is also covered: *your* garage; *your* swimming pool; *your* outdoor buildings; *your* trees, shrubs and lawn; *your* lawnmow-

ers and maintenance equipment; and construction materials *you* plan to use for *your residence*. *Your* Home Policy covers all these outdoor possessions. But *your* coverage for them is subject to these special rules:

Other Structures. *We* cover most outdoor structures on the grounds, whether or not they are attached to the house. But *we* do **not** cover unattached structures that an *insured person*:

- uses primarily for a *business*, trade or job. However, *we* cover unattached structures containing *business* property owned by an *insured person* as long as the *business* is not conducted there; or
- rents or intends to rent to a person who does not live in a *residence* on those grounds, unless the structure will be used as a garage.

A structure is unattached if it is separated from the *residence* by a clear space, even if it is connected by a fence, utility line or something similar.

Landscaping. *We* cover losses to *your* trees, shrubs, lawn and other plants on the grounds. *We'll* pay for these losses **only** if they're caused by:

- fire, lightning or explosion;
- aircraft;
- riot or civil commotion;
- a vehicle not owned or operated by someone who lives in that *residence*; or
- theft, attempted theft, vandalism or malicious mischief.

We'll pay up to 5% of the dwelling amount shown on the Declarations Page per *occurrence*, but not

more than \$1,500 for any one plant, tree or shrub.
This coverage is additional insurance.

Land Restoration. We will pay up to \$10,000 for costs required to replace, rebuild, stabilize or restore the land necessary to support *your residence* sustaining a loss covered by this policy. This special limit doesn't raise *our* total coverage limit for that *residence*.

B. YOUR PERSONAL PROPERTY

We cover an *insured person's personal property*. This is any physical object *you* own except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* are considered *personal property* unless they are licensed for road use.) At *your* request, we will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by a *family member*.

Territory. We cover *personal property* anywhere in the world.

- **Condominiums, Cooperatives, and Apartments**

If the *residence* named on the Declarations Page is a condominium, cooperative unit, apartment, or any other type of residence *you* rent to live in, we don't cover losses to the *residence* itself because *you* don't own it the way *you* own *your* house. But *your* Home Policy provides for the special needs of unit owners and renters.

We'll pay for loss to:

- additions;
- alterations;
- improvements;
- fixtures; and
- other permanent installations.

But it must be property that an *insured person* paid for or acquired at *your* own expense along with the *residence*. And it must be a kind of loss covered by this policy. If the *residence* is a condominium or cooperative unit, the property must be the *insured person's* insurance responsibility under the governing rules of the Condominium or Cooperative Association .

- **Personal Property We Don't Cover**

There are some kinds of *personal property* *your* Home Policy doesn't cover.

(1) Rental Property. We don't cover *personal property* an *insured person* rents out or intends to rent out away from a *residence* named on the Declarations Page. Nor do we cover *personal property* in a room or apartment an *insured person* regularly rents out or intends to rent out.

(2) Animals. We don't cover birds, fish or other animals.

(3) Property covered by another policy. We don't cover anything described and specifically covered by another insurance policy.

(4) Tenant's property. We don't cover anything owned by a roomer, boarder or tenant not related to an *insured person*.

(5) Aircraft and Aircraft Parts. We don't cover aircraft. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

- **Special Limits for Some Kinds of Property**

For certain kinds of *personal property* *your* Home Policy doesn't provide full coverage. In this section we tell *you* about some special limits. These limits are part of *your* overall coverage limits, and don't increase *your* total coverage for any *residence*.

The Special Limit for each category of property is the limit shown below for each category or, for an additional premium, the limit shown on the Declarations Page for each category.

(1) Money and Precious Metals. We won't pay more than \$1,000 per *occurrence* for losses to money, bullion, bank notes, scrip, stored value cards, smart cards, gold, silver or platinum.

(2) Negotiable papers. We won't pay more than \$5,000 per *occurrence* for losses to securities, accounts, deeds, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, or tickets.

(3) Trailers. We won't pay more than \$3,000 per *occurrence* for losses to trailers.

(4) Watercraft. We won't pay more than \$2,000 per *occurrence* for losses to watercraft, including their furnishings, equipment and outboard motors.

(5) Jewelry. We won't pay more than \$10,000 per *occurrence* (but not exceeding \$5,000 per article) for jewelry that is stolen, misplaced or lost. This includes watches and precious or semi-precious stones, whether set or unset.

(6) Furs. We won't pay more than \$10,000 per *occurrence* (but not exceeding \$5,000 per article) for furs that are stolen, misplaced or lost.

(7) Metalware. We won't pay more than \$7,500 per *occurrence* for metalware that is stolen, misplaced or lost. This includes plated ware, silverware, tableware, trays, trophies and other household articles (other than jewelry) consisting principally of sterling silver, gold or pewter.

(8) Stamps and Coins. We won't pay more than \$5,000 per *occurrence* for losses to collectible stamps, coins or medals. However, when this property is located in a bank vault or a bank safe deposit box, *your full coverage limit* for *personal property* will apply to a covered loss.

(9) Firearms. We won't pay more than \$5,000 per *occurrence* for firearms and related equipment that is stolen, misplaced or lost.

(10) Grave markers. We won't pay more than \$5,000 per *occurrence* to replace, stabilize or restore grave markers or mausoleums.

(11) Business Property. We won't pay more than \$10,000 per *occurrence* for losses to property (not otherwise insured) an *insured person* uses primarily for a *business*, trade or job. However, if the *business* property is electronic data processing equipment, we won't pay more than \$2,500 per *occurrence* while it is away from a *residence* named on the Declarations Page.

- **Special Limit for Property Kept at Your Other Residences**

For losses to property generally kept at an *insured person's residence* that isn't named on the Declarations Page, we won't pay more than the highest of the following per *occurrence*:

- \$10,000;
- 5% of the highest *coverage limit* for a *residence* under this policy that is a one or two-family house; or
- 10% of the highest *coverage limit* for a *residence* under this policy that is a condominium, cooperative unit, apartment or any other type of residence *you* rent to live in.

The "Special Limit for Property Kept at Your Other Residences" does not apply to additions, alterations, improvements, fixtures and other permanent installations referred to in "Personal Property: Condominiums, Cooperatives and Apartments".

New homes. If an *insured person* acquires a new *residence*, this special limit doesn't apply to that *residence* for 30 days after he or she begins moving there.

LOSSES WE'LL PAY FOR

So far, *you've* seen that we cover *your residences* and a wide range of *personal property*.

What are these things covered against? Simple.

Property described in "What We Cover" is covered against risks of physical loss except under certain circumstances described in the next section.

LOSSES WE WON'T PAY FOR

In this section of *your* Home Policy, we describe some circumstances when we won't pay for a property loss. We call these circumstances *exclusions*.

These *exclusions* apply to everything covered under "Part I: Your Property Coverage", except as noted otherwise. As we describe each *exclusion*, we'll tell *you* which kind(s) of property it doesn't apply to.

We'll also tell *you* whether an *exclusion* applies to *direct loss*, to *ensuing loss*, or to both. A *direct loss* is a property loss caused **directly** by a particular set of circumstances. An *ensuing loss* is a property loss caused **indirectly** by those circumstances. The *exclusions* apply regardless of any other cause or event contributing concurrently or in any sequence to the loss.

(1) Earth Movement. We won't pay for *direct loss* caused by earthquake including land shock waves or tremors before, during or after a volcanic eruption; or by landslide; mudflow; earth sinking, rising or shifting; unless *direct loss* by:

- fire;
- explosion; or
- breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the *ensuing loss*.

This *exclusion* applies only to *residences*.

(2) Water Damage. We won't pay for *direct loss* caused by any kind of surface or underground water. This includes floods, waves, spray (whether or not it is driven by wind), seepage, leakage, water pressure, and water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. We won't pay for *ensuing loss* either, unless the direct cause is fire, theft or explosion. This *exclusion* doesn't apply to

personal property that is not at any location an *insured person* owns, rents, occupies or controls.

(3) Power Interruption. We won't pay for *direct loss* caused by an interruption of power or other utility service if the interruption takes place away from the *residence*. We will pay for any *ensuing loss* that is not excluded.

(4) Theft from a residence under construction or renovation. We won't pay for *direct loss* caused by theft from a *residence* under construction or renovation, including the theft of construction materials and supplies, until the *residence* is completed and occupied. This exclusion does not apply if an *insured person* is living in the *residence* while it is under construction or renovation.

(5) Deterioration. We won't pay for *direct loss* caused by deterioration or inherent vice. This includes wear and tear, marring, scratching, latent defect, rust, mold, fungi, wet or dry rot, and electrical or mechanical breakdown.

(6) Contamination. We won't pay for *direct or ensuing loss* caused by the release, discharge, dispersal or application of contaminants or pollutants from any source, or by rust, mold, fungi, or wet or dry rot.

(7) Air Pollution. We won't pay for *direct or ensuing loss* caused by air pollution or smog. This includes smoke from industrial operations and agricultural smudging.

(8) Building movement. We won't pay for *direct loss* caused by certain kinds of building movement. These are: settling, cracking, shrinking, bulging, or expansion, but **only** if they occur to: pavement, patios, foundations, walls, floors, roofs, or ceilings.

(9) Animals. We won't pay for *direct loss* caused by animals owned or kept by an *insured person*. We also won't pay for *direct loss* caused by insects, vermin, birds or rodents.

(10) Government action. We won't pay for *direct or ensuing loss* caused by the enforcement of any ordinance or law regulating construction, repair or demolition, unless specifically provided under this policy.

(11) Neglect. We won't pay for *direct or ensuing loss* caused by an *insured person* not taking all reasonable steps to protect property when an initial loss occurred.

(12) War. We won't pay for *direct or ensuing loss* caused by any kind of military or warlike action. War includes undeclared war, civil war, insurrec-

tion, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if *accidental*.

(13) Nuclear hazard. We won't pay for *direct or ensuing loss* caused by any kind of *nuclear hazard*.

- *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.
- Loss caused by *nuclear hazard* will not be considered loss caused by fire, explosion, or smoke, whether these causes of loss are specifically named in or otherwise included within the losses we'll pay for in "Part I: Your Property Coverage: Residences and Personal Property".
- This policy does **not** apply under "Part I: Your Property Coverage: Residences and Personal Property", to loss caused directly or indirectly by *nuclear hazard*, except that *direct loss* by fire resulting from *nuclear hazard* is covered.

(14) Freezing, ice or water pressure damage to certain structures. We won't pay for *direct loss* to certain structures caused by ice, thawing ice, freezing water, or the weight or pressure of ice or water. These structures are: fences, retaining walls, pavements, patios, swimming pools, foundations, bulkheads, docks, piers, or wharfs.

(15) Vandalism to a vacant residence. We won't pay for *direct loss* to a *residence* if it has been vacant for more than 60 consecutive days immediately before the loss if the loss is caused by: vandalism, malicious mischief, or the breakage of glass or safety glazing material. A building under construction or renovation isn't considered vacant. This *exclusion* does not apply to *personal property*.

(16) Dampness. We won't pay for *direct or ensuing loss* caused by humidity or damp air. This does not include rain, snow, sleet or hail. This *exclusion* applies only to *personal property*.

(17) Temperature. We won't pay for *direct or ensuing loss* caused by extreme heat or cold. This doesn't include rain, snow, sleet, or hail. This *exclusion* applies only to *personal property*.

(18) Restoration. We won't pay for *direct or ensuing loss* caused by refinishing, renovating, or

repairing. This *exclusion* applies only to *personal property* other than jewelry, watches, and furs.

(19) Watercraft accidents. We won't pay for *direct* or *ensuing* loss to a watercraft or its trailer, equipment, furnishings or outboard motor caused by: sinking, swamping, being stranded, or colliding with anything except a land vehicle.

(20) Civil authority. We won't pay for *direct* or *ensuing* loss caused by the destruction, confiscation or seizure of property by a government or public authority. This *exclusion* does not apply if these actions are taken at the time of a fire to prevent its spread.

(21) Breakage of fragile articles. We won't pay for *direct* or *ensuing* loss to fragile personal property caused by breakage. Fragile personal property includes: eyeglasses, glassware, statues, marble, bric-a-brac, porcelains, and other fragile articles. It does **not** include: jewelry, watches, bronzes, cameras, and photographic lenses.

But we'll pay for the breakage of fragile articles caused directly or indirectly by:

- fire, lightning, windstorm or hail;
- smoke (except from industrial operations or agricultural smudging);
- theft, attempted theft, vandalism or malicious mischief;
- earthquake, explosion, or the collapse of a building or part of a building;
- motor vehicles, including aircraft;
- rain, snow, sleet or hail;
- riot or civil commotion; or
- sudden and accidental loss of steam or water from a heater, air conditioner or hot water heater.

(22) Weather Conditions. We won't pay *direct* loss caused by weather conditions, including rain, snow, sleet, hail or wind. However, this *exclusion* only applies if weather conditions contribute in any way with an *exclusion* in (1) to (21) above, other than *exclusion* (5), to produce the loss.

(23) Acts or Decisions. We won't pay for *direct* loss caused by conduct, act, failure to act, or decision of any person, group, organization, or governmental body whether intentional, wrongful, negligent or without fault. We won't pay for *ensuing* loss, either, **unless** the direct cause is a risk **not** excluded in (1) to (22) above.

(24) Faulty, Inadequate, or Defective. We won't pay for *direct* loss caused by defect, weakness, inadequacy, fault or unsoundness in:

- planning, zoning, development, surveying, siting;
- design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation, remodeling or maintenance; or
- maintenance

of any property such as land, structures or improvements of any kind, whether on or off a *residence* named on the Declarations Page.

We won't pay for *ensuing* loss either, unless the direct cause is a risk not excluded in (1) to (23) above.

(25) Collapse. We won't pay for *direct* loss involving the collapse of all or part of a building unless the collapse is sudden and unexpected and is directly caused by one of the following:

- hidden decay or vermin damage;
- weight of persons, animals, equipment, or contents;
- weight of rain or snow which collects on a building;
- defective methods or materials used in construction, repair, remodeling, or renovation, but **only** if the collapse happens during construction, repair, remodeling, or renovation; or
- a risk not excluded in (1) to (24) above.

(26) Intentional loss. We won't pay for *direct* or *ensuing* loss caused intentionally by *you* or a *family member*, or by a person directed by *you* or a *family member* to cause a loss where the *insured person* intending to cause the loss will benefit from this insurance.

• **Special Rules for Home Appliances**

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes while located within the walls of the *residence*. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage. We won't pay for *direct* or *ensuing* loss to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period

of time. It doesn't matter whether it escaped continuously or in repeated *occurrences*.

(2) Sudden water loss. We will pay for *direct* and *ensuing loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances suddenly and accidentally, even if the escape was due to deterioration, contamination, air pollution, building movement or animals. We'll also pay to tear out and replace any part of a building necessary to repair the appliance. But we won't pay for loss to the appliance itself.

(3) Internal freezing. We'll pay for *direct* and *ensuing loss* to a *residence* or *personal property* caused by freezing inside the appliance, **unless:**

- the *residence* was vacant, unoccupied, or under construction or renovation; **and**
- you didn't take reasonable steps to prevent it from freezing, either by heating *your residence* or by shutting off the water supply and draining the system or appliance. If *your residence* has a fire protective sprinkler system, you must leave the water supply on and maintain heat to prevent freezing.

EXTRA BENEFITS

In addition to covering *your residence* and *personal property*, "Your Property Coverage" includes many extra benefits. We'll pay certain costs that may occur in connection with a loss, such as extra living expenses after *your* house burns down. We'll pay for some losses that may not involve tangible property, such as information stored in a home computer.

This section describes *your* extra benefits in detail. Except where noted, these benefits are additional coverages over and above *your coverage limits*.

A. LOSS OF USE OF YOUR RESIDENCE

If a *residence* named on the Declarations Page can't be lived in because of a loss covered by this policy, we'll pay certain expenses. These expenses are described below. This coverage does not apply to expenses caused by a cancelled lease or contract.

This extra benefit is part of "Your Property Coverage". Our payments will be applied against *your coverage limit* for that *residence*. There is no *deductible*. And we'll continue to pay these expenses for as long as you're eligible for them, even if *your* Home Policy expires during that time.

• Additional Living Expenses

You may not be able to live in *your residence* because of a loss covered by this policy. If so, we'll pay for any increase in *your* normal living expenses that is necessary to maintain *your* normal standard of living. We'll pay these expenses for the shortest time needed to repair or replace the *residence*, or to move to a new one.

• Loss Of Rent

You may not be able to rent out part of *your residence* because of a loss covered by this policy. If so, we'll pay the fair value of the rent you lose. We'll pay it for the shortest time needed to repair or replace the *residence*. But it must be a part of *your residence* that you normally rent out. And we'll subtract any expenses you don't have to pay while it's unoccupied.

• Evacuation Costs

You may not be able to live in *your residence* because a civil authority forbids you to use it because of a loss to a neighbor's property. If so, we'll pay *your* additional living expenses. We'll also pay for loss of rent if part of *your residence* is normally rented out. We'll pay these expenses for as long as you're told not to use the *residence*, up to a maximum of 30 days. But the loss to *your* neighbor's property must be a kind of loss covered by this policy.

B. CREDIT CARD, FUND TRANSFER CARD, FORGERY, COUNTERFEIT MONEY AND HOME BANKING

We cover certain kinds of financial swindling, described below. But we won't pay for any loss resulting from an *insured person's* dishonesty, or from an *insured person's* business, trade or job. This extra benefit has a *coverage limit* of \$10,000. There is no *deductible*.

We reserve the right to investigate and settle any lawsuit resulting from these losses. If we decide to defend against the suit, we will choose and hire a lawyer.

(1) Unauthorized Use of a Credit Card or Bank Card. This benefit applies to an *insured person's* losses or legal obligations resulting from the theft or unauthorized use of a credit card or bank card issued in any *insured person's* name. This includes the theft of a credit card number on the Internet. All terms and conditions of the card must be complied with.

But we do **not** cover any use by a *family member* or someone who was given the card, even if the specific use was unauthorized.

(2) Forgery. This benefit applies to an *insured person's* losses caused by a check, or another kind of negotiable instrument, that was forged or altered.

(3) Counterfeit Money. This benefit applies to an *insured person's* losses caused by accepting counterfeit United States or Canadian money. But the money must have been accepted in good faith.

(4) Home Banking. This benefit applies to an *insured person's* losses or legal obligations resulting from the unauthorized use of computer equipment to conduct personal checking transactions with a bank.

But we do not cover any use by a *family member* or someone who is given access to the computer ordinarily used by an *insured person* to conduct such transactions, even if the specific use was unauthorized.

C. MORTGAGE RENEGOTIATION COSTS

We cover certain extra costs if a bank or lending institution requires *you* or a *family member* to renegotiate a mortgage at a higher rate. This coverage applies **only** to a *residence* named on the Declarations Page that is totally destroyed by a loss this policy covers. A *residence* is considered totally destroyed when we've paid 90% of the dwelling value shown on the Declarations Page for that *residence*. The costs we cover are:

(1) Monthly payments. We'll pay the difference between the old and the new monthly payments. We'll pay them every month, until the final payment date or until the property is sold. But we won't pay for points or service charges levied by the bank or institution, or for any kind of taxes. This is additional coverage, with a *coverage limit* of \$50,000. There is no *deductible*.

(2) Legal costs. We'll also pay legal expenses related to the mortgage. We'll pay them whether *you* renegotiate the mortgage or maintain the existing one. Legal costs include lawyer's fees and related expenses like a title search or deed filing. They don't include fines, judgments, points, service charges, or legal services by any lawyer except the *insured person's*. This is additional coverage, with a *coverage limit* of \$2,000. There is no *deductible*.

D. PERSONAL COMPUTER RECORDS

We cover the cost of re-creating information *you* store in a computer located at a *residence* covered by this policy. But the information and computer must be primarily for personal use, and the information must be lost because of a loss covered by this policy, including the loss of personal data as a result of a computer virus. This extra benefit has a *coverage limit* of \$1,000.

E. LOSS-RELATED EXPENSES

We'll pay these extra expenses that may occur after a loss.

(1) Debris Removal. We'll pay reasonable costs for removing debris resulting from a loss covered by this policy. We will also pay reasonable costs of removing a fallen tree that:

- has caused a loss to a structure covered by this policy;
- blocks a driveway; or
- blocks a ramp or other access way designed to assist a handicapped person to enter or leave the *residence*.

Tree removal does not include the uprooting and removal of tree roots.

Tree removal not included in Debris Removal. We will pay up to \$1,000 for the removal of fallen trees caused by wind, hail, sleet, or the weight of ice or snow when the tree does not damage a structure or block a driveway or handicap-access way. Tree removal does not include the uprooting and removal of tree roots.

(2) Precautionary Repairs. After a loss covered by this policy, we'll pay reasonable costs for temporary repairs only to prevent additional loss. But the only reason for the repair must be to prevent further damage. This extra benefit is part of "Your Property Coverage", and will be applied against *your coverage limit* for that *residence*.

(3) Fire Department Service Charges. If *you* have an agreement with the fire department to pay when it answers *your* call, we'll pay the charges up to \$500. But the fire department must have been called to protect the property covered by this policy from a loss covered by this policy. We won't pay if the property is inside the city, municipal district or fire district normally protected by that fire department. This extra benefit is additional coverage, with no *deductible*.

(4) Property Removed. We'll pay for any loss to property removed from a *residence* because it is in danger of a loss covered by this policy. But it must be property covered by this policy. This extra benefit applies for 30 days after the property is removed. It is part of "Your Property Coverage", and will be applied against *your coverage limit* for the *residence* the property is removed from.

F. CONSTRUCTION STANDARDS

After a covered loss, we will pay the cost of conforming to any law or ordinance that regulates the repair, rebuilding or demolition of *your* residence made necessary by the covered loss. If *you* do not repair *your residence* or rebuild it at the same location, this coverage does not apply.

G. ARSON AWARD

We will pay \$1,000 for information leading to an arson conviction in connection with a fire loss covered under this policy. \$1,000 is the most we will pay regardless of the number of persons providing information.

H. LOCK REPLACEMENT

If the keys to *your residence* are lost or stolen, we'll pay for the cost of replacing the locks to *your residence* up to a total of \$500. *You* must notify us in writing within 72 hours of *your* discovering the missing keys. No *deductible* applies.

I. FOOD SPOILAGE

We'll pay up to \$1,000 for spoilage of food resulting from the loss of power to, or mechanical failure of a refrigerator or deep freeze unit located at *your residence*. This coverage does not apply if:

- the plug from an electrical outlet is removed;
- an electrical switch is turned off; or
- *you* did not use all reasonable means to protect the food from spoiling.

There is a \$250 *deductible* for this coverage.

J. LOSS ASSESSMENT

We'll pay up to either \$25,000, or for an additional premium, the limit shown on the Declarations Page for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- a loss to property owned by the Association; or
- liability resulting from the *deductible* in an insurance policy.

For us to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

K. IDENTITY FRAUD EXPENSES

We will pay for an *insured person's identity fraud expenses* resulting from *identity fraud*. The most we will pay for this is \$25,000 for each *identity*

fraud occurrence, subject to a \$500 deductible for each *identity fraud occurrence*. This coverage only applies to *identity fraud occurrences* that commence during the policy period.

• **Definitions**

Identity fraud means the act of knowingly transferring or using, without lawful authority, an *insured person's* means of identity in violation of federal law or any applicable state or local law.

Identity fraud expenses means:

- costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for certified mail to law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for telephone calls to merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- loan application fees for re-applying for loan(s) when the original loan application was rejected because the lender obtained incorrect credit information;
- up to \$250 per day, not to exceed a total of \$10,000, for actual earnings lost as a result of missing work to complete fraud affidavits or meet with legal counsel, merchants, businesses, law enforcement agencies, financial

institutions, credit grantors, credit agencies, credit bureaus or similar organizations; or

- reasonable attorney fees incurred for the following, but only if you give us prior notice:
 - defense of an *insured person* against any lawsuit(s) by merchants, businesses or their collection agencies;
 - removal of any criminal or civil judgments wrongly entered against an *insured person*; or
 - challenge of the information in an *insured person's* consumer credit report or similar records.

Identity fraud occurrence means any act or series of acts of *identity fraud* committed by one person or a related group of people.

Identity fraud expenses we do not cover:

We will not pay for *identity fraud expenses* due to any fraudulent, dishonest or criminal act by:

- an *insured person*;
- any person acting in concert with an *insured person*; or
- any authorized representative of an *insured person*;

whether acting alone or in collusion with others.

This coverage does not apply to losses covered under *your* Extra Benefit for Credit Card, Fund Transfer Card, Forgery, Counterfeit Money and Home Banking.

PART II: YOUR LIABILITY COVERAGE

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of *you* accidentally hurts someone or damages their property. And we also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will we pay? For a claim or suit covered by this policy, we'll pay damages for which *you* are legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and

- *property damage*, which means physical damage or destruction to property, or the loss of its use.

This coverage applies to any *occurrence* except the ones specifically described in "Damages We Won't Pay". To help *you* and *your* family meet the many incidental costs connected with an *occurrence*, we'll pay many other kinds of expenses, too. They're described in "Extra Benefits".

LIABILITY AND MEDICAL EXPENSES

This section tells *you* about the different kinds of liability and *medical expenses* *your* Home Policy covers.

WHAT WE COVER

A. PERSONAL LIABILITY

We'll pay damages an *insured person* is legally obligated to pay because of an *occurrence* that

results in *bodily injury, personal injury or property damage* during the *policy period*.

Who we insure.

Under this coverage, *insured person* includes *you*, other *family members*, and the following other people and organizations:

- for *occurrences* involving a motor vehicle covered by *your* Home Policy, any person using that vehicle with *your* permission at an *insured place* or while working for *you* or a *family member*; and
- for *occurrences* involving an animal or watercraft owned by *you* or a *family member*, any person or organization with legal responsibility for that animal or watercraft. But this doesn't include a person or organization using or having custody of that animal or watercraft without permission, or in the course of a *business, trade or job*.

Territory. This coverage applies to *occurrences* happening **anywhere** in the world.

B. MEDICAL EXPENSES

In addition to Personal Liability coverage, *we'll* pay reasonable *medical expenses* for certain people injured in an accident, including:

- fees for doctors, surgeons, dentists and nurses;
- hospital and ambulance costs;
- charges for X-rays and artificial limbs or organs; and
- funeral expenses.

But *we'll* pay only those reasonable expenses incurred within three years of the date of the accident. By paying these expenses, *we* don't admit any legal liability.

Who we insure.

For *bodily injury* from an *occurrence*, *we'll* pay reasonable *medical expenses* for anyone **except**:

- *you* or a *family member*; or
- a person who regularly lives in *your* household, other than a *domestic employee*.

But *we'll* pay *medical expenses* at *your* request **only** if the *occurrence* happened at an *insured place* or was caused by:

- an *insured person*;
- a *domestic employee*, in the course of working for an *insured person*;

- an animal owned by or in the care of an *insured person*; or
- a condition at an *insured place* or on the ways immediately adjoining an *insured place*.

Under this coverage, *insured person* has the same meaning as under *your* Personal Liability coverage.

Territory. This coverage applies to *occurrences* happening **anywhere** in the world.

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- *new residences you* acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of *you* or a *family member*;
- vacant land (other than farmland) owned or rented by *you* or a *family member*;
- land where *you* or a *family member* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by *you* or a *family member*;
- places occasionally rented by *you* or a *family member* for any purpose except a *business, trade or job*; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE'LL PAY

So far, *you've* seen that "Your Liability Coverage" pays for certain damages and *medical expenses* stemming from an *occurrence*.

DAMAGES WE WON'T PAY

In this section of *your* Home Policy, *we* describe certain *exclusions*. *We* won't pay for *bodily injury, personal injury, property damage, or medical expenses* to which an *exclusion* applies.

A. CLAIMS FOR PERSONAL INJURY

We won't pay damages for any *personal injury* that one of these *exclusions* applies to:

(1) Expected or intended injury. *We* won't pay for any *personal injury* that is expected or in-

tended by an *insured person*. This *exclusion* applies even if the resulting injury:

- is of a different kind, quality or degree than initially expected or intended; or
- is sustained by a different person or entity than initially expected or intended.

However, this *exclusion* does **not** apply if the injury results from the use of reasonable force by an *insured person* to protect persons or property.

(2) Employee injuries. We won't pay for *personal injury* to an *insured person's employee*, if it is related in any way to his or her work for the *insured person*.

(3) Civic activities. We won't pay for any *personal injury* arising out of an *insured person's* activities as an elected or appointed official of a governmental body, whether or not that person is paid for those activities.

(4) Assumed liability. We won't pay for *personal injury* that an *insured person* assumes liability for under a contract or agreement except for a lease or an incidental contract.

(5) Business activities. We won't pay damages for any *personal injury* arising out of an *insured person's business*, trade or job.

(6) Contamination. We won't pay for any *personal injury* arising out of the release, discharge, dispersal, or application of contaminants or pollutants from any source or by rust, mold, fungi, wet or dry rot, or bacteria.

(7) Lead Hazards. We won't pay for any *personal injury* arising out of lead hazards in or on an *insured place*.

(8) Molestation and Corporal Punishment. We won't pay for any *personal injury* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation.

(9) Intra-family liability. We won't pay for *personal injury* to anyone related to an *insured person* by blood, marriage or adoption who is a resident of the same household. This includes a ward or a foster child.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

For *bodily injury* or *property damage*, we won't pay any claims or *medical expenses* that one of these *exclusions* applies to:

(1) Expected or intended injury or damage. We won't pay for *bodily injury* or *property damage* or *medical expenses* that are expected or intended by an *insured person*. This *exclusion* applies even if the resulting injury or damage:

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

However, this *exclusion* does **not** apply if the injury or damage results from the use of reasonable force by an *insured person* to protect persons or property.

(2) Professional services. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of or by an *insured person's* rendering, or failure to render, professional services.

(3) Watercraft accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of a watercraft an *insured person* owns or rents. The term watercraft includes hovercraft whenever used in this policy.

This *exclusion* does **not** apply to a watercraft:

- that has an inboard motor of 50 horsepower or less that is:
 - rented by an *insured person*; or
 - owned by an *insured person* and is not a personal watercraft, airboat, air cushion or similar type of craft. A personal watercraft is any watercraft that is less than 16 feet long which uses an inboard motor powering a water jet pump as its primary source of motive power and which is designed to be operated by a person in a sitting, standing or kneeling position on the vessel rather than inside the vessel. The term personal watercraft includes but is not limited to, jet skis, jet boats and wave runners.
- that has an outboard motor(s) of:
 - 25 total horsepower or less; or
 - more than 25 total horsepower that is rented by an *insured person*; or
 - more than 25 total horsepower that is owned by an *insured person* and was acquired before or during the *policy period*

and you notified us of your intention to insure it within 45 days of acquiring it.

- that is a sailboat less than 26 feet long.
- while it is stored.

However, the watercraft listed above will only be covered while they are **not**:

- practicing for or participating in a race, except for sailboats;
- used to carry persons or cargo for a charge;
- used for any *business* purpose; or
- rented to others.

This exclusion does **not** apply to *bodily injury* or *medical expenses* to a *domestic employee* in the course of his or her job.

(4) Aircraft accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of an aircraft an *insured person* owns or uses, except a remote control model aircraft. This *exclusion* doesn't apply to a *domestic employee* for an *accident* in the course of his or her job.

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of any kind of military or warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

(6) Assumed liability. We won't pay for *bodily injury* or *property damage* that an *insured person* assumes liability for under a contract or agreement. This *exclusion* doesn't apply to written contracts relating to the ownership, maintenance or use of an *insured place* or to contracts, written before an *occurrence*, where an *insured person* assumes the liability of others.

(7) Injury required to be covered elsewhere. We won't pay *medical expenses* or damages for *bodily injury* that is covered, or required to be covered, by a worker's compensation, nonoccupational disability, or occupational disease law.

(8) Nuclear accidents. We won't pay for *bodily injury* or *property damage* for which an *insured person*:

- is an *insured person* under a nuclear energy liability policy; or

- would be an *insured person* 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:

- Nuclear Energy Liability Insurance Association;
- Mutual Atomic Energy Liability Underwriters; or
- Nuclear Insurance Association of Canada.

We won't pay for *medical expenses* for *occurrences* from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

(9) Accidents to off-duty domestic employees. We won't pay *medical expenses* for a *domestic employee* for an accident that doesn't occur at an *insured place*, and is not caused by his or her job in any way.

(10) Accidents to people who live on your property. We won't pay *medical expenses* for anyone who lives at an *insured place*, except *domestic employees*.

(11) Accidents to trespassers. We won't pay *medical expenses* for any person who is at an *insured place* without permission .

(12) Business related accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of or in the course of conducting a *business*, trade or job, including the rental of land or a building. This *exclusion* does **not** apply to:

- the occasional or part-time job of a *family member* under 21;
- renting part of *your residence* to one person or as an office, school, studio or private garage;
- occasionally renting *your* entire *residence* as a *residence*; or
- activities that normally occur in the course of non-*business* activities.

(13) Accidents at your other properties. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of a condition at a place you or another *family member* owns or rents that is not an *insured place*. This *exclusion* doesn't apply to a *domestic employee* injured in the course of his or her job.

(14) Damage to your own property. We won't pay for *property damage* to property an *insured person* owns or is transporting.

(15) Damage to property in your care. We won't pay for *property damage* to property an *insured person* rents, occupies, possesses, uses or has available for regular use, but does **not** own. This *exclusion* does **not** apply to property damaged by fire, smoke or explosion.

(16) Intra-family liability. We won't pay for *bodily injury* to anyone related to an *insured person* by blood, marriage or adoption who is a resident of the same household. This includes a ward or a foster child.

(17) Communicable Disease. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of an *insured person's* transmission of a communicable disease.

(18) Accidents involving motor vehicles. We won't pay for *bodily injury* or *property damage* or *medical expenses* that occurs while an *insured person* is riding in or driving a motor vehicle. A motor vehicle means any motorized land vehicle, including a trailer while being towed.

This *exclusion* does **not** apply to:

- an owned motorized golf cart while used for golfing purposes or while traveling to and from a golf course for golfing purposes;
- an owned motorized golf cart while used in a private residential community where an *insured person* lives;
- a non-owned golf cart;
- a motor vehicle designed for recreational use off public roads that is either not owned by an *insured person* or is on an *insured place*; or
- a motor vehicle that is used to service the *residence* of an *insured person*, designed to assist the handicapped, or in dead storage at an *insured place*.

However, the motor vehicles listed above will only be covered while they are **not**:

- practicing for or participating in a race;
- used to carry persons or property for a charge;
- used for any *business* purpose, except for golf carts; or
- rented to others.

(19) Molestation and Corporal Punishment. We won't pay for any *bodily injury* or *property*

damage or *medical expenses* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation.

(20) Controlled Substance. We won't pay for *bodily injury* or *property damage* or *medical expenses* 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 substance includes but is not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this *exclusion* does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

(21) Lead Hazards. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of lead hazards in or on an *insured place*.

EXTRA BENEFITS

In addition to covering against claims, suits and *medical expenses*, "Your Liability Coverage" includes many extra benefits. This section describes them in detail. These benefits are additional coverages over and above *your coverage limits*.

A. Legal Services

We'll defend against claims and suits for *bodily injury*, *personal injury* or *property damage* covered by this policy, at *our* own expense. But *our* obligation ends when *our* limit of liability for this coverage has been exhausted. We also reserve the right to investigate and settle a claim whenever we wish.

In connection with a claim, suit or *occurrence* covered by "Your Liability Coverage", we'll pay all these costs:

(1) Legal expenses. We'll pay for investigations, legal fees and court costs while defending against a claim covered by *your* Home Policy.

(2) Bond premiums. We'll pay premiums on bonds required in a lawsuit we're defending. We do not have to furnish or apply for any bonds ourselves.

(3) Interest on a judgment. If a judgment is entered on a claim covered by this policy, we'll pay the interest that accrues until we pay the judgment. We will pay other interest as required by law on amounts up to the *coverage limit*.

(4) Loss of earnings. We may ask a person we're defending to help us investigate or defend against that claim. If we do, we'll pay up to \$250 a day for actual loss of wages or salary (but not loss of other income). We'll pay for other reasonable expenses incurred at our request, too.

B. First Aid

We'll reimburse an *insured person* for money he or she spends for first aid at the scene of an accident, to anyone who is **not** an *insured person*.

C. Voluntary Payments

We'll pay for damage an *insured person* causes to someone else's property, even if he or she isn't legally obligated to pay. We'll pay, at *your* request, up to \$2,000 for each *occurrence*. There is no *deductible* for these payments. But we **won't** pay for:

- damage to property that *you* or anyone who lives with *you* (including tenants) owns or rents;
- damage to property covered by the property coverage of *your* Home Policy;
- damage occurring in connection with a *business*, trade or occupation;
- damage caused by a motor vehicle, aircraft or boat;
- damage occurring at a place an *insured person* owns or rents that isn't an *insured place*; or
- damage caused intentionally, unless the person who caused it was less than 13 years old.

D. Loss Assessment

We'll pay up to either \$25,000, or for an additional premium, the limit shown on the Declarations Page for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- liability of the Association; or
- liability resulting from the *deductible* in an insurance policy.

For us to pay, it must be:

- a liability *occurrence* covered by this policy; or
- an act or series of related acts committed by the organization's officers, directors or trustees while acting in their capacity as such, provided:
 - (1) the directors, officers or trustees are elected by the members of the organization; and
 - (2) the directors, officers or trustees serve without pay.

This coverage applies only to loss assessments charged against *you* as owner or tenant of the *residence*.

We do not cover loss assessments charged against *you* or a corporation or association of property owners by any governmental body.

PART III: TERMS AND CONDITIONS

This part of *your* Home Policy tells *you* everything else *you* need to know about *your* insurance. It's divided into four sections:

- "How Much We'll Pay" explains how we figure out our payments after an *occurrence* or loss.
- "What To Do After An *Occurrence* Or Loss" tells *you* all the steps *you* should take to protect *your* rights and *ours*.
- "Glossary" repeats the definitions of all the defined words and phrases in this policy.
- "General Conditions" explains the other terms and conditions of *your* Home Policy.

HOW MUCH WE'LL PAY

This section tells *you* how much we'll pay for any loss we cover. In it, we use certain terms with specific meanings. To understand how much we'll pay, *you* need to know exactly what the following terms mean:

Coverage limit. *Your coverage limit* is the most we'll pay for an *occurrence* or loss. Each type of coverage has its own limit, shown on the Declarations Page.

Deductible. *Your deductible* is the amount of a loss *you're* responsible for. We'll subtract this amount from our payment. If the *deductible* is larger than the amount of the loss, we won't pay anything. *Deductibles* do not apply to personal liability or to *medical expenses*.

Occurrence. An *occurrence* is an accident that causes *bodily injury, personal injury, property damage*, or loss. It can be a single event or a series of related events. Generally, *our* coverage applies separately to each *occurrence*.

YOUR PROPERTY COVERAGE

This section explains how much *we'll* pay for a loss to *your residence* and personal belongings. *We'll* pay this money to *you*, unless another person is named on the Declarations Page to receive *our* payment. *We'll* pay the *replacement cost* of the property except under some circumstances described in Your Residences And Personal Property below.

Replacement cost. The *replacement cost* is the cost of replacing property with property of a like kind and quality. *We'll* pay today's cost for comparable property, even if the property *you're* replacing was old and had gone down in value.

YOUR RESIDENCES AND PERSONAL PROPERTY

For a loss to *your* property covered by this policy, *we'll* pay the *replacement cost* except as noted below. *We'll* pay up to *your coverage limit* for each *occurrence*, less *your deductible*. However, if the loss is \$50,000 or more, *we* will waive the *deductible*.

For a *residence*, *we* will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. However, if the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, *we* will establish the *replacement cost*. *Our* payment will be either this replacement cost or 50% of the Total Location Limit, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For *personal property*, *we* will not pay more than the actual cash value for articles that:

- are not maintained in good or workable condition;
- show signs of excessive wear; or
- are outdated or obsolete and are stored or not being used.

Coverage limits. On the Declarations Page, *you'll* find a Total Location Limit for each of *your*

residences. This limit is the total limit for all real and *personal property* losses, including loss of use, in and around that *residence*. Special limits on certain property apply as described in "Your Property Coverage".

Personal property. Which *coverage limit* applies to *personal property*? If the property is at a *residence* when the loss occurs, *we'll* apply the Total Location Limit for that *residence*. If the loss occurs away from a *residence*, *we'll* apply the Total Location Limit for the *residence* that property is usually kept at. If the property isn't usually kept at a *residence*, *we'll* apply *your* highest Total Location Limit.

• Special Features

To give *you* maximum coverage for *your* homes and *personal property*, *your* Home Policy includes some special features:

Residence replacement protection. If *you* decide to repair or replace *your residence* and unattached structures at the same location (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and unattached structures even when it's more than *your coverage limit*. However, this applies **only** if *you* had allowed *us* to annually increase *your coverage limit* to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for loss to any extensions or new construction *you* added during the *policy period*, but **only** if *you* had reported them to *us* before the loss.

Special Reserve. What happens if *you* use up most of *your coverage* on *your residence*, and *you* still have *personal property* to replace? Fortunately, *your* Home Policy keeps a special reserve for just this kind of catastrophe. *We* guarantee that 100% of the dwelling amount shown on the Declarations Page will be available to pay for *personal property*. And *we* also guarantee that 20% of the dwelling amount shown on the Declarations Page will always be available for loss of use of that *residence*.

If *your residence* is a condominium, cooperative unit, apartment, or any other type of *residence you*

rent to live in, we guarantee that 40% of the contents amount shown on the Declarations Page will always be available for loss of use of that *residence*.

If *your residence* is a one or two-family house that *you own*, this special reserve coverage applies only when the *residence* is a total loss as defined below:

- A loss is total in fact when every part of the *residence* is actually destroyed, or when some portion of the *residence* remains intact, but the cost of restoring the *residence* to pre-loss condition exceeds the dwelling amount shown on the Declarations Page; or
- A loss is total in law when a portion of the *residence* remains intact and the *residence* can be restored to pre-loss condition without exceeding the dwelling amount shown on the Declarations Page, but its destruction is required by law.

YOUR LIABILITY COVERAGE

This section explains how much *we'll* pay for an *occurrence* covered by *your liability or medical expenses coverages*.

- **Personal Liability**

For personal liability covered by *your Home Policy*, *we'll* pay up to *your liability coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

- **Medical Expenses**

For *medical expenses* covered by *your Home Policy*, *we'll* pay up to *your medical expenses coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

WHEN WE'LL PAY

We'll pay all the money *we owe you* within 60 days after *we* receive *your sworn proof of loss*. *Your claim* is considered settled when:

- *we* reach an agreement with *you* on the amount of the loss and a sworn proof of loss is submitted;
- a final judgment is entered; or
- an appraisal award is filed with *us*.

Residence losses.

If *you* don't rebuild after a property loss to a *residence*, *we* won't pay more than the actual cash value of the loss. However, this does not apply to

a total loss of a *residence*. If *you* haven't decided whether to rebuild, or if *you* don't know how much it will cost, *you* may make an initial claim for the actual cash value. Later, *you* may make an extra claim for the remainder of the *replacement cost*. But *you* must make any extra claims within 180 days of the *occurrence*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

This section explains the steps *you* must take after an *occurrence* or loss, in order for *us* to help *you*. If *you* don't take these steps, *we* may not be able to pay any money.

- **Step One: At the Scene of the Accident or Loss**

You should take these measures at the scene of the accident or loss:

(a) Prevent further damage. *You* should take immediate action to prevent any further damage after the initial accident or loss. This includes reasonable cost for temporary repairs only that may be necessary to protect property. In many cases *we* will pay for these repairs. These payments are described in the "Extra Benefits" sections of this policy.

If *you* don't take reasonable steps to protect property, *we* don't have to pay for any *ensuing losses* that could have been prevented.

(b) Obtain all information. *You* should obtain the names and addresses of all people who were involved in or witnessed the accident or loss.

(c) Don't pay or agree to pay any damages. No person covered by this policy should voluntarily take any of these actions:

- make any payments for damages;
- assume any obligations to make payments; or
- pay any money for *medical expenses* except first aid at the scene of the accident or loss.

We won't honor any liability *you* assume without *our* consent.

(d) Keep detailed records. *You* should keep an accurate record of *your* expenditures, including all bills, receipts and other documents related to the *occurrence*, loss, or any repairs. These records will help *you* prepare the inventory and proof of losses *you'll* have to submit to *us* later.

- **Step Two: Notify Us**

You must notify *us* or *our* agent as soon as possible. *Your* notice should include this information:

(a) Policy identification. Tell *us* the policy number found on the Declarations Page.

(b) Names and addresses. Tell *us* the names and addresses of these people:

- *you*;
- anyone else involved in the accident or loss who is covered by this policy;
- anyone who was injured;
- anyone whose property was damaged; and
- any witnesses.

(c) Circumstances of the accident or loss. Tell *us* where, when and how the accident or loss happened.

In Case of Identity Fraud. If the loss involved *identity fraud*, *you* must notify the applicable law enforcement agency as soon as possible.

In Case of Theft. If the loss involved theft, *you* must notify the police as soon as possible.

In Case of Unauthorized Credit Card or Bank Card Use. If the loss involved the unauthorized use of a credit card or bank card, *you* must also notify the credit card company or financial institution as soon as possible.

• **Step Three: Submit All Claims**

For *us* to pay under "Your Property Coverage", "Medical Expenses Coverage" or "Extra Benefits", *you* must submit a formal claim. For *us* to pay under "Personal Liability Coverage", *you* must forward all claims made **against** *you* or another *insured person*. In this section we tell *you* how to submit these claims.

Property Coverage

Send *us* a signed, sworn statement of loss containing the information we request to investigate the claim. *You* must do this within 60 days after *our* request. *We* will supply *you* with the necessary forms.

(a) Cause of damage or loss. Tell *us* when the damage or loss occurred, and what caused it.

(b) Who owns the property. Tell *us* the name and address of the person who owns the covered property. If he or she does not own the property outright, tell *us*:

- what portion of the property he or she owns;
- the name and portion of any other owner; and
- any claims, liens, or other encumbrances on the property.

(c) Other insurance. Tell *us* about any other insurance policies or bonds covering the damage or loss.

(d) Changes during the policy period. Tell *us* about any changes in the ownership, use or occupancy of the property that took place while this policy was in effect.

(e) Inventory and proof of losses. Include an up-to-date inventory with any receipts and other supporting documents *you* have not yet submitted.

For a loss to a residence. Give *us* the specifications of the damaged building and a detailed estimate for its repair.

For personal property loss. Give *us* a description of every damaged item, and tell *us* the *replacement cost*.

Personal Liability Coverage.

Promptly send *us* copies of any notices or legal papers received in connection with the accident. This includes every demand, claim, summons or other process any *insured person* receives.

Medical Expenses Coverage

The injured person (or someone acting on his or her behalf) must submit a signed, sworn claim. The claim should contain this information:

- description of the injury;
- description of the medical treatment and expenses;
- bills, receipts, and other documents supporting the claim; and
- an authorization allowing *us* to obtain his or her medical reports and records.

Extra Benefits

Submit a description of *your* claim within 60 days of the *occurrence*. Include all bills, receipts and other supporting documents.

• **Step Four: Cooperate with Our Defense**

You and anyone else who is making a claim must help *us* investigate, defend, and settle it. In many cases *we'll* pay for reasonable expenses incurred while helping *us*. These payments are described in "Extra Benefits".

1. Help Us Substantiate Your Claim

Anyone seeking damages must take these steps to help *us* investigate and prove the claim:

(a) Provide records, documents and proofs.

An *insured person* must provide any records, documents or proofs *we* ask for, and allow *us* to make copies of them.

(b) Exhibit damaged property. An *insured person* must allow *us* to inspect and appraise damaged property before it is repaired or discarded.

(c) Swear under oath. An *insured person* must be willing to submit to examination under oath and sign his or her testimony.

(d) Authorize us to obtain records. An *insured person* must be willing to authorize *us* to obtain any pertinent records. This includes medical reports and other personal documents.

(e) Submit to physical examinations. A person seeking coverage must submit to physical exams as often as *we* reasonably request. *We'll* select the doctor and pay for the exams.

2. Participate in Legal Proceedings

Anyone covered by this policy must participate in legal proceedings connected with his or her coverage. This includes hearings, trials, arbitrations and other proceedings.

(a) Help us prepare. An *insured person* must help *us* prepare for and conduct proceedings, and provide any evidence *we* ask for.

(b) Attend hearings. An *insured person* must attend all proceedings at *our* request.

(c) Obtain witnesses. An *insured person* must help *us* obtain the cooperation of witnesses, including their attendance at hearings and trials.

(d) Enforce indemnity. An *insured person* must help *us* collect damages or a portion of the liability owed by another person or organization.

GLOSSARY

In this section, *we* repeat the definitions of every word and phrase *we* defined in *your* Home Policy.

Bodily injury means physical harm, sickness, mental anguish or death, including any care required or services lost because of the injury.

Business means a trade, profession, occupation or other activity for which an *insured person* receives more than \$2,000 annually in money or other compensation, whether performed on a full-time, part-time or occasional basis. However, *business* does not include:

- volunteer activities for which the only payment received is for expenses incurred to perform the activity;
- providing home day care services on an exchange of services basis with no monetary compensation; or
- providing home day care services to a relative.

Coverage limit means the most *we'll* pay for a loss, as explained in "How Much *We'll* Pay". Each type of coverage has its own limit, shown on the Declarations Page.

Deductible means the amount of a loss *you're* responsible for. *We'll* subtract this amount from *our* payment. If the *deductible* is larger than the amount of the loss, *we* won't pay anything. *Deductibles* do not apply to personal liability or to *medical expenses*.

Direct loss means a property loss caused **directly** by a particular set of circumstances.

Domestic employee means an *employee* of an *insured person* or an *employee* leased to an *insured person* by a labor leasing firm, whose duties include household or domestic services.

Employee means an *employee* of an *insured person* or an *employee* leased to an *insured person* by a labor leasing firm, whose duties are other than those performed by a *domestic employee*.

Ensuing loss means a property loss caused **indirectly** by a particular set of circumstances.

Exclusion means a particular set of circumstances when we won't pay for certain damages or loss.

Family member means any of these people, but **only** if they are residents of *your* household:

- *your* children;
- *your* other relatives; and
- other people under 21 years of age such as wards, who are in the care of *you* or a *family member*.

Identity fraud means the act of knowingly transferring or using, without lawful authority, an *insured person's* means of identity in violation of federal law or any applicable state or local law.

Identity fraud expenses means:

- costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for certified mail to law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for telephone calls to merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- loan application fees for re-applying for loan(s) when the original loan application was rejected because the lender obtained incorrect credit information;
- up to \$250 per day, not to exceed a total of \$10,000, for actual earnings lost as a result of missing work to complete fraud affidavits or meet with legal counsel, merchants, businesses, law enforcement agencies, financial

institutions, credit grantors, credit agencies, credit bureaus or similar organizations; or

- reasonable attorney fees incurred for the following, but only if *you* give us prior notice:
 - defense of an *insured person* against any lawsuit(s) by merchants, businesses or their collection agencies;
 - removal of any criminal or civil judgments wrongly entered against an *insured person*; or
 - challenge of the information in an *insured person's* consumer credit report or similar records.

Identity fraud occurrence means any act or series of acts of *identity fraud* committed by one person or a related group of people.

Insured person means any of the people or organizations insured by the coverage in question. Just who this includes varies slightly from coverage to coverage. A summary of *insured persons* can be found in "Who We Insure", at the beginning of *your* Home Policy.

Insured place means any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- new *residences* you acquire during the policy period
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of *you* or a *family member*;
- vacant land (other than farm land) owned or rented by *you* or a *family member*;
- land where *you* or a *family member* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by *you* or a *family member*.
- places occasionally rented by *you* or a *family member* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

Medical expenses means any of these expenses for *bodily injury* stemming from an *occurrence*:

- fees for doctors, surgeons, dentists and nurses;

- hospital and ambulance costs;
- charges for X-rays and artificial limbs or organs; and
- funeral expenses.

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.

Occurrence means the accident that causes *bodily injury, personal injury, or property damage* or loss. It can be a single event or a series of related events.

Personal injury means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character.

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* are considered *personal property* unless they are licensed for road use).

Plumbing fixture means sinks, bathtubs, showers, toilets and bidets.

Policy period means the period between the starting and ending times shown on the Declarations Page, unless this policy is cancelled by *you* or by *us*.

Property damage means physical damage or destruction to property, or the loss of its use.

Replacement cost means the cost of replacing property with property of a like kind and quality. *We'll* pay today's cost for comparable property, even if the property *you're* replacing was old and had gone down in value.

Residence is a one or two-family house, condominium, cooperative unit, apartment or any other type of residence *you* own or rent to live in, named on the Declarations Page. *Residence* includes outdoor possessions.

We, us, our and **ours** mean the company named on the Declarations Page.

You, your and **yours** mean each person named on the Declarations Page, and his or her spouse if they live together.

GENERAL CONDITIONS

This section explains additional terms and conditions that apply to *your* Home Policy.

1. OTHER INSURANCE

Under "Your Property Coverage":

- If another insurance policy also covers the loss, *we'll* pay *our* share of the damages and no more. *Our* share is the proportion of **our coverage limit** to the **total** of all *coverage limits* that apply.
- If a home warranty or service agreement also covers the loss, *we* will pay only the amount that exceeds the amount payable under the home warranty or service agreement.

Under "Your Liability Coverage", *we* will pay liability or *medical expenses* only in excess of other coverage that applies.

2. CHANGES

The terms of this policy cannot be waived or changed except in writing by *us*. *We* reserve the right to adjust *your* premium because of a change *we* make. If, during the *policy period* or within 60 days before it starts, *we* revise the policy to broaden or extend its coverage without any extra premium, *you* automatically receive the additional coverage on the date *we* implement the change in *your* state. This automatic coverage does not apply if the revision *we* make includes both extensions and restrictions of coverage.

3. CANCELLATION OR NONRENEWAL

In some states these rules may vary. If other rules for cancellation or nonrenewal apply, *we'll* attach an endorsement to *your* policy.

(a) Nonrenewal. *We* may decide not to renew this policy. If *we* do, *we'll* notify *you* at least 30 days before the policy ends. *We'll* mail *our* notice to the address shown on the Declarations Page. Proof of mailing is enough proof that *we* notified *you*.

(b) Cancellation by you. *You* may cancel this policy during the *policy period* for any reason. Simply mail *us* the policy or a written notice of the date *you* wish the cancellation to take effect.

(c) Cancellation by us. If *we* cancel this policy, *we'll* notify *you* in writing. *Our* notice will be mailed to the address shown on the Declarations Page. No other notice is necessary. But *we* may cancel this policy only under one of these circumstances:

- if *you* haven't paid the premium, *we* may cancel with 10 days' notice;
- if the policy has been in effect for less than 60 days and is not a renewal, *we* may cancel for any reason with 10 days' notice;

- if the *policy period* is longer than one year, we may cancel for any reason on the anniversary of the starting date, with 30 days' notice; or
- if *you* falsified or concealed any information that would have affected the way we wrote this policy, or if the risk has changed substantially, we may cancel with 30 days' notice.

(d) Refund. If the policy is cancelled, we'll refund the unearned premium within a reasonable time. The refund will be calculated pro rata.

4. TRANSFER

You may not transfer *your* rights or duties under this policy to another person without *our* consent. However, if *you* die, this policy will continue to cover for the rest of the *policy period*:

- *your* surviving spouse, if he or she lived with *you* at the time of death;
- the surviving members of *your* family, while they continue to live with *your* surviving spouse or at a *residence* named on the Declarations Page; and
- *your* legal representative, for obligations assumed in the course of representing *your* affairs.

5. LEGAL ACTION AGAINST US

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can *we* be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under "Your Property Coverage", an *insured person* agrees not to sue *us* later than two years after the date of the *occurrence*.

Under "Your Liability Coverage", an *insured person* agrees not to sue *us* before *we* agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

6. MORTGAGES

If a mortgagee is shown on the Declarations Page for any *residence*:

We'll pay the mortgagee directly for its share of any damages to a *residence* or another structure on the grounds.

We'll notify the mortgagee at least 10 days before the effective date if *we* cancel or decline to renew this policy. The mortgagee's rights won't be affected by any denial of *your* claims. However, to preserve its right to make a claim, the mortgagee must:

- notify *us* of any change in ownership, occupancy, or risk it is aware of;
- pay on demand any premium; and
- submit a signed, sworn proof of loss within 60 days after being notified that *you* failed to do so.

Instead of paying the mortgagee damages that *we* refused to pay *you*, we reserve the right to pay off the entire principal and interest due on the mortgage. If *we* do, the entire mortgage will be transferred to *us* along with any securities held as collateral.

7. OUR RIGHT TO RECOVER PAYMENT

If *we* pay money to a person under the terms of this policy, that person's right to recover any damages is automatically transferred to *us*. This also applies if *we* make payment to a mortgagee. The person or organization who receives *our* payment agrees to:

- sign papers, deliver documents and cooperate with *our* effort to recover damages; and
- do nothing to jeopardize or interfere with *our* ability to recover damages.

This right does not apply to payments made under:

- Medical Expenses Coverage; or
- Voluntary Payments for *property damage* under Extra Benefits.

8. APPRAISALS

If *we* fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand an appraisal. The demand must be in writing. This is the appraisal procedure:

(a) Selecting Appraisers. Within 20 days after the demand is received, both sides will select a competent, impartial appraiser. The two appraisers will evaluate the loss and try to come to an agreement. If they succeed, that will be the amount of the loss.

(b) Selecting an Umpire. If the two appraisers can't agree, they will select a competent, impartial umpire. If they can't agree on an umpire within 15 days, either side can ask a judge in the state where the *residence* is located to select one. Each appraiser will submit a written report to the umpire. The umpire's decision will be the amount of the loss.

(c) Paying for the Appraisal. Each side will pay the appraiser it chooses. Both sides will contribute equally to the umpire's pay and other expenses.

9. ABANDONMENT

We don't have to accept any property an *insured person* abandons.

10. BANKRUPTCY

Bankruptcy or insolvency of an *insured person* shall not relieve *us* of any of *our* obligations under this policy.

11. CONCEALMENT AND FRAUD

We do not provide coverage for any *insured person* who has, either before or after a loss, intentionally concealed or misrepresented any material fact or circumstance relating to this insurance. We do not provide coverage in the case of any fraud or false swearing by an *insured person* concerning this insurance.

12. NO BENEFIT TO BAILEE

We won't pay any money that directly or indirectly benefits a person or organization that is holding, storing or transporting property for money. This rule overrides any conflicting provisions of this policy.

13. PAIRS, SETS AND PARTS

Loss to one piece in a pair or set, which can't be used without the missing piece, will be treated as loss to the entire pair or set. However, loss to one part of property consisting of several parts when whole, which is still usable without the missing part, will be treated as loss to that part only.

14. SUBSTITUTIONS

We reserve the right to repair or replace property *ourselves*, instead of paying with money. If we plan to exercise this right, *we'll* notify *you* in writing within 30 days after we receive *your* signed, sworn proof of loss.

15. RETURN OF STOLEN PROPERTY

If stolen property is recovered and *you* want the property returned to *you*, *you* will return to *us* any payment we made to *you* for this item. However, we agree to pay for any damage caused by the theft.

16. INSURABLE INTEREST

For a property loss, *we* won't pay an *insured person* more than the amount of his or her interest in the property.

17. SEVERABILITY

This insurance applies separately to each *insured person*. This rule will not increase *our coverage limit* for any one *occurrence*.

In Witness Whereof, we have caused this policy to be executed and attested, but this policy will not be valid unless countersigned by *our* authorized representative.

(signed)

@,@,@,@,@,@,@,@,@

Secretary

(signed)

@,@,@,@,@,@,@,@

Chairman and CEO

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

PROFESSIONAL COVERAGE ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy, as amended by the Home-60 endorsement, is further amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

B. YOUR PERSONAL PROPERTY

- **Special Limits for Some Kinds of Property**

(9) **Business Property** in the Home-60 endorsement is deleted and replaced with the following:

(9) **Business Property.** We won't pay more than \$25,000 per *occurrence* for property (not otherwise insured) an insured uses for a *business*, trade or job. However, we will pay no more than \$5,000 for business property that is electronic data processing equipment while it is away from a *residence* named on the Declarations Page.

EXTRA BENEFITS

D. **PERSONAL COMPUTER RECORDS** in the Home-60 endorsement is deleted and replaced with the following:

D. PERSONAL COMPUTER RECORDS

We cover the cost of re-creating information you store in a computer located at a *residence* covered by this policy. But the information must be lost because of a loss covered by this policy, including data lost as a result of a computer virus. This extra benefit has a *coverage limit* of \$5,000.

PART II: YOUR LIABILITY COVERAGE

EXTRA BENEFITS

A. Legal Services

(4) **Loss of earnings** in the Home-60 endorsement is deleted and replaced with the following:

(4) **Loss of earnings.** We may ask a person *we're* defending to help *us* investigate or defend against that claim. If we do, *we'll* pay up to \$500 a day for actual loss of wages or salary (but not loss of other income). *We'll* pay for other reasonable expenses incurred at *our* request, too.

C. **Voluntary Payments** is deleted and replaced with the following:

C. Voluntary Payments.

We'll pay for damage an *insured person* causes to someone else's property, even if he or she isn't legally obligated to pay. *We'll* pay, at *your* request, up to \$2,000 for each *occurrence*. There is no *deductible* for these payments. But *we won't* pay for:

- damage to property that *you* or anyone who lives with *you* (including tenants) owns or rents;
- damage to property covered by the property coverage of *your* Home Policy;
- damage caused by a motor vehicle, aircraft or boat;
- damage occurring at a place an *insured person* owns or rents that isn't an *insured place*; or
- damage caused intentionally, unless the person who caused it was less than 13 years old.

APPROVED

Date Received: Date of Action:
JAN 7 2005 MAR 16 2005

OFFICE OF INSURANCE REGULATION

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

EARTHQUAKE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For an additional premium, *we* insure for *direct loss* to *your residence* and other structures caused by earthquake. One or more earthquake shocks that occur within a seventy-two hour period shall constitute a single earthquake.

The following *deductibles* apply separately to the *residence* and to other structures for a loss caused by earthquake:

- *Residence* - 5% of the dwelling amount as shown on the Declarations Page.
- Other Structures - 0.5% of the dwelling amount as shown on the Declarations Page.

The following sentence is **added** to *exclusion (1) Earth Movement* under **PART I: LOSSES WE WON'T PAY FOR:**

- This *exclusion* does not apply to *direct loss* caused by earthquake.

The following **Special Exclusion** is **added** under **PART I: LOSSES WE WON'T PAY FOR:**

- *We* do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether caused by, resulting from, contributed to or aggravated by earthquake.

The following sentence is **deleted** from the first paragraph under **YOUR RESIDENCES AND PERSONAL PROPERTY** in **PART III: TERMS AND CONDITIONS:**

- However, if the loss is \$50,000 or more, *we* will waive the *deductible*.

Coverage Limit Not Increased

This coverage does not increase the *coverage limit* for a loss to the *residence* or other structures.

APPROVED

Date Received: Date of Action:
JAN 7 2005 MAR 16 2005

OFFICE OF INSURANCE REGULATION

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

WATERCRAFT LIABILITY COVERAGE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For an additional premium, the coverage provided under **A. Personal Liability** and **B. Medical Expenses** of **Part II: Your Liability Coverage** applies to the watercraft described on the Declarations Page. With respect to the watercraft described on the Declarations Page, **exclusion B.(3) Watercraft accidents** is deleted and replaced by the following:

*We won't pay for **bodily injury or property damage** or **medical expenses** arising out of the ownership of a watercraft while it is:*

- practicing for or participating in a race, unless the watercraft is a sailboat;
- used to carry persons or cargo for a charge;
- used for any *business* purpose; or
- rented to others.

*We also won't pay for **bodily injury** to any *employee* of an *insured person* arising out of and in the course of employment if the *employee's* principal duties are in connection with the maintenance or use of the watercraft.*

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

WORK AT HOME COVERAGE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

For an additional premium, *your* Home policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

B. YOUR PERSONAL PROPERTY

- **Special Limits for Some Kinds of Property**

(11) **Business Property** is deleted and replaced by the following:

(11) **Business Property.** We won't pay more than \$25,000 per *occurrence* for losses to property (not otherwise insured) an *insured person* uses primarily for a *business*, trade or job. However, if the *business* property is electronic data processing equipment, we won't pay more than \$5,000 per *occurrence* while it is away from a *residence* named on the Declarations Page.

EXTRA BENEFITS

D. **PERSONAL COMPUTER RECORDS** is deleted and replaced by the following:

D. PERSONAL COMPUTER RECORDS

We cover the cost of re-creating information *you* store in a computer located at a *residence* covered by this policy. But the information must be lost because of a loss covered by this policy, including the loss of information as a result of a computer virus. This extra benefit has a *coverage limit* of \$5,000.

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

GOLF CLUB MEMBER ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

J. LOSS ASSESSMENT is deleted and replaced by the following:

J. LOSS ASSESSMENT

We'll pay up to \$50,000 for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- a loss to property owned by the Association; or
- liability of the Association; or
- liability resulting from the *deductible* in an insurance policy.

For *us* to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

The following Extra Benefits are added:

L. LOSS OF ONE GOLF CLUB

We'll pay up to \$200 for loss of one golf club due to misplacing or losing the club while playing golf. There is a \$50 *deductible* for this coverage.

M. THEFT FROM LOCKER

We'll pay up to \$500 for theft of personal property from *your* locker at the Golf Club including loss of property from *your* locker when it is likely that it has been stolen. There is a \$100 *deductible* for this coverage.

N. THEFT OF GOLF EQUIPMENT FROM BAG STORAGE AT THE GOLF CLUB

We'll pay up to \$200 per club, maximum \$1,000 per set of golf equipment for loss by theft from bag storage at the Golf Club. A set of golf equipment may include golf bag, golf clubs, head covers, ball retriever, and other customary golfing equipment. This insurance is excess over the Golf Club's insurance. There is a \$100 *deductible* for this coverage.

O. HOLE-IN-ONE INSURANCE

We'll pay up to \$250 to reimburse *you* the cost of hosting a celebration in honor of a hole-in-one made by an *insured*. This coverage applies to amateur golfers only. The score card must be signed by a witness and verified by the club pro. There is no *deductible* for this coverage.

P. DAMAGE TO YOUR HOME FROM GOLF BALLS

We'll pay up to \$1,000 for damage to *your residence* by the impact of a golf ball that was not hit by an *insured*. There is no *deductible* for this coverage.

Q. THEFT OF GOLF EQUIPMENT

We'll pay up to \$200 per club, maximum \$1,000 per set of golf equipment for loss by theft. A set of golf equipment may include golf bag, golf clubs, head covers, ball retriever and other customary golfing equipment. There is a \$100 *deductible* for this coverage.

R. GOLF CARTS

This section tells *you* about coverage for *your* golf cart. *Your* Declarations Page shows which kind of property coverage (if any) *you* have on *your* golf cart.

Two kinds of property coverage are available for a golf cart: comprehensive and *collision*. Comprehensive coverage covers *your* golf cart against property loss except *collisions* and any of the other *exclusions* described below under the heading "Losses We Won't Pay For". Collision coverage covers *your* golf cart **only** against *collisions*.

WHAT WE COVER

A golf cart has comprehensive or *collision* coverage **only** if a *deductible* is shown for that coverage on the Declarations Page. However, under certain conditions described in "Newly Acquired Golf Carts" we also cover some golf carts *you* acquire during the *policy period*. But we don't cover the golf cart while being used for a *business* trade or job other than farming or ranching.

Territory. This coverage applies anywhere in the United States, including Puerto Rico and other territories and possessions, and Canada. This coverage also applies while being transported between their ports.

NEWLY ACQUIRED GOLF CARTS

We'll cover golf carts *you* acquire during the *policy period* **only** if a golf cart is already named on the Declarations Page. But if *you* don't report the golf cart to *us* within 30 days after *you* acquire it, there is no coverage.

If the golf cart replaces one that is covered by this policy, it will have the same coverage and limits as the golf cart it replaces. If it's additional to those covered by this policy, it will have the broadest coverage we already provide for a golf cart.

LOSSES WE'LL PAY FOR

What is the golf cart covered against? That depends on the type of coverage *you* selected. Each golf cart has the property coverage(s) that show a *deductible* for that golf cart on the Declarations Page.

Golf Carts. If a *deductible* is shown only for comprehensive coverage, that golf cart is covered against risks of loss except *collision* and the other *exclusions* described below in "Losses We Won't Pay For." If a *deductible* is also shown for *collision* coverage, it's covered against *collision*, too.

LOSSES WE WON'T PAY FOR

In this section of the Golf Club Member Endorsement, we describe some *exclusions* that apply to *your* property coverage for golf carts. We won't pay for any loss that one of these *exclusions* applies to:

1. **Deterioration.** We won't pay for direct loss to any golf cart caused by deterioration or inherent vice. This includes: wear and tear, marring, scratching, latent defect, rust, mold, wet or dry rot and electrical or mechanical breakdown. This *exclusion* doesn't apply to loss to a golf cart that occurs while the vehicle is stolen.
 2. **Freezing.** We won't pay for *direct loss* to a golf cart caused by freezing, by ice, by thawing ice or by freezing water. This *exclusion* doesn't apply to loss to a golf cart that occurs while the golf cart is stolen.
 3. **War and nuclear accident.** We won't pay for *direct* or *ensuing loss* to a golf cart caused by any kind of military or warlike action. declared or undeclared wars, rebellions, or other types of insurrection. This includes destruction or seizure of property for military use, and discharge of nuclear weapon, even if accidental: and radioactive contamination.
 4. **Tire damage.** We won't pay for any loss to a tire caused by road damage. This *exclusion* doesn't apply to loss that occurs while the golf cart is stolen.
- **Precautionary Repairs**

For a golf cart that shows a *deductible* for comprehensive or *collision* coverage, we'll pay for repairs to prevent additional damage after a loss covered by this policy. However, these costs must

be reasonable. This payment is part of both *your* comprehensive and *collision* coverages, and will be applied against *your coverage limit* for that golf cart.

GLOSSARY

Collision means the impact of a golf cart with any object except a bird, animal or falling object. A golf cart overturning is also considered a *collision*. But certain kinds of impact are **not** considered a *collision*. This is any impact caused by fire, theft, vandalism, explosion, wind, hail, water, or riot. Breaking of glass is **not** considered a *collision* unless the breakage occurs during a *collision*.

PART II: YOUR LIABILITY COVERAGE

DAMAGES WE WON'T PAY

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(18) **Accidents involving motor vehicles** is deleted and replaced by the following:

(18) **Accidents involving motor vehicles.** We won't pay for *bodily injury* or *property damage* or *medical expenses* that occurs while an *insured person* is riding in or driving a motor vehicle. A motor vehicle means any motorized land vehicle, including a trailer while being towed.

This *exclusion* does **not** apply to:

- an owned motorized golf cart while used for golfing purposes or while traveling to and from a golf course for golfing purposes or while traveling within the perimeter of the golfing community;
- an owned motorized golf cart while used in a private residential community where an *insured person* lives;
- a non-owned golf cart;
- a motor vehicle designed for recreational use off public roads that is either not owned by an *insured person* or is on an *insured place*; or
- a motor vehicle that is used to service the *residence* of an *insured person*, designed to assist the handicapped, or in dead storage at an *insured place*.

However, the motor vehicles listed above will only be covered while they are **not**:

- practicing for or participating in a race;
- used to carry persons or property for a charge;
- used for any *business* purpose, except for golf carts; or
- rented to others.

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

SKEET AND TRAP CLUB MEMBER ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

- **Special Limits for Some Kinds of Property**

(9) **Firearms** is deleted and replaced by the following:

(9) **Firearms.** We won't pay more than \$10,000 per item or \$50,000 per *occurrence* for firearms and related equipment that is stolen, misplaced or lost. There is a \$100 *deductible* for this coverage.

EXTRA BENEFITS

The following Extra Benefits are added:

L. Skeet and Trap Club Loss Assessment.

We'll pay up to \$25,000 for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members of the Skeet and Trap Club. But it must be an assessment for:

- a loss to property owned by the Skeet and Trap Club; or
- liability of the Skeet and Trap Club; or
- liability resulting from the *deductible* in an insurance policy.

For *us* to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

M. 100 x 100 Insurance.

We'll pay up to \$250 to reimburse *you* the cost of hosting a celebration in honor of a verified 100 x 100 shoot in skeet. This coverage applies to amateur shooters only. The score card must be signed by a witness and verified by the referee. There is no *deductible* for this coverage.

APPROVED

Date Received: Date of Action:
JAN 7 2005 MAR 16 2005

OFFICE OF INSURANCE REGULATION

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

WATER BACK-UP OF SEWERS OR DRAINS

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

If the Declarations Page shows that water back-up is included, we insure for *direct loss* caused by water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. The *deductible* for this coverage is shown on the Declarations Page, and may be different than the *deductible* for other losses covered by *your* Home Policy. This coverage applies only to those locations for which the Declarations Page shows that water back-up is included.

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

PROPERTY REMEDIATION AND LIMITED LIABILITY COVERAGES FOR ESCAPED LIQUID FUEL

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For the credit given or the premium charged, the coverage provided by this endorsement and the applicable *coverage limits* shown on the Declarations Page apply. These *coverage limits* apply to the total of all loss, damage or expense payable under this endorsement, regardless of the number of locations *insured* under this endorsement and listed on the Declarations Page.

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

The following is added:

L. PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL

1. With respect to the total of all escapes of liquid fuel from a *fuel system* which an *insured person* first discovers or learns of during the *policy period*, we will pay up to the *coverage limits* shown on the Declarations Page for loss, damage or expense described in paragraph 3.
2. The limit shown in the Declarations Page for this coverage is the most we will pay for the total of all loss, damage, or expense payable under Paragraph 3. regardless of the:
 - a. Number of locations *insured* under this endorsement;
 - b. Number of escapes of liquid fuel from a *fuel system* an *insured person* first discovers or learns of during the *policy period*; or
 - c. Number of claims made.

3. Loss, Damage Or Expense Covered

This coverage pays for;

- a. Loss or damage to:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;caused directly or indirectly by the escape of such fuel from a *fuel system*;
- b. The reasonable expense *you* incur to:
 - (1) Take temporary measures to stop the further escape of liquid fuel from any part of the *fuel system*;
 - (2) Retard or stop the spread of escaped liquid fuel;
 - (3) Clean up, remove or treat loss or damage to:
 - (a) *Covered real property*; or
 - (b) *Covered personal property*; or
 - (4) Test, monitor or assess the effects of the escape of liquid fuel on or away from *covered real property*:
 - (a) As required by law; or
 - (b) In response to a request, demand or order by a governmental authority or court of law.

We will pay for such expense only if it results from the same escape that is payable under Paragraph 3. a., or b. ;

- c. Loss or damage to trees, shrubs, lawn and other plants on the grounds of *your residence*, but only if there is loss, damage, or expense caused by the same escape that is payable under Paragraph 3. a., or b. However, we will only pay up to \$1500 for damage to any one plant, tree, or shrub, to a total of \$15,000 per *occurrence* for landscaping losses.

4. Deductible

The *deductible* amount that applies to *your residence*, applies to loss, damage or expense covered under this additional coverage. We will pay only that part of the total of all loss, damage or expense payable under Paragraph 3. that exceeds that *deductible* amount.

5. Losses We Won't Pay For

We will not pay:

- a. For any diminution or reduction in the market value of any:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;whether or not such property is damaged;
- b. For any damage resulting from the loss of or reduction in value of a pending sale of:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;
- c. To replace any fuel;
- d. For any expense to:
 - (1) Demolish or remove; or
 - (2) Repair, replace, rebuild or restore;any part of a *fuel system* other than those expenses provided in Paragraph 3. a., or b.; or
- e. For any damage that results from an escape from:
 - (1) One or more containers, tanks or vessels, that are, or were, used to hold liquid fuel and are a part of a motor vehicle, motorized land conveyance or watercraft; or
 - (2) Related lines or parts, that are or were connected to a motor vehicle, motorized land conveyance or watercraft.

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses**

With respect to **Property Remediation For Escaped Liquid Fuel**, Additional Living Expenses is deleted and replaced with the following:

- **Additional Living Expenses**

- (1) Additional Living Expenses are any necessary increase in living expenses *you* incur, so that *your* household can maintain its normal standard of living, if the escape of liquid fuel:
 - (a) Results in loss, damage or expense payable under Paragraph 3. a., or b.; and
 - (b) Makes that part of the *residence* where *you* reside not fit to live in.
- (2) Payment for Additional Living Expenses will be for the shortest time required:
 - (a) To make that part of the *residence* where *you* reside fit to live in; or
 - (b) For *your* household to settle elsewhere, if *you* permanently relocate.This period of time applies even if it extends past the expiration date of this policy.
- (3) This coverage does not increase the *coverage limits* shown on the Declarations Page.

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE WON'T PAY FOR

This section applies to this **Property Remediation For Escaped Liquid Fuel** coverage with the exception of **(6) Contamination**.

PART III: TERMS AND CONDITIONS

PART III applies to this **Property Remediation For Escaped Liquid Fuel** coverage with the exception of the following:

This **Property Remediation For Escaped Liquid Fuel** coverage does not apply to any *residence premises* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to real and personal property under the policy to which this endorsement is attached.

GENERAL CONDITIONS

1. OTHER INSURANCE

With respect to loss, damage or expense described in **Property Remediation For Escaped Liquid Fuel**, General Condition **1. Other Insurance** is deleted and replaced with:

1. OTHER INSURANCE AND SERVICE AGREEMENT**a. Other Insurance**

If loss, damage, or expense covered in **Property Remediation For Escaped Liquid Fuel**, is also covered by other insurance, we will pay only the proportion of the loss, damage or expense that the *coverage limit* that applies under this endorsement bears to the total amount of insurance covering the loss, damage or expense.

b. Service Agreement

If loss, damage or expense covered in **Property Remediation For Escaped Liquid Fuel**, is also covered by a service agreement, then this **Property Remediation For Escaped Liquid Fuel** coverage is excess over any amount payable under any such agreement. Service Agreement means a *fuel system* service plan, property restoration protection plan, or similar service or warranty agreement, even if it is characterized as insurance.

This coverage does not apply to any *residence premises* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to real and personal property under the policy to which this endorsement is attached.

PART II: YOUR LIABILITY COVERAGE

LIMITED ESCAPED LIQUID FUEL LIABILITY COVERAGE

With respect to *bodily injury* or *property damage* described below,

LIABILITY AND MEDICAL EXPENSES

WHAT WE COVER is deleted and replaced with:

Limited Escaped Liquid Fuel Liability Coverage

This coverage applies if a claim is made or a suit is brought against an *insured person* for damages because of :

- a. *Bodily injury* or *property damage* caused by an *occurrence* involving the escape of fuel from a *fuel system*. However, this limited coverage does not apply to an *occurrence* of fire or explosion that results from such escaped fuel. Damages resulting from such an *occurrence* of fire or explosion are subject to the *coverage limits* on the Declarations Page.

NO OTHER ESCAPED LIQUID FUEL LIABILITY COVERAGE APPLIES UNDER THIS POLICY EXCEPT AS PROVIDED IN THIS PARAGRAPH.

1. If coverage applies for **Limited Escaped Liquid Fuel Liability** as stated above, we will;
 - a. Pay up to the aggregate *coverage limits* stated on the Declarations Page for damages for which an *insured person* is legally liable. Damages include prejudgement interest awarded against an *insured person*; and
 - b. 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 the amount *we* pay for damages resulting from *bodily injury* or *property damage* described in **Limited Escaped Liquid Fuel Liability** above, exhausts the aggregate *coverage limits* stated on the Declarations Page.
2. With respect only to applying the provisions of this coverage as described above, *bodily injury* or *property damage* caused in whole or in part by an *occurrence* described in **Limited Escaped Liquid Fuel Liability**, shall be deemed to have been caused solely by such an *occurrence* regardless of any other covered cause or event contributing to the *bodily injury* or *property damage*.
3. This coverage does not apply to any *insured place* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to Liability and Medical Expenses coverage under the policy to which this endorsement is attached.

EXTRA BENEFITS

D. LOSS ASSESSMENT

With respect to the **Limited Escaped Liquid Fuel Liability Coverage** described above, **D. Loss Assessment** is deleted and replaced by the following:

D. LOSS ASSESSMENT

- a. We'll pay up to the aggregate *coverage limits* stated on the Declarations Page for *your* share of loss assessment charged during the *policy period* against *you* by a corporation or association of property owners when the assessment is made as a result of:
 - (1) An *occurrence* involving the escape of fuel from a *fuel system*;
 - (2) Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (a) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (b) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
- b. This coverage applies only to loss assessments charged against *you* as owner or tenant of the *residence*.
- c. We do not cover assessments charged against *you* or a corporation or association of property owners:
 - (1) As required by law; or
 - (2) In response to a request, demand or order by a governmental authority or court of law.
- d. Regardless of the number of assessments, the aggregate *coverage limits* stated on the Declarations Page is the most we will pay for loss arising out of:
 - (1) One accident, including continuous or repeated exposure to the same general harmful conditions; or
 - (2) 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.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE

is deleted only with respect to coverage provided by this endorsement and replaced with the following:

1. Aggregate Coverage Limits

Our total liability in any one *policy period* for all damage resulting from the total of all *bodily injury* or *property damage* during the *policy period* will not be more than the limited escaped liquid fuel liability coverage aggregate *coverage limits* stated on the Declarations Page. This is the most we will pay regardless of the:

- a. Number of locations insured under the policy to which this endorsement is attached;
- b. Number of persons injured;
- c. Number of persons whose property is damaged;
- d. Number of *insured persons*; or
- e. Number of claims made.

The *occurrence coverage limits* does not apply to this coverage.

GENERAL CONDITIONS

17. SEVERABILITY is deleted only with respect to coverage provided by this endorsement and replaced with:

17. SEVERABILITY

This insurance applies separately to each *insured person* except with respect to the aggregate *coverage limits* described above. This condition will not increase the limit for this coverage.

WHAT TO DO AFTER AN ACCIDENT OR LOSS

- **Step Three: Submit All Claims**

Medical Expenses Coverage is deleted.

PART III: TERMS AND CONDITIONS

GLOSSARY

The definition for **residence** is deleted and replaced with the following:

Residence is a one or two-family house, condominium, cooperative unit, apartment or any other type of *residence you own or rent to live in*, named on the Declarations Page. *Residence* includes:

- Outdoor Possessions
- Any location shown on the Declarations Page for this coverage.

The following definitions are added:

Covered real property. The following applies only to **Property Remediation For Escaped Liquid Fuel:**

a. *Covered real property* means:

(1) Property owned by an *insured person* and covered under:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

A. YOUR RESIDENCES

(2) Any other one, two, three or four family dwelling building owned by an *insured person* and shown on the Declarations Page under **Property Remediation for Escaped Liquid Fuel coverage limits**.

(3) Materials and supplies located on or next to the *residence*, used to construct, alter or repair the dwelling or other structures on the *residence*;

(4) Land, other than farm land:

(a) Which is within the *residence*;

(b) Which is owned by an *insured person*; and

(c) On which a building or structures described in Paragraphs (1), (2), or (3) above is located.

b. *Covered real property* does not include:

(1) Water;

(2) Other structures that are part of the *fuel system*; or

(3) Trees, shrubs, plants or lawns, except to the extent permitted in:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

L. PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL

3. Loss, Damage or Expense Covered

subsection c.

Covered personal property. The following applies only to **Property Remediation For Escaped Liquid Fuel:**

Covered personal property means:

(1) Personal property owned or used by an insured person and covered under:

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PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. PERSONAL PROPERTY; and

(2) Located on *your residence*.

Fuel System means:

- a. One or more containers, tanks or vessels which have a total combined storage capacity of 100 or more U.S. gallons of liquid fuel; and
 - (1) Are, or were, used to hold liquid fuel that is intended to be used solely for one or more of the following:
 - (a) To heat or cool a building;
 - (b) To heat water;
 - (c) To cook food; or
 - (d) To power motor vehicles, other motorized land conveyances or watercraft owned by an *insured person* and not used at any time or in any manner for *business*; and
 - (2) Are, or were, located on:
 - (a) *Covered real property*; or
 - (b) *An insured place*;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph **a.** above.
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph **a.** above;
- d. A boiler, furnace or a water heater, the liquid fuel for which is stored in a container, tank or vessel described Paragraph **a.** above, and which is located on:
 - (1) *Covered real property*; or
 - (2) *An insured place*;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph **a.** above;
- f. A structure that is specifically designed and built to hold the liquid fuel that escapes from one or more containers, tanks or vessels described in Paragraph **a.** above.

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

BUILDERS RISK

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For an additional premium, the following coverages apply to the location which shows a *coverage limit* for Builders Risk on the Declarations Page while the *residence* is under construction or renovation.

PART I: YOUR PROPERTY COVERAGE

B. YOUR PERSONAL PROPERTY

- **Special Limits for Some Kinds of Property**

(2) **Negotiable papers.** The following items are added: blueprints, specifications, and reproductions of architectural plans.

LOSSES WE WON'T PAY FOR

(4) **Theft from a residence under construction or renovation** is deleted and replaced by the following:

(4) **Theft from a residence under construction or renovation.** *We* won't pay for:

- *direct loss* to machinery, tools, equipment and other property not intended to become a permanent part of the covered *residence*; or
 - *direct loss* caused by theft of construction materials and supplies in transit.
-

PART III: TERMS AND CONDITIONS

YOUR RESIDENCES AND PERSONAL PROPERTY is deleted and replaced by the following:

YOUR RESIDENCES AND PERSONAL PROPERTY

For a loss to *your* property covered by this policy, *we'll* pay the replacement cost. *We'll* pay it, less *your deductible* (subject to a minimum of \$500), up to *your coverage limit* for each *occurrence*. However, if the loss is greater than or equal to \$50,000, *we* will waive the *deductible*. In the event of a loss, the value of the property under construction or renovation will be determined as of the time of the loss. For a *residence*, *we* will not pay more than the actual cash value unless actual repair or replacement is complete or the cost to repair or replace is less than 5% of the amount of insurance on the building.

Coverage limits. On the Declarations Page, *you'll* find a separate *coverage limit* for each of *your residences*. This limit is the total limit for all real and *personal property* losses in and around that *residence*. Special limits on certain property apply as described in Part I: Your Property Coverage.

Personal Property. Which *coverage limit* applies to *personal property*? If the property is at a *residence* when the loss occurs, *we'll* apply the limit for that *residence*. If the loss occurs away from the *residence*, *we'll* apply the limit for the *residence* that property is usually kept at. If the property isn't usually kept at a *residence*, *we'll* apply *your* highest residential *coverage limit*.

GENERAL CONDITIONS

The following condition is added to the General Conditions Section:

18. OCCUPANCY

You must advise *us* within 30 days that the construction or renovation is completed.

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

BUSINESS PURSUITS

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For an additional premium, we cover the *business* described on the Declarations Page, which is conducted by an *insured person* at the location described, subject to the following:

PART II: YOUR LIABILITY COVERAGE

LIABILITY AND MEDICAL EXPENSES

DAMAGES WE WON'T PAY

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(12) **Business related nonvehicle accidents** is deleted and replaced with the following:

(12) Business related accidents.

Damages we won't pay for:

- (1) to *bodily injury* or *property damage* or *medical expenses* arising out of or in the course of conducting the *business* pursuits of the *insured person* in connection with a business owned or financially controlled by the *insured person* or by a partnership of which the *insured person* is a partner or member;
- (2) to *bodily injury* or *property damage* or *medical expenses* arising out of the rendering of or failure to render professional services of any nature other than teaching, including but not limited to any architectural, engineering or industrial design services, any medical, surgical, dental or other services or treatment conducive to the health of persons or animals and any beauty or barber services or treatment;
- (3) to *bodily injury* or *medical expenses* to a fellow employee of the *insured person* injured in the course of employment;
- (4) when the *insured person* is a member of the faculty or teaching staff of any school or college;
 - a. to the *bodily injury* or *property damage* arising out of the maintenance, use, loading or unloading of draft or saddle animals, vehicles for use therewith, aircraft, motor vehicle, recreational motor vehicle or *watercraft* owned or operated, or hired by or for the *insured person* or employer if used by the *insured person* for the purpose of instruction in the use thereof; or
 - b. to *bodily injury*, *nonbodily injury*, or *property damage* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation

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

LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

LOSSES WE WON'T PAY FOR

- (5) **Deterioration** is deleted and replaced by the following:
- (5) **Deterioration.** *We won't pay for direct loss caused by deterioration or inherent vice. This includes wear and tear, marring, scratching, latent defect, rust, and electrical or mechanical breakdown.*
- (6) **Contamination** is deleted and replaced by the following:
- (6) **Contamination.** *We won't pay for direct or ensuing loss caused by the release, discharge, dispersal or application of contaminants or pollutants from any source, or by rust.*

The following *exclusion* is added:

- (27) **Fungi, wet or dry rot, or bacteria.** *We won't pay for direct loss caused by the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot, or bacteria. We won't pay for ensuing loss either, unless the direct cause is a risk not excluded in (1) to (26) above. This exclusion does not apply:*
- when the *fungi, wet or dry rot, or bacteria* results from fire or lightning; or
 - to the extent that coverage is provided under Extra Benefits, when the *fungi, wet or dry rot, or bacteria* results from a covered loss other than fire or lightning.

Special Rules for Home Appliances

The following *exclusion* is added to this section:

We won't pay for loss caused by the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot, or bacteria that results from a covered loss under:

- (2) **Sudden water loss;** or
(3) **Internal freezing;**

except to the extent that coverage is provided under Extra Benefits.

EXTRA BENEFITS

The following Extra Benefit is added:

L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

We will pay for damage caused by fungi, wet or dry rot, or bacteria that results from a loss covered by this policy other than fire or lightning, but only if you have used all reasonable means to prevent further damage to the property following the covered loss. In addition to the damage caused by fungi, wet or dry rot, or bacteria, we'll pay for:

- the cost of removing the *fungi, wet or dry rot, or bacteria*;
- the cost to tear out and replace any part of *your residence* or other property as necessary to gain access to the *fungi, wet or dry rot, or bacteria*; and
- the cost of testing to confirm the presence, absence or level of *fungi, wet or dry rot, or bacteria*. However, *we'll* pay for testing only if there is a reason to believe that *fungi, wet or dry rot, or bacteria* may be present as a result of a covered loss.

The most we will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for Fungi, Wet or Dry Rot, or Bacteria.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE is deleted and replaced by the following:

This section explains how much *we'll* pay for an *occurrence* covered by *your* Personal Liability or Medical Expenses coverage.

Personal Liability

- (1) For personal liability covered by *your* Home policy, *we'll* pay up to *your* personal liability coverage limit except as described in paragraph (2). That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.
- (2) For personal liability 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, *we'll* pay up to *your* personal liability coverage limit or \$300,000, whichever is less, but in no event will *your* coverage limit be less than \$50,000 for damages under this paragraph (2). This is the most *we'll* pay in any one *policy period* regardless of:
 - (a) the number of locations insured under this policy;
 - (b) the number of persons injured;
 - (c) the number of persons whose property is damaged;
 - (d) the number of *insured persons*; or
 - (e) the number of *occurrences*.

Medical Expenses

For *medical expenses* covered by *your* Home policy, *we'll* pay up to *your* medical expenses coverage limit. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

GLOSSARY

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*.

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

**FLORIDA WINDSTORM
EXTERIOR PAINT OR WATERPROOFING EXCLUSION
SEACOAST**

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

This *exclusion* applies only to those Florida locations shown on the Declarations Page.

Your Home Policy is amended as follows:

Part I: Your Property Coverage

Residences and Personal Property

Losses We Won't Pay For

The following *exclusion* is added as item **(27)**:

(27) Florida Windstorm Exterior Paint or Waterproofing Exclusion.

We won't pay for loss caused by:

- a. windstorm or hail; or
 - b. windstorm during a hurricane;
- to paint or waterproofing material applied to the exterior of a building or structure covered by this policy.

A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.

A hurricane *occurrence*:

- a. begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
- b. ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your residences* and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your personal property described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- 1. Fire or lightning.**
- 2. Windstorm or hail.** This cause of loss 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 the roof or wall and the rain, snow, sleet, sand or dust enters through this opening. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
- 3. Explosion.**
- 4. Riot or civil commotion.**
- 5. Aircraft,** including self-propelled missiles and spacecraft.
- 6. Vehicles.**
- 7. Smoke,** meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- 8. Vandalism or malicious mischief.**
- 9. Theft,** including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- 10. Falling Objects.** This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
- 12. Collapse of a building or any part of a building.** This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- 13. 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.

This cause of loss does not include loss:

 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing; or

- on the *residence* caused by accidental discharge or overflow which occurs off the *residence*.
14. **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 cause of loss.*
 15. **Freezing**, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
 - maintain heat in the building; or
 - shut off the water supply and drained the system and appliances of water.
 16. **Sudden and accidental damage from artificially generated electrical current** to electrical appliances, devices, fixtures and wiring. This cause of loss does not include loss to a tube, transistor or similar electronic components.
 17. **Breakage of glass or safety glazing material** which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
 18. **Damage to covered property by glass or safety glazing material** which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
 19. **Earth movement**, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.
 20. **Misplacing or losing.**

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE – EXCLUDING WIND

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your residences* and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your personal property described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- 1. Fire or lightning.**
- 2. Explosion.**
- 3. Riot or civil commotion.**
- 4. Aircraft**, including self-propelled missiles and spacecraft.
- 5. Vehicles.**
- 6. Smoke**, meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- 7. Vandalism or malicious mischief.**
- 8. Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- 9. Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- 10. Weight of ice, snow or sleet** which causes damage to property contained in a building.
- 11. Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- 12. 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. This cause of loss does not include loss:
 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence*.

- 13. 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 cause of loss.
- 14. Freezing**, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drained the system and appliances of water.
- 15. Sudden and accidental damage from artificially generated electrical current** to electrical appliances, devices, fixtures and wiring. This cause of loss does not include loss to a tube, transistor or similar electronic components.
- 16. Breakage of glass or safety glazing material** which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 17. Damage to covered property by glass or safety glazing material** which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 18. Earth movement**, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.
- 19. Misplacing or losing.**

FLORIDA HOME POLICY - OUTLINE

The following outline of coverage is for informational purposes only. It is the express intent of Section 627.4143, Florida Statutes, that this outline shall not be construed to modify any of the provisions of the legal insurance contract which is the subject of this outline. **READ YOUR HOME POLICY CAREFULLY.**

Your Home Policy is designed to provide coverage for the following: Your Residences; Personal Property; Personal Liability; and Medical Expenses.

POLICY COVERAGES

Please refer to your Declarations Page for limits applicable to each policy coverage, the deductible which applies, and the policy premium. The following is a brief description of each of the principal coverage features.

PART I: YOUR PROPERTY COVERAGE

1. **Your Residences:** covers your residences; outdoor possessions including other structures, landscaping and land restoration. Alterations and improvements, loss assessment and loss assessment for an insurance deductible may apply to rentals, condominiums, cooperatives and homeowner associations.
2. **Your Personal Property** covers any physical object owned by you except real estate and motor vehicles. At your request, other people's personal property on your residences is also covered. Certain special limits apply such as \$1000 for money and \$10,000 for off residence business property. You should review these in Part I of your policy along with "Personal Property We Don't Cover".

LOSSES WE'LL PAY FOR

The contract covers you against risks of physical loss except certain circumstances described in "Losses We Won't Pay For". If you endorse this contract with a named peril endorsement, "Losses We Won't Pay For" will be replaced by a listing of "Losses We'll Pay For".

LOSSES WE WON'T PAY FOR

The principal exclusions in your property coverage are briefly referred to here: loss from earth movement, water damage from flood and other surface water (whether or not driven by wind), power interruption, deterioration, neglect, war and nuclear hazards. A complete list of exclusions is found in your Home policy.

EXTRA BENEFITS

In addition to covering your residence and personal property, your property coverage includes other benefits such as: loss of use of your residence which provides payments if you are unable to live in your residence because of a loss covered by this policy. There are several other extra benefits and the conditions of each are outlined in the Home Policy.

COVERAGE MODIFICATIONS

This Home Policy is very flexible, providing numerous ways to accommodate any special needs you may have. Some of the more common optional coverages include:

- COVERAGE for watercraft and outboard motors;
- BROADENED coverage for rental of the property to others;
- COVERAGE at an additional residence;
- COVERAGE for business property; liability for business pursuits.

LIABILITY COVERAGES

PART II

Part of your policy covers you for your financial loss for bodily injury or property damage to others, arising out of your residence or the personal activities of you and your family members away from the residence. Coverage does not apply to liability resulting from your business pursuits, motor vehicles, or certain kinds of watercraft.

RENEWAL AND CANCELLATION PROVISIONS

You may cancel the policy at any time for any reason. Our rights to cancel or nonrenew your Home policy are limited to those conditions described in your Home policy. If we intend to cancel or refuse renewal of your Home policy, we must send you a notice of the cancellation or nonrenewal date. See endorsement attached to your Home policy.

PREMIUM CREDITS

Some credits which may apply to your policy are as follows: (1) new home credit, (2) premises alarm or fire protection system, (3) nonsmoker credit, (4) golden age discount.

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

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This *exclusion* does not apply to sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

PART II: YOUR LIABILITY COVERAGE

LIABILITY AND MEDICAL EXPENSES

DAMAGES WE WON'T PAY

A. CLAIMS FOR PERSONAL INJURY

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

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

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and other structures even when it's more than *your* Total Location Limit. The most *we* will pay to repair or replace a *residence*, other structures, *personal property* and loss of use, however, is 125% of the Total Location Limit shown on the Declarations Page for that *residence*. This protection applies **only** if *you* had allowed *us* to annually increase

your coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

YOUR LIABILITY COVERAGE

WHEN WE'LL PAY

The first sentence of the first paragraph is replaced by the following:

We'll pay all the money *we owe you* within 20 days after *we* receive *your* sworn proof of loss.

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, *we'll* notify *you* at least 90 days before this policy ends of renewal premium or nonrenewal. *We* will mail *our* notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, *we* will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably necessary as requested by *us* to prevent recurrence of damage to the insured property; or
- b. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, *we* may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us**:

(c) Cancellation by us. If *we* cancel this policy, *we'll* notify *you* in writing and include the specific reasons for the cancellation. *We* will mail *our* notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But *we* may cancel this policy only under one of these circumstances:

- (1) If *you* haven't paid the premium, *we* may cancel with 10 days' notice;
- (2) When this policy has been in effect for 90 days or less, *we* may cancel for any reason, except *we* may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably necessary as requested by *us* to prevent recurrence of damage to the *insured property*; or
 - b. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, *we* may cancel this policy if:

- i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
- ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, *we* will let *you* know of *our* action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, *we* will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by *us*; or
- (3) there has been a substantial change in the risk assumed by *us* since the policy was issued; or
- (4) willful and negligent acts or omissions by *you* or *your* family have substantially increased the hazards insured against.
- (5) on the basis of property insurance claims that are a result of an act of God if *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably necessary as requested by *us* to prevent recurrence of damage to the *insured* property; or
- (6) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If *we* offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can *we* be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before *we* agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS

The following is added:

If *we* fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand a mediation of the loss in accordance with the rules established by the FL Insurance Department. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the settlement amount *we* offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

RENTAL PROPERTY ENDORSEMENT – EXCLUDING WIND

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with “What kind of losses will we pay for?” is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in “Losses We Won't Pay For”. *Your personal property* is covered against physical damage or loss caused by certain named perils described in “Losses We'll Pay For”. And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in “Extra Benefits”.

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in “What We Cover” are insured for *direct loss* except under certain circumstances described in “Losses We Won't Pay For”.

Your other *personal property* described in “What We Cover” is insured for the following causes of loss, unless the loss is excluded under “Losses We Won't Pay For”.

- (1) **Fire or lightning.**
- (2) **Explosion.**
- (3) **Riot or civil commotion.**
- (4) **Aircraft, including self-propelled missiles and spacecraft.**
- (5) **Vehicles.**
- (6) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.

- (7) **Theft**, including attempted theft.
- (8) **Vandalism or malicious mischief**. This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (9) **Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- (10) **Weight of ice, snow or sleet** which causes damage to property contained in a building.
- (11) **Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (12) **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.
- This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (14)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence*.
- (13) **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 cause of loss.
- (14) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (15) **Sudden and accidental damage from artificially generated electrical current**. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (16) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (17) **Volcanic eruption**. This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (18) **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:
This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less *your deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, *we'll* pay the *replacement cost*. However, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. Our payment will be either this *replacement cost* or the dwelling amount shown on the Declarations Page, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

Filing Details

Work Unit Number: W05-133838
Filing Purpose: Forms Only
Line of Business: HOMEOWNERS MULTI PERIL
Date Created: 1/6/2005 02:10:51 PM
Filing Name: Homeowner - Forms Filing

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
ATLANTIC MUTUAL INSURANCE COMPANY	134934590	19895	0024
CENTENNIAL INSURANCE COMPANY	136104845	19909	0024

Filing Originator Information

Company E-Mail: doreen_a_freiman@atlanticmutual.com

Contact Name: Ms. Doreen Freiman
Contact Title: Regulatory Compliance Specialist
Professional Designation:
Contact E-mail: doreen_a_freiman@atlanticmutual.com

Street Address: 3 Giralda Farms
Suite/Room #:
P. O. Box Mailing Address:
Department: Regulatory Compliance
City: Madison
State: NJ
Zip Code: 07940
Country: USA
Non US Postal Code:

Phone Number: 973-593-2532 **Ext**
Fax Number: 973-410-2101
Toll Free Number: 800-444-6565 **Ext** 2532
Non US Phone Number:

Company Contact Information

Company E-Mail:

doreen_a_freiman@atlanticmutual.com

Contact Name:

Ms. Doreen Freiman

Contact Title:

Regulatory Compliance Specialist

Professional Designation:

doreen_a_freiman@atlanticmutual.com

Street Address:

3 Giralda Farms

Suite/Room #:

P.O. Box Mailing Address:

Department:

Regulatory Compliance

City:

Madison

State:

NJ

Zip Code:

07940

Country:

USA

Non US Postal Code:

Phone Number:

973-593-2532 **Ext**

Fax Number:

973-410-2101

Toll Free Number:

800-444-6565 **Ext** 2532

Non US Phone Number:

General Information

Company Filing Number

2644A

New Business Effective Date

4 / 1 / 2005

Renewal Business Effective Date

5 / 20 / 2005

Line of Business:

HOMEOWNERS MULTI PERIL

Are you writing new business in Florida for this line of business?

Yes

New Program, New Product, or New Line of Business?

No

Amending currently filed forms, rates or rules?

No

If yes, please provide previous DOI File Log Number

Filing Content Information

This is a Forms Only filing.

This filing contains:

Form(s) Only

Type of Coverage:

P&C Other

File Usage:

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Cover Letter	0		Cover Letter
Explanatory Memorandum	0		Explanatory Memorandum
Explanatory Memorandum	0		Explanatory Memorandum 1
Checklist	0		Florida Home Forms List
Miscellaneous	0		Florida Forms Changes Summary
Forms	0	HOME	Comprehensive Coverage Contract - All Risk
Forms	0		Professional Coverage Endorsement HOME21
Forms	0		Earthquake - HOME9
Forms	0		Watercraft Liability Coverage - HOME42
Forms	0		Work At Home Coverage - HOME18
Forms	0		Golf Club Member Endorsement
Forms	0		Skeet And Trap Club Member Endorsement - HOME20
Forms	0		Water Back-Up Of Sewers Or Drains - HOME22
Forms	0		Property Remediation And Limited Liability Coverages For Escaped Liquid Fuel - HOME29
Forms	0		Builders Risk - HOME16
Forms	0		Business Pursuits - HOME14
Forms	0		Limited Coverage For Fungi, Wet Or Dry Rot, Or Bacteria - HOME79
Forms	0		Florida Windstorm Exterior Paint Or Waterproofing Exclusion Seacoast - HOME31
Forms	0		Florida Personal Property Named Peril Coverage
Forms	0		Florida Personal Property Named Peril Coverage - Excluding Wind - HOME134
Forms	0		Florida Home Policy - Outline - HOME25
Forms	0		Florida Home Endorsement - HOME27
Forms	0		Rental Property Endorsement - Excluding Wind - HOME129

Forms to Be Reviewed

Form Number	Form Title	New Form Effective Date	Original Form Number	Original Form Effective Date
HOME	Comprehensive Coverage Contract - All Risk	10/1/2001	HOME-A	12/1/1998

Filing Certification

I certify that I am authorized to make this Forms or Rate/Rule filing on behalf of the company(s) referenced herein. I further certify that the information contained in related transmittals and the filing is true, complete, correct and, to the best of my knowledge, in compliance with all applicable Florida laws and administrative rules including applicable policy readability standards.

Name: Doreen Freiman

Title: Regulatory Compliance Specialist

From: Anne Ivory
Sent: Friday, February 04, 2005 4:30 PM
To: PCFREDMS
Subject: 05-00233

-----Original Message-----

From: Anne Ivory
Sent: Friday, February 04, 2005 4:29 PM
To: 'dfreiman@atlanticmutual.com'
Subject: Deemer Extension - Atlantic Mutual Company Filing Number: 2644A

Dear Ms. Freiman,
Thank you for your form filing. The Office is exercising its right pursuant to Section 627.410, Florida Statutes, to extend the review of the form filing indicated in the above subject line until 2/21/2005.
Thank you,
Anne Ivory
Insurance Analyst II
Office of Insurance Regulation
IvoryA@dfs.state.fl.us
(850) 413-5375

From: Anne Ivory
Sent: Friday, February 04, 2005 4:30 PM
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Thank you,
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Insurance Analyst II
Office of Insurance Regulation
IvoryA@dfs.state.fl.us
(850) 413-5375

From: Anne Ivory

Sent: Friday, February 18, 2005 11:16 AM

To: PCFREDMS

Subject: 05-00233

-----Original Message-----

From: Fred E. Karlinsky [mailto:FKarlinsky@cftlaw.com]

Sent: Thursday, February 17, 2005 1:46 PM

To: Anne Ivory

Cc: Kent_Schickling@AtlanticMutual.com; Doreen_A_Freiman@AtlanticMutual.com; Chris_Donahue@AtlanticMutual.com

Subject: Atlantic Mutual Filing FCP 05-00233

Anne -

Thank you for taking the time to speak with me this morning. This e-mail shall serve to confirm our conversation with respect to the above-referenced filing. As we discussed, Atlantic Mutual and the OIR agree to extend the "deemer" date on this filing up through and including Thursday, March 17, 2005. It would be Atlantic's intention to respond to your letter dated February 16, 2005, on or before Monday, February 28, 2005. It is my understanding that you will have something back to the company on or before Monday, March 7, 2005. That will give us ten days until the "deemer" extension runs to respond to any further issues/inquires that you may have with respect to the filing.

I understand the reason that you sent the February 16, 2005, letter with a return date of February 17, 2005, was the company's desire to ascertain what issues needed to be addressed in order to move this filing forward. As we discussed, the company's desire is to seek approval of this filing, and not to withdraw it or have it denied. I believe that the process that we have agreed to above will serve as the most efficient way to accomplish that objective.

Thank you again for your consideration. As the OIR would have us do, please respond to this email to acknowledge receipt.

Regards,

Fred

THIS E-MAIL IS INTENDED ONLY FOR THE ABOVE-NAMED RECIPIENT(S) AND IS CONFIDENTIAL.

It is protected by legal privileges, including the attorney work-product privilege and attorney-client privilege. If you are not the intended recipient, please do not read any further. Call (954)492-4010 or e-mail: fkarlinsky@cftlaw.com and advise of your receipt so that this can be retrieved immediately. Thank you.

Fred E. Karlinsky, Esq.

Colodny, Fass, Talenfeld, Karlinsky & Abate, P.A.

2000 W. Commercial Blvd.

Suite 232

Ft. Lauderdale, FL 33309

From: Anne Ivory

Sent: Monday, February 21, 2005 8:48 AM

To: PCFREDMS

Subject: 05-00233

-----Original Message-----

From: Fred E. Karlinsky [mailto:FKarlinsky@cftlaw.com]

Sent: Friday, February 18, 2005 11:38 PM

To: Anne Ivory

Cc: Kent_Schickling@AtlanticMutual.com; Chris_Donahue@AtlanticMutual.com; Doreen_A_Freiman@AtlanticMutual.com

Subject: RE: Atlantic Mutual Filing FCP 05-00233

Anne -

Based on your conversation with Richard and my conversation with you this morning, this will confirm that we have agreed only to extend the "deemer" date through and including Thursday, March 10, 2005. Hopefully, if we all can work quickly, we can get this filing approved before that date.

Thank you again for your assistance.

Regards,

FEK

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Fred E. Karlinsky, Esq.

Colodny, Fass, Talenfeld, Karlinsky & Abate, P.A.

2000 W. Commercial Blvd.

Suite 232

Ft. Lauderdale, FL 33309

From: Anne Ivory [mailto:Anne.Ivory@fldfs.com]

Sent: Friday, February 18, 2005 9:02 AM

To: Fred E. Karlinsky

Subject: RE: Atlantic Mutual Filing FCP 05-00233

Fred,

This email serves to acknowledge our receipt of your message. Please understand that keeping the filing open to the extent indicated below is an exception to normal practice and I will be speaking to my supervisor, Richard Koon, regarding this issue.

Thanks,

Anne

Anne Ivory

Insurance Analyst II

Office of Insurance Regulation

lvoryA@dfs.state.fl.us

(850) 413-5375

-----Original Message-----

From: Fred E. Karlinsky [mailto:FKarlinsky@cftlaw.com]

Sent: Thursday, February 17, 2005 1:46 PM

To: Anne Ivory

Cc: Kent_Schickling@AtlanticMutual.com; Doreen_A_Freiman@AtlanticMutual.com; Chris_Donahue@AtlanticMutual.com

Subject: Atlantic Mutual Filing FCP 05-00233

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Thank you for taking the time to speak with me this morning. This e-mail shall serve to confirm our conversation with respect to the above-referenced filing. As we discussed, Atlantic Mutual and the OIR agree to extend the "deemer" date on this filing up through and including Thursday, March 17, 2005. It would be Atlantic's intention to respond to your letter dated February 16, 2005, on or before Monday, February 28, 2005. It is my understanding that you will have something back to the company on or before Monday,

March 7, 2005. That will give us ten days until the "deemer" extension runs to respond to any further issues/inquires that you may have with respect to the filing.

I understand the reason that you sent the February 16, 2005, letter with a return date of February 17, 2005, was the company's desire to ascertain what issues needed to be addressed in order to move this filing forward. As we discussed, the company's desire is to seek approval of this filing, and not to withdraw it or have it denied. I believe that the process that we have agreed to above will serve as the most efficient way to accomplish that objective.

Thank you again for your consideration. As the OIR would have us do, please respond to this email to acknowledge receipt.

Regards,

Fred

THIS E-MAIL IS INTENDED ONLY FOR THE ABOVE-NAMED RECIPIENT(S) AND IS CONFIDENTIAL.

It is protected by legal privileges, including the attorney work-product privilege and attorney-client privilege. If you are not the intended recipient, please do not read any further. Call (954)492-4010 or e-mail: fkarlinsky@cftlaw.com and advise of your receipt so that this can be retrieved immediately. Thank you.

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December 18, 2008

Honorable Kevin M. McCarty
Commissioner, Office of Insurance Regulation
Property & Casualty Forms & Rates
P.O. Box 7700
Tallahassee, Florida 32314-7700

Attention: Anne Ivory
Insurance Analyst II

RE: Homeowner – Forms
Two-company/Ex Wind Program
Company Filing Number: 2644A
OIR File Number: FCP 05-00233

Atlantic Mutual Insurance Company 024-19895
Centennial Insurance Company 024-19909

Dear Ms. Ivory:

In response to your letter dated February 16, 2005, we hereby submit for your Department's approval the attached additional information. Please see our Filing Memorandum which details all of the changes.

We trust that you will find this submission acceptable and look forward to your Department's approval. If you should have any additional questions, please let me know.

Sincerely,

Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Companies
973-593-2532
973-410-2101 (Fax)
dfreiman@atlanticmutual.com

**Atlantic Mutual Insurance Company
Centennial Insurance Company**

**Florida Home Forms Filing
Company File Number 2644A
OIR File Number FCP 05-00233**

Response to Ms. Ivory's questions dated 2/16/2005

- 1) How do you comply with Section 627.4131, Florida Statutes?

We comply with Section 627.4131 of the Florida Statutes by attaching form ATL 2 – 1298 to all policies. This form provides the insured with contact information for questions or complaints. A copy of this form is attached for your review.

Regarding Form HOME-1001:

- 1) Please correct the pagination problem.

This document is formatted for a specific printer from which all forms are produced for distribution. At times this causes formatting problems when sending the form electronically. We apologize for any confusion. The form distributed to policyholders is formatted correctly. I have attached a .tif file containing the policy form used for distribution.

- 2) Please correct the formatting issues with this form to eliminate the gaps in text.

Please see 1) above.

- 3) On Page 2, under Your Agreement With Us, Definitions, it is indicated the Glossary is located at the end of the policy. Since it is not at the end of the policy, please clarify that the Glossary is located toward the end of the policy or in Part III of the policy.

We acknowledge the Glossary is not the final item in the contract. Because the contract used is a countrywide form, we would have to make this change in the amendatory endorsements (Home 27 and Home 128). We feel this may increase the likelihood of confusion. Our contract is currently being reviewed for update. We would like to delay making this clarification until the revised contract is ready to be filed.

- 4) On Page 3, in the first paragraph under Part I: Your Property Coverage, please replace the following, "...if the things *you* own are damaged..." with, "...if the things *you* and *your* family own are damaged..." for consistency with the first sentence under RESIDENCES AND PERSONAL PROPERTY.

This change has been incorporated into Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement.

- 5) On Page 4, please eliminate your Land Restoration restriction, in accordance with Section 627.706, Florida Statutes, unless it is actually an additional coverage that applies above the residence limit.

In compliance with Section 627.706, we provide coverage for physical damage caused by a sinkhole. The Earth Movement exclusion is modified in Home 27 and Home 128 to provide this coverage. Land Restoration is an additional coverage applied to all covered perils.

- 6) On Page 4, under B. YOUR PERSONAL PROPERTY, please clarify that coverage not only applies to "...any physical object *you* own..." but also to any physical object owned by an "*insured person*."

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 7) On Page 4, under B. YOUR PERSONAL PROPERTY, in the first paragraph, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property. Please likewise revise your definition of Personal Property on Page 23.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 8) On Page 4, in the second bullet point under B. YOUR PERSONAL PROPERTY, please exchange "*family member*" with "*insured person*."

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 9) On Page 6, based upon the customary understanding of the different categories within this group of losses not insured, Exclusions (6) and (7) need revision for clarity. To carry over items specifically mentioned in one exclusion into other exclusions, categorized as something else, is confusing. Specifically, "Contamination" is potentially an ambiguous term and should be referenced instead as the time-honored term "Pollutants" and should not include rust, mold, fungi, wet or dry rot. These items were included in the previously listed category of (5) Deterioration, and to include them again under a different exclusion classification generates an inconsistency. Also, "Pollutants" needs to be defined based upon standard provisions. Provision (7) Air Pollution confuses the issue noting "pollutants" are already indicated in the prior provision, (6) Contamination. Also, under Provisions (6) and (7), ensuing loss to a *residence* should be covered.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address these concerns. Specifically, the term pollutant has been added consistent with the definition used in ISO's HO-5 contract. Please see the copies attached.

- 10) On Page 8, please add "water not otherwise excluded" as an additional bullet point under (21) Breakage of fragile articles.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 11) On Page 8, under Special Rules for Home Appliances, a plumbing system should not be restricted to pipes located within the wall. Pipes in other locations, such as the attic, under the floor, in the ground, or within the slab, etc., should also be included.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 12) On Page 8, under (1) Leakage and seepage, ensuing loss to a residence not precluded by any other provision in the policy should be covered. Also, “a period of time” as used in this provision is ambiguous and should be clarified to read, “a period of weeks, months or years.” Please revise accordingly.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see the copies attached.

- 13) On Page 11, under F. CONSTRUCTION STANDARDS, it is indicated that if you don’t rebuild the residence at the same location, this coverage doesn’t apply. Based on standard provisions, this coverage still should apply. Please see Section 627.7011(1)(b), Florida Statutes. How do you comply with the offer of additional law and ordinance coverage of at least 25% of the dwelling limit, as required pursuant to Section 627.7011, Florida Statutes?

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached. Our Construction Standards coverage is not subject to a limit; therefore coverage is in compliance with Section 627.7011.

- 14) On Page 12, in the first paragraph under PART II: YOUR LIABILITY COVERAGE, it appears the second use of the word “you” should not be italicized. Please correct.

We italicize all instances of the word “you” in our contract to identify it as a defined term in the Glossary.

- 15) On Page 12, in the second paragraph under PART II: YOUR LIABILITY COVERAGE, it appears “you are” should actually read, “an *insured person* is”.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached.

- 16) On Page 13, under “Insured places” in the right column, in bullet points 4-8, your use of “you or a family member” should be replaced with “an insured person.”

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached.

- 17) On Page 14, please eliminate Exclusions (6) and (7), noting these exclusions generally don’t apply to liability coverage.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached.

- 18) On Page 15, under (5) War, there is no coverage for “any kind of military or warlike action.” This description is overly broad in scope regarding any military action and should be revised.

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached.

- 19) On Page 15, under (9) Accidents to off-duty domestic employees, medical expenses are not paid for injury *caused by* the off-duty domestic employee, however, they should be paid for injury *sustained by* an off-duty domestic employee, under applicable circumstances. Perhaps this provision should be titled “Accidents caused by off-duty domestic employees.” Please revise this provision.

We provide coverage to domestic employees for injuries they sustain if the occurrence happens at an insured place or while the domestic employee was working for an insured person. This exclusion clarifies the circumstances in which coverage for their injuries is provided. It does not address a domestic employee’s liability for an accident he or she causes.

- 20) On Page 16, please eliminate exclusion (21) Lead Hazards, pursuant to Sections 626.9641(1)(b) and 627.412(2), Florida Statutes.

These statutes do not appear to specifically pertain to lead hazards. Since this lead exclusion was approved for use in November 1996 and several contract editions have been filed and approved with the same exclusion since, we request that we be able to continue with the use of this exclusion.

- 21) On Page 17, the first sentence under PART III: TERMS AND CONDITIONS indicates that section of the policy tells the insured “everything else” they need to know. That is a fairly broad, absolute statement. Please consider using “other things” rather than “everything else.”

This is generic wording used in our contract. As stated above, the contract is a countrywide form. We, however, acknowledge this concern. Our contract is currently being reviewed for an update. As this item does not affect the coverage we provide, we would like to delay making this clarification until the revised contract is ready to be filed.

- 22) On Page 18, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the second paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding “any loss which is repaired or replaced *at any location*,” and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.

We provide replacement cost coverage in compliance with Section 627.7011 and 627.702. In the instance the insured does not wish to rebuild at the current location, the insured may elect a cash settlement option. This option results in the insured being paid the lesser of adjusted replacement cost or 50% of the Total Location Limit – which would equal the Dwelling Limit or Coverage A. Therefore, the loss will be “adjusted on the basis of replacement costs not exceeding policy limits as to the dwelling, rather than actual cash value. . .” as stated in Section 627.7011.

- 23) Please eliminate your \$10,000 restriction for land restoration, noting it appears to conflict with Section 627.706, Florida Statutes.

Please see the response to question 5 above.

- 24) On Page 21, under 2. Participate in Legal Proceedings, within the first sentence, please revise "...must participate..." to read, "...must participate, as reasonably possible..."

Home 27 – 1204 Florida Home Endorsement and Home 128 – 1204 Florida Home Endorsement have been amended to address this concern. Please see copies attached.

- 25) On Page 25, does Provision 13. only pertain to personal property losses?

Provision 13, Pairs, Sets and Parts pertains to all of Part I – Your Property Coverage. This is consistent with how ISO's HO-5 10/00 contract applies this provision.

Regarding Form HOME9:

- 1) This form does not appear to comply with Section 627.701(6), Florida Statutes. Please advise.

As per Section 627.701(6) of the Florida Statutes, an earthquake deductible higher than \$500 may be required if part of a deductible program in effect on June 1, 1996. At that time, we were using DH 15 (12/89) – Earthquake Endorsement which required a 5% earthquake deductible. When we moved to a revised program, the DH 15 was replaced with Home 9 (12/98) – Earthquake Endorsement, which also included a 5% earthquake deductible. This form is to replace the Home 9 (12/98)

Regarding Form HOME19:

- 1) How does this form comply with Section 626.973, Florida Statutes?

We do not believe this form provides preference for a specific group of insureds. No insured is prevented from selecting or required to select this optional coverage. The form is intended to provide an option for coverage of exposures specific to certain individuals. As this is an optional endorsement, we are not making any distinction among our insureds based on participation in an organization.

- 2) On Page 2, under 3. War and nuclear accident, there is no coverage for "any kind of military or warlike action." This description is overly broad in scope regarding any military action and should be revised.

Home 19 will be replaced by Home 135 – 1204 Florida Golf Club Member Endorsement. In this revised endorsement, we have replaced the War exclusion wording with the same wording used to address your concerns in question 18 under Home 1001 above. Please find attached a copy of Home 135 – 1204, a revised Forms List (Exhibit 1), and revised forms change summary (Exhibit 2).

- 3) Please eliminate the "Hole-In-One- Insurance" from this form.

This coverage has been eliminated in Home 135 – 1204. Please see the copy attached.

Regarding Form HOME20:

- 1) How does this form comply with Section 626.973, Florida Statutes?

As explained in regards to Home 19 above, this endorsement does not provide preferential coverage or make a distinction due to membership in a group; rather the endorsement provides coverage for exposures specific to individuals. Again, this is an optional coverage that no insured is required to purchase or prohibited from purchasing. Therefore, we do not believe this form conflicts with the intent of Section 626.973 of the Florida Statutes.

- 2) Please eliminate the “100 x 100 Insurance” from this form.

This coverage has been eliminated. To accomplish this, we have replaced Home 20 with Home 136 – 1204 Florida Skeet and Trap Club Member Endorsement. A copy of the new form is attached along with updated forms list (Exhibit 1) and forms change summary (Exhibit 2).

Regarding Form HOME29:

- 1) On Page 7, within your definition of a Fuel System, please add, “A *fuel system* does not include any fuel tanks permanently affixed to a motor vehicle or watercraft listed in a.(1)(d) above.”

A new form will be introduced to address your concerns. We have amended the wording on Page 7. Please see Home 137 – 1204 Florida Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel. This new form is attached along with a revised forms list (Exhibit 1) and forms change summary (Exhibit 2).

Regarding Form HOME14:

- 1) Provision (12) has an additional word in its title, “nonvehicle,” that does not appear to exist in the original title or in its replacement. Please remove the word “nonvehicle” for consistency.

This word has been removed. Please see corrected copy of Home 14 attached.

Regarding Form HOME79:

- 1) Is this form mandatory?

Yes, this form is mandatory. Options are available for increased limits.

- 2) Please describe the dollar amounts of fungi coverage you offer.

As described in our approved rating rule, we provide \$10,000 per occurrence limit and a \$20,000 policy aggregate limit. We provide the option to purchase increased limits of \$25,000 per occurrence and \$50,000 aggregate or \$50,000 per occurrence and aggregate.

- 3) Please reposition the sentence, “ The most *we* will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for *Fungi*, Wet or Dry Rot, or Bacteria,” currently found on the second page of this form, to the first paragraph located under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, to

make your intentions of limited amount coverage more obvious. Please also clarify that is the most you will pay for each occurrence regardless of the number of locations insured under this endorsement or number of claims made.

Attached please find Home 138 – 1204 Florida Limited Coverage for Fungi, Wet or Dry Rot, or Bacteria. This form contains revisions to Home 79 – 0902. To avoid confusion regarding property exclusion (6) Contamination which, at your request, is modified in Home 27 and Home 128 to (6) Pollutants, we have removed the modification to this exclusion contained in Home 79. This change has allowed for the sentence in question to be moved to the first page where it more clearly states our intentions. We would like to avoid placing it in the first paragraph to avoid questions as to whether the limit applies to the bulleted coverages described. We feel this sentence appearing at the end (yet still on the first page) clarifies that all coverages described are subject to the limit.

- 4) On Page 1, in first paragraph falling under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, the last sentence should indicate, “In addition to the total of all loss payable under YOUR PROPERTY COVERAGE caused by *fungi*, wet or dry rot, or bacteria, we’ll pay for:...”

This change is reflected in Home 138 – 1204 which is attached.

- 5) In Exclusion (27), please clarify that direct loss by a peril insured against resulting from *fungi*, wet or dry rot, or bacteria, is covered. Please express this using terms used in your policy language.

We are unsure of your intent regarding this question. Loss by a peril insured against resulting from *fungi*, wet or dry rot, or bacteria would be an ensuing loss. We feel our exclusion is clear in stating that we will cover *fungi*, wet or dry rot, or bacteria only when it is an ensuing loss due to direct loss from a covered peril. However, we will not cover ensuing loss when the direct cause of loss is *fungi*, wet or dry rot, or bacteria.

- 6) Please also clarify that if there is a 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 extra benefit, except to the extent that *fungi*, wet or dry rot or bacteria causes an increase in the loss. Please express this using terms used in your policy language.

Appropriate wording based upon ISO’s HO 03 33 05 03 to which you are referring has been added to Home 138 – 1204.

Regarding Form HOME133:

- 1) Please revise Item 2. Windstorm or Hail to indicate, “...causing an opening through which rain, snow, sleet, sand or dust enters and causes damage,” rather than, “causing an opening in the roof or wall and the rain, snow, sleet, sand or dust enters through this opening,” to track more closely with the language found in Section 627.4025(2)(a), Florida Statutes.

Attached please find a revised copy of Home 133 – 1204 Florida Personal Property Named Peril Coverage which addresses this concern.

- 2) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 13. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."

Attached please find a revised copy of Home 133 – 1204 Florida Personal Property Named Peril Coverage which addresses this concern.

- 3) On Page 1, please clarify in (13) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (15); or..."

Attached please find a revised copy of Home 133 – 1204 Florida Personal Property Named Peril Coverage which addresses this concern.

- 4) On Page 2, in the way that Cause of Loss (16) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Attached please find a revised copy of Home 133 – 1204 Florida Personal Property Named Peril Coverage which addresses this concern. The same wording used in Home 129 has been used in Home 133.

Regarding Form HOME134:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."

Attached please find a revised copy of Home 134 – 1204 Florida Personal Property Named Peril Coverage – Excluding Windstorm and Hail which addresses this concern.

- 2) How is sinkhole coverage provided for personal property, pursuant to Section 627.706, Florida Statutes, noting "sinkhole" is not one of the named perils on Page 1 or 2? Please add an additional cause of loss for sinkhole coverage as you did on Form HOME129.

The sinkhole peril, as worded in Home 129, has been added to both Home 133 – 1204 Florida Personal Property Named Peril Coverage and Home 134 – 1204 Florida Personal Property Named Peril Coverage – Excluding Windstorm and Hail.

- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."

Attached please find a revised copy of Home 134 – 1204 Florida Personal Property Named Peril Coverage – Excluding Windstorm and Hail which addresses this concern.

- 4) On Page 1, please clarify in (12) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (14); or..."

Attached please find a revised copy of Home 134 – 1204 Florida Personal Property Named Peril Coverage – Excluding Windstorm and Hail which addresses this concern.

- 5) On Page 2, in the way that Cause of Loss (15) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Attached please find a revised copy of Home 134 – 1204 Florida Personal Property Named Peril Coverage – Excluding Windstorm and Hail which addresses this concern. The same wording used in Home 129 has been used in Home 134.

Regarding Form HOME27:

- 1) On Page 2, regarding WHEN WE’LL PAY, please revise this section beyond the first sentence to track more closely with Sections 627.4265 and 627.427, Florida Statutes.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. We have revised When We’ll Pay with wording from ISOs HO 01 09 05 03 Special Provisions – Florida.

- 2) On Page 2, in the second sentence under (a) Nonrenewal, please delete the mention of a renewal premium, noting it appears inappropriately placed in this section.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. Reference to renewal premium has been deleted as requested.

- 3) Please revise your form to comply with the SB 2038 amendments to Section 627.4133, Florida Statutes.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. We have addressed the amendments in SB 2038 (restrictions on termination for a single water damage claim and required reinstatement of cancellation due to lender’s failure to pay premium).

- 4) On Page 3, please eliminate cancellation reason (4) noting it appears to depart from the reasons permitted pursuant to Section 627.4133, Florida Statutes.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. This provision has been removed as requested.

- 5) On Page 3, please add “Mediation” to your heading in 8. for clarity.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. This provisions heading has been modified as requested.

- 6) On Page 4, please revise “FL Insurance Department” to read “Florida Department of Financial Services”.

Please find attached a revised copy of Home 27 - 1204 and Home 128 – 1204 Florida Home Endorsement. The reference to FL Insurance Department has been changed as requested.

Regarding Form HOME129:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."

Attached please find a revised copy of Home 129 – 1204 Rental Property Endorsement – Excluding Windstorm and Hail which addresses this concern.

- 2) On Page 1, under B. YOUR PERSONAL PROPERTY, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property.

Attached please find a revised copy of Home 129 – 1204 Rental Property Endorsement – Excluding Windstorm and Hail which addresses this concern. To maintain consistency among forms, we are also attaching the Home 101 – 1204 Rental Property Endorsement which is the same form, but provides coverage for Windstorm and Hail. The requested change has been made to this form as well.

- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."

Attached please find a revised copy of Home 129 – 1204 Rental Property Endorsement – Excluding Windstorm and Hail which addresses this concern. To maintain consistency among forms, we are also attaching the Home 101 – 1204 Rental Property Endorsement which is the same form, but provides coverage for Windstorm and Hail. The requested change has been made to this form as well.

- 4) On Page 3, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the third paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding "any loss which is repaired or replaced *at any location*," and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.

Please see answer to question 22 under form Home 10/01.

Florida Home Forms List

<u>Form Number</u>	<u>Form Name</u>
ATL - 1	(01/01) Mutual Policy Conditions
ATL - 2	(12/98) Important Notice
ATL - 12	(04/01) Notice of Insurance Information Practices
ATL - 22	(11/03) Florida – Ex-Wind New Business Letter – Package Policy
ATL - 23	(11/03) Florida – Ex-Wind New Business Letter – Non-Package Policy
HOME	(10/01) Home Contract
HOME - 1	(12/98) Loss Assessment Coverage - Earthquake
HOME - 2	(12/98) Condominium Rented to Others
HOME - 3	(12/98) Unattached Other Structures
HOME - 4	(12/98) Unattached Structures Rented to Others
HOME - 5	(12/98) Additional Insured-Residence Coverage
HOME - 6	(12/98) Office, Professional, Private School or Studio Use
HOME - 7	(12/98) Office, Professional, Private School or Studio Use - Other Structures
HOME - 8	(12/98) Office, Professional, Private School or Studio Use - Other Residences
HOME - 9	(08/01) Earthquake Coverage
HOME - 11	(12/98) Additional Residence - Owned or Rented
HOME - 12	(12/98) Special Limits for Some Kinds of Property
HOME - 13	(12/98) Incidental Farming Personal Liability
HOME - 14	(07/01) Business Pursuits
HOME - 16	(07/01) Builders Risk
HOME - 17	(12/98) Rating Information – Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel
HOME - 18	(07/01) Work At Home Coverage
HOME - 21	(09/01) Professional Endorsement
HOME - 22	(07/01) Water Back-Up of Sewers and Drains
HOME - 23	(12/98) Increased Loss Assessment
HOME - 24	(06/99) Special Endorsement
HOME - 25	(12/04) Florida Summary of Coverages
HOME - 27	(12/04) Florida Home Endorsement
HOME - 30	(12/98) Windstorm or Hail Exclusion
HOME - 31	(12/04) Windstorm – Exterior Paint or Waterproofing Exclusion – Seacoast
HOME - 35	(12/98) Hurricane Percentage Deductibles – Dwelling
HOME - 36	(12/98) Hurricane Percentage Deductibles – Tenant/Condo
HOME - 40	(12/98) Policyholder Letter (Hurricane Deductible)
HOME - 41	(12/98) Lender’s Loss Payable Endorsement
HOME - 42	(07/01) Watercraft Liability
HOME - 43	(12/98) Florida Disclosure Notice
HOME - 44	(12/98) Hurricane Deductible
HOME - 56	(08/02) Deductible Reserve Endorsement
HOME - 101	(12/04) Rental Property Endorsement
HOME - 128	(12/04) Florida Home Endorsement
HOME - 129	(12/04) Rental Property Endorsement – Excluding Wind
HOME - 133	(12/04) Florida Personal Property Named Peril Endorsement
HOME - 134	(12/04) Florida Personal Property Named Peril Endorsement – Excluding Wind
HOME - 135	(12/04) Florida Golf Club Member Endorsement
HOME - 136	(12/04) Florida Skeet and Trap Club Member Endorsement
HOME - 137	(12/04) Florida Property Remediation and Limited Liability for Escaped Liquid Fuel
HOME - 138	(12/04) Florida Limited Coverage for Fungi, Wet or Dry Rot, or Bacteria

EXHIBIT 2 - FLORIDA FORMS CHANGES SUMMARY

Form	Edition	Name	Explanation
HOME - A	12/98	Comprehensive Coverage Contract – All Risk	Update to Home 10/01 contract (coverage comparison provided)
HOME - N	12/98	Special Coverage Contract – Named Perils	Replaced by Home 10/01 contract and Home 133 and Home 134 (named peril endorsements)
HOME - 1	12/98	Loss Assessment Coverage – Earthquake	No Change
HOME - 2	12/98	Condominium Rented to Others	No Change
HOME - 3	12/98	Unattached Other Structures	No Change
HOME - 4	12/98	Unattached Other Structures Rented to Others	No Change
HOME - 5	12/98	Additional Insured – Residence Coverage	No Change
HOME - 6	12/98	Office, Professional, Private School or Studio Use	No Change
HOME - 7	12/98	Office, Professional, Private School of Studio Use – Other Structures	No Change
HOME - 8	12/98	Office, Professional, Private School or Studio Use – Other Residences	No Change
HOME - 9	12/98	Earthquake	Update to 08/01 version with no change in coverage
HOME - 11	12/98	Additional Residence Rented to Others	No Change
HOME - 12	12/98	Special Limits for Some Kinds of Property	No change
HOME - 13	12/98	Incidental Farming Personal Liability	No change
HOME - 14	12/98	Business Pursuits	Update to 07/01 version with no change in coverage
HOME - 16	12/98	Builders Risk	Update to 07/01 version with no change in coverage
HOME - 17	12/98	Rating Information – Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel	No change
HOME - 18	12/98	Work At Home Coverage	Update to 07/01 version with no change in coverage
HOME - 19	12/98	Golf Club Member	Replaced with Home 135 12/04 – Florida Golf Club Member Endorsement due to changes requested by OIR
HOME - 20	12/98	Skeet and Trap Club Members	Replaced with Home 136 12/04 – Florida Skeet and Trap Club Member Endorsement due to changes requested by OIR

Form	Edition	Name	Explanation
HOME - 22	12/98	Water Back-Up Coverage	Update to 07/01 version. This form will no longer be optional. It will be attached to all policies.
HOME - 23	12/98	Increased Loss Assessment	No change
HOME - 24	06/99	Special Endorsement	No change
HOME - 25	12/98	Florida Summary of Coverages	Update to 12/04 version to reflect contract update
HOME - 27	08/01	Florida Home Endorsement	Updated to 12/04 version adding language to the Intra-Family Liability exclusion for personal injury.
HOME - 29	12/98	Property Remediation and Limited Liability Coverages for Escaped Liquid Fuel	Replaced with Home 137 12/04 – Florida Property Remediation and Limited Liability for Escaped Liquid Fuel due to OIR requested changes
HOME - 30	12/98	Windstorm or Hail Exclusion	No change
HOME - 31	12/98	Windstorm – Exterior Paint or Waterproofing Exclusion – Seacoast	Update to 12/04 version with no coverage change
HOME - 33	12/98	Important Notice – Home Deductibles	Deleted as no longer necessary
HOME - 35	12/98	Hurricane Percentage Deductibles – Dwellings	No change
HOME - 36	12/98	Hurricane Percentage Deductibles – Tenant/Condo	No change
HOME - 40	12/98	Policyholder Letter (Hurricane Deductible)	No change
HOME - 41	12/98	Lender's Loss Payable Endorsement	No change
HOME - 42	12/98	Watercraft Liability	Update to 07/01 version with no coverage change
HOME - 43	12/98	Florida Disclosure Notice	No change
HOME - 44	12/98	Hurricane Deductible	No change
HOME - 56	08/02	Deductible Reserve	No change
HOME - 61	08/01	Florida Enhanced Coverage Endorsement	Eliminated because coverages provided in new contract
HOME - 62	08/01	Florida Professional Coverage Endorsement	Replaced with Home 21 (08/01) which is consistent with new contract. No change in coverage
HOME - 79	08/02	Limited Mold Coverage	Replaced with Home 138 (12/04) Florida Limited Coverage for Fungi, Wet or Dry Rot, or Bacteria due to OIR requested changes
HOME - 101	07/03	Rental Property Endorsement	Updated with 12/04 version to address concerns raised by OIR
HOME - 128	07/03	Florida Home Endorsement	Updated to 12/04 version adding language to the Intra-Family Liability exclusion for personal injury.

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JAN 7 2005 MAR 16 2005

OFFICE OF INSURANCE REGULATION

IMPORTANT NOTICE

If *you* have a question about *your* Policy or if *you* need coverage information or help in resolving a complaint, *you* may call *us* at the following telephone number:

(800) 283-2876

You may also call *your* agent or write *us* at:

Atlantic Mutual Companies
3495 Piedmont Road, N.E.
Bldg 10, Suite 600
Atlanta, GA 30305

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INTRODUCTION: IMPORTANT INFORMATION ABOUT YOUR HOME POLICY

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YOUR AGREEMENT WITH US

This document is *your* actual homeowner insurance policy. The Declarations Page and any endorsements named on the Declarations Page are included in it. Throughout this policy, the words *you*, *your*, and *yours* mean each person named on the Declarations Page, and his or her spouse if they live together. The words *we*, *us*, *our*, and *ours* mean the company named on the Declarations Page.

This policy is a contract between *you* and *us*. We agree to give *you* the insurance described in this policy, in exchange for *you* paying *your* premium and following the rules of this policy.

We wrote *your* Home Policy in clear, plain English so *you* can easily understand it. Read it and become familiar with its terms. This can save *you* time and money in case of an accident or loss.

Policy period. *Your policy period* starts and ends at the times shown on the Declarations Page, unless this policy is cancelled by *you* or *us*. We'll pay *only* for *bodily injury*, *personal injury*, *property damage* or loss that takes place during the *policy period* and is caused by an *occurrence*.

Definitions. Some words and phrases need to be defined, so *you* can know exactly what *you're* insured for. We tell *you* these definitions in the Glossary at the end of this policy. When used throughout this policy, these defined words will appear in italic typeface, *like this*.

HOW TO USE THIS POLICY

We hope *you* never have an *occurrence* or suffer any losses. But if *you* do, *our* job is to protect *you* against the financial consequences. We wrote *your* Home Policy to make it easy for *you* to know what *you're* covered against. After an *occurrence* or loss, simply answer these three questions:

1. Is the property or liability covered?

We describe each coverage in sections called "What We Cover". To find out if we cover something *you* or a *family member* owns, read this section in "Part I: Your Property Coverage". To find out if we'll pay for damages or *medical expenses* after an accident, read this section in "Part II: Your Liability Coverage". We also cover many other expenses related to an *occurrence* or loss. We describe these in sections called "Extra Benefits".

2. Is it a type of occurrence or loss we won't pay for?

In this policy we tell *you* about the *occurrences* and losses we won't pay for instead of the ones we will pay for.

When we tell *you* about each coverage, we describe certain circumstances when we won't pay. We call these circumstances *exclusions*. *You* are covered against risks of *direct loss* not mentioned in these *exclusions*.

Under "Your Property Coverage", we tell *you* these *exclusions* in sections called "Losses We Won't Pay For". Under "Your Liability Coverage", we tell *you* these *exclusions* in sections called "Damages We Won't Pay". *You'll* find a complete list of *exclusions* in these sections.

3. How much will we pay?

Your coverage limits and *deductibles* are printed on *your* Declarations Page. At the end of *your* Home Policy, we tell *you* what these limits and *deductibles* mean in a section called "How Much We'll Pay". We also tell *you* the things *you* have to do after an *occurrence* or loss, and list some other rules that apply to *your* insurance.

WHO WE INSURE

Your Home Policy provides insurance for *you* and most of the people who are closest to *you*. Naturally, we have to carefully define who these people are. When we tell *you* about each coverage, we tell *you* exactly who is an *insured person* under that coverage. And, for *your* convenience, we also tell *you* here.

1. We Insure You

You are an *insured person* under every coverage in *your* Home Policy. Remember, this includes *your* spouse if he or she lives with *you*.

2. We Insure Your Family Members

Your family members are also *insured persons* under every coverage in this policy. This includes all the following people, but *only* if they are residents of *your* household:

- *your* children;
- *your* other relatives; and
- other people under 21 years of age, such as wards, who are in the care of *you* or a *family member*.

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3. We Insure Some Other People and Organizations.

There are some situations when other people may be insured by this policy. To meet these needs, *your* Home Policy expands the definition of *insured person* in special situations.

Under **Personal Liability** and **Medical Expenses** coverage, *insured person* also includes:

- for accidents involving a motor vehicle covered by *your* Home Policy, any person using that vehicle with *your* permission at an *insured place* or while working for *you* or a *family member*; and

- for accidents involving an animal or watercraft owned by *you* or a *family member*, any person or organization with legal responsibility for that animal or watercraft. But this doesn't include a person or organization using or having custody of that animal or watercraft without permission, or in the course of a *business*, trade or job.

PART I: YOUR PROPERTY COVERAGE

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* own are damaged or lost. We tell *you* about this coverage in "*Residences and Personal Property*". The specific items we cover in each are described in "*What We Cover*".

What kind of losses will we pay for? We cover *your* property against physical damage or loss, except the ones specifically described in "*Losses We Won't Pay For*". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, we'll pay many other kinds of expenses, too. They're described in "*Extra Benefits*".

Who we insure. In all parts of "*Your Property Coverage*", the words *insured person* include *you* and other *family members*.

RESIDENCES AND PERSONAL PROPERTY

This section tells *you* how we cover the places where *you* live and the things *you* and *your* family own.

WHAT WE COVER**A. YOUR RESIDENCES**

We cover any one-family or two-family house, condominium, cooperative unit, apartment, or any other type of residence *you* own or rent to live in, named on the Declarations Page, if it is used mainly as an *insured person's residence*. *Residence* includes outdoor possessions.

- **Outdoor Possessions**

Nearly everything on the ground around *your* one-family or two-family house is also covered: *your* garage; *your* swimming pool; *your* outdoor buildings; *your* trees, shrubs and lawn; *your* lawnmowers and maintenance equipment; and construction materials *you* plan to use for *your residence*. *Your*

Home Policy covers all these outdoor possessions. But *your* coverage for them is subject to these special rules:

Other Structures. We cover most outdoor structures on the grounds, whether or not they are attached to the house. But we do not cover unattached structures that an *insured person*:

- uses primarily for a *business*, trade or job. However, we cover unattached structures containing *business* property owned by an *insured person* as long as the *business* is not conducted there; or
- rents or intends to rent to a person who does not live in a *residence* on those grounds, unless the structure will be used as a garage.

A structure is unattached if it is separated from the *residence* by a clear space, even if it is connected by a fence, utility line or something similar.

Landscaping. We cover losses to *your* trees, shrubs, lawn and other plants on the grounds. We'll pay for these losses **only** if they're caused by:

- fire, lightning or explosion;
- aircraft;
- riot or civil commotion;
- a vehicle not owned or operated by someone who lives in that *residence*; or
- theft, attempted theft, vandalism or malicious mischief.

We'll pay up to 5% of the dwelling amount shown on the Declarations Page per *occurrence*, but not more than \$1,500 for any one plant, tree or shrub. This coverage is additional insurance.

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Land Restoration. We will pay up to \$10,000 for costs required to replace, rebuild, stabilize or restore the land necessary to support *your residence* sustaining a loss covered by this policy. This special limit doesn't raise *our* total coverage limit for that *residence*.

B. YOUR PERSONAL PROPERTY

We cover an *insured person's personal property*. This is any physical object *you* own except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* are considered *personal property* unless they are licensed for road use.) At *your* request, we will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by a *family member*.

Territory. We cover *personal property* anywhere in the world.

- **Condominiums, Cooperatives, and Apartments**

If the *residence* named on the Declarations Page is a condominium, cooperative unit, apartment, or any other type of *residence you* rent to live in, we don't cover losses to the *residence* itself because *you* don't own it the way *you* own *your* house. But *your* Home Policy provides for the special needs of unit owners and renters.

We'll pay for loss to:

- additions;
- alterations;
- improvements;
- fixtures; and
- other permanent installations.

But it must be property that an *insured person* paid for or acquired at *your* own expense along with the *residence*. And it must be a kind of loss covered by this policy. If the *residence* is a condominium or cooperative unit, the property must be the *insured person's* insurance responsibility under the governing rules of the Condominium or Cooperative Association.

- **Personal Property We Don't Cover**

There are some kinds of *personal property your* Home Policy doesn't cover.

(1) **Rental Property.** We don't cover *personal property* an *insured person* rents out or intends to rent out away from a *residence* named on the Declarations Page. Nor do we cover *personal property* in a room or apartment an *insured person* regularly rents out or intends to rent out.

(2) **Animals.** We don't cover birds, fish or other animals.

(3) **Property covered by another policy.** We don't cover anything described and specifically covered by another insurance policy.

(4) **Tenant's property.** We don't cover anything owned by a roomer, boarder or tenant not related to an *insured person*.

(5) **Aircraft and Aircraft Parts.** We don't cover aircraft. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

- **Special Limits for Some Kinds of Property**

For certain kinds of *personal property your* Home Policy doesn't provide full coverage. In this section we tell *you* about some special limits. These limits are part of *your* overall *coverage limits*, and don't increase *your* total coverage for any *residence*.

The Special Limit for each category of property is the limit shown below for each category or, for an additional premium, the limit shown on the Declarations Page for each category.

(1) **Money and Precious Metals.** We won't pay more than \$1,000 per *occurrence* for losses to money, bullion, bank notes, scrip, stored value cards, smart cards, gold, silver or platinum.

(2) **Negotiable papers.** We won't pay more than \$5,000 per *occurrence* for losses to securities, accounts, deeds, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, or tickets.

(3) **Trailers.** We won't pay more than \$3,000 per *occurrence* for losses to trailers.

(4) **Watercraft.** We won't pay more than \$2,000 per *occurrence* for losses to watercraft, including their furnishings, equipment and outboard motors.

(5) **Jewelry.** We won't pay more than \$10,000 per *occurrence* (but not exceeding \$5,000 per article) for jewelry that is stolen, misplaced or lost. This includes watches and precious or semi-precious stones, whether set or unset.

(6) **Furs.** We won't pay more than \$10,000 per *occurrence* (but not exceeding \$5,000 per article) for furs that are stolen, misplaced or lost.

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(7) **Metalware.** We won't pay more than \$7,500 per *occurrence* for metalware that is stolen, misplaced or lost. This includes plated ware, silverware, tableware, trays, trophies and other household articles (other than jewelry) consisting principally of sterling silver, gold or pewter.

(8) **Stamps and Coins.** We won't pay more than \$5,000 per *occurrence* for losses to collectible stamps, coins or medals. However, when this property is located in a bank vault or a bank safe deposit box, *your full coverage limit for personal property* will apply to a covered loss.

(9) **Firearms.** We won't pay more than \$5,000 per *occurrence* for firearms and related equipment that is stolen, misplaced or lost.

(10) **Grave markers.** We won't pay more than \$5,000 per *occurrence* to replace, stabilize or restore grave markers or mausoleums.

(11) **Business Property.** We won't pay more than \$10,000 per *occurrence* for losses to property (not otherwise insured) an *insured person* uses primarily for a *business*, trade or job. However, if the *business* property is electronic data processing equipment, we won't pay more than \$2,500 per *occurrence* while it is away from a *residence* named on the Declarations Page.

• **Special Limit for Property Kept at Your Other Residences**

For losses to property generally kept at an *insured person's residence* that isn't named on the Declarations Page, we won't pay more than the highest of the following per *occurrence*:

- \$10,000;
- 5% of the highest *coverage limit* for a *residence* under this policy that is a one or two-family house; or
- 10% of the highest *coverage limit* for a *residence* under this policy that is a condominium, cooperative unit, apartment or any other type of residence *you* rent to live in.

The "Special Limit for Property Kept at Your Other Residences" does not apply to additions, alterations, improvements, fixtures and other permanent installations referred to in "Personal Property: Condominiums, Cooperatives and Apartments".

New homes. If an *insured person* acquires a new *residence*, this special limit doesn't apply to that *residence* for 30 days after he or she begins moving there.

LOSSES WE'LL PAY FOR

So far, *you've* seen that we cover *your residences* and a wide range of *personal property*.

What are these things covered against? Simple.

Property described in "What We Cover" is covered against risks of physical loss except under certain circumstances described in the next section.

LOSSES WE WON'T PAY FOR

In this section of *your* Home Policy, we describe some circumstances when we won't pay for a property loss. We call these circumstances *exclusions*.

These *exclusions* apply to everything covered under "Part I: Your Property Coverage", except as noted otherwise. As we describe each *exclusion*, we'll tell *you* which kind(s) of property it doesn't apply to.

We'll also tell *you* whether an *exclusion* applies to *direct loss*, to *ensuing loss*, or to both. A *direct loss* is a property loss caused *directly* by a particular set of circumstances. An *ensuing loss* is a property loss caused *indirectly* by those circumstances. The *exclusions* apply regardless of any other cause or event contributing concurrently or in any sequence to the loss.

(1) **Earth Movement.** We won't pay for *direct loss* caused by earthquake including land shock waves or tremors before, during or after a volcanic eruption; or by landslide; mudflow; earth sinking, rising or shifting; unless *direct loss* by:

- fire;
- explosion; or
- breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the *ensuing loss*.

This *exclusion* applies only to *residences*.

(2) **Water Damage.** We won't pay for *direct loss* caused by any kind of surface or underground water. This includes floods, waves, spray (whether or not it is driven by wind), seepage, leakage, water pressure, and water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. We won't pay for *ensuing loss* either, unless the direct cause is fire, theft or explosion. This *exclusion* doesn't apply to *personal property* that is not at any location an *insured person* owns, rents, occupies or controls.

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- (3) **Power interruption.** We won't pay for *direct loss* caused by an interruption of power or other utility service if the interruption takes place away from the *residence*. We will pay for any *ensuing loss* that is not excluded.
- (4) **Theft from a residence under construction or renovation.** We won't pay for *direct loss* caused by theft from a *residence* under construction or renovation, including the theft of construction materials and supplies, until the *residence* is completed and occupied. This exclusion does not apply if an *insured person* is living in the *residence* while it is under construction or renovation.
- (5) **Deterioration.** We won't pay for *direct loss* caused by deterioration or inherent vice. This includes wear and tear, marring, scratching, latent defect, rust, mold, fungi, wet or dry rot, and electrical or mechanical breakdown.
- (6) **Contamination.** We won't pay for *direct or ensuing loss* caused by the release, discharge, dispersal or application of contaminants or pollutants from any source, or by rust, mold, fungi, or wet or dry rot.
- (7) **Air Pollution.** We won't pay for *direct or ensuing loss* caused by air pollution or smog. This includes smoke from industrial operations and agricultural smudging.
- (8) **Building movement.** We won't pay for *direct loss* caused by certain kinds of building movement. These are: settling, cracking, shrinking, bulging, or expansion, but **only** if they occur to: pavement, patios, foundations, walls, floors, roofs, or ceilings.
- (9) **Animals.** We won't pay for *direct loss* caused by animals owned or kept by an *insured person*. We also won't pay for *direct loss* caused by insects, vermin, birds or rodents.
- (10) **Government action.** We won't pay for *direct or ensuing loss* caused by the enforcement of any ordinance or law regulating construction, repair or demolition, unless specifically provided under this policy.
- (11) **Neglect.** We won't pay for *direct or ensuing loss* caused by an *insured person* not taking all reasonable steps to protect property when an initial loss occurred.
- (12) **War.** We won't pay for *direct or ensuing loss* caused by any kind of military or warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if *accidental*.
- (13) **Nuclear hazard.** We won't pay for *direct or ensuing loss* caused by any kind of *nuclear hazard*.
- *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.
 - Loss caused by *nuclear hazard* will not be considered loss caused by fire, explosion, or smoke, whether these causes of loss are specifically named in or otherwise included within the losses we'll pay for in "Part I: Your Property Coverage: Residences and Personal Property".
 - This policy does not apply under "Part I: Your Property Coverage: Residences and Personal Property", to loss caused directly or indirectly by *nuclear hazard*, except that *direct loss* by fire resulting from *nuclear hazard* is covered.
- (14) **Freezing, ice or water pressure damage to certain structures.** We won't pay for *direct loss* to certain structures caused by ice, thawing ice, freezing water, or the weight or pressure of ice or water. These structures are: fences, retaining walls, pavements, patios, swimming pools, foundations, bulkheads, docks, piers, or wharfs.
- (15) **Vandalism to a vacant residence.** We won't pay for *direct loss* to a *residence* if it has been vacant for more than 60 consecutive days immediately before the loss if the loss is caused by: vandalism, malicious mischief, or the breakage of glass or safety glazing material. A building under construction or renovation isn't considered vacant. This *exclusion* does not apply to *personal property*.
- (16) **Dampness.** We won't pay for *direct or ensuing loss* caused by humidity or damp air. This does not include rain, snow, sleet or hail. This *exclusion* applies only to *personal property*.
- (17) **Temperature.** We won't pay for *direct or ensuing loss* caused by extreme heat or cold. This doesn't include rain, snow, sleet, or hail. This *exclusion* applies only to *personal property*.
- (18) **Restoration.** We won't pay for *direct or ensuing loss* caused by refinishing, renovating, or repairing. This *exclusion* applies only to *personal property* other than jewelry, watches, and furs.

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(19) Watercraft accidents. We won't pay for *direct* or *ensuing loss* to a watercraft or its trailer, equipment, furnishings or outboard motor caused by: sinking, swamping, being stranded, or colliding with anything except a land vehicle.

(20) Civil authority. We won't pay for *direct* or *ensuing loss* caused by the destruction, confiscation or seizure of property by a government or public authority. This *exclusion* does not apply if these actions are taken at the time of a fire to prevent its spread.

(21) Breakage of fragile articles. We won't pay for *direct* or *ensuing loss* to fragile personal property caused by breakage. Fragile personal property includes: eyeglasses, glassware, statues, marble, bric-a-brac, porcelains, and other fragile articles. It does not include: jewelry, watches, bronzes, cameras, and photographic lenses.

But we'll pay for the breakage of fragile articles caused directly or indirectly by:

- fire, lightning, windstorm or hail;
- smoke (except from industrial operations or agricultural smudging);
- theft, attempted theft, vandalism or malicious mischief;
- earthquake, explosion, or the collapse of a building or part of a building;
- motor vehicles, including aircraft;
- rain, snow, sleet or hail;
- riot or civil commotion; or
- sudden and accidental loss of steam or water from a heater, air conditioner or hot water heater.

(22) Weather Conditions. We won't pay *direct loss* caused by weather conditions, including rain, snow, sleet, hail or wind. However, this *exclusion* only applies if weather conditions contribute in any way with an *exclusion* in (1) to (21) above, other than *exclusion* (5), to produce the loss.

(23) Acts or Decisions. We won't pay for *direct loss* caused by conduct, act, failure to act, or decision of any person, group, organization, or governmental body whether intentional, wrongful, negligent or without fault. We won't pay for *ensuing loss*, either, unless the direct cause is a risk not excluded in (1) to (22) above.

(24) Faulty, Inadequate, or Defective. We won't pay for *direct loss* caused by defect, weakness, inadequacy, fault or unsoundness in:

- planning, zoning, development, surveying, siting;
- design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation, remodeling or maintenance; or
- maintenance

of any property such as land, structures or improvements of any kind, whether on or off a *residence* named on the Declarations Page.

We won't pay for *ensuing loss* either, unless the direct cause is a risk not excluded in (1) to (23) above.

(25) Collapse. We won't pay for *direct loss* involving the collapse of all or part of a building unless the collapse is sudden and unexpected and is directly caused by one of the following:

- hidden decay or vermin damage;
- weight of persons, animals, equipment, or contents;
- weight of rain or snow which collects on a building;
- defective methods or materials used in construction, repair, remodeling, or renovation, but only if the collapse happens during construction, repair, remodeling, or renovation; or
- a risk not excluded in (1) to (24) above.

(26) Intentional loss. We won't pay for *direct* or *ensuing loss* caused intentionally by you or a family member, or by a person directed by you or a family member to cause a loss where the insured person intending to cause the loss will benefit from this insurance.

• Special Rules for Home Appliances

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes while located within the walls of the *residence*. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage. We won't pay for *direct* or *ensuing loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of time. It doesn't matter whether it escaped continuously or in repeated *occurrences*.

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(2) **Sudden water loss.** We will pay for *direct* and *ensuing loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances suddenly and accidentally, even if the escape was due to deterioration, contamination, air pollution, building movement or animals. We'll also pay to tear out and replace any part of a building necessary to repair the appliance. But we won't pay for loss to the appliance itself.

(3) **Internal freezing.** We'll pay for *direct* and *ensuing loss* to a *residence* or *personal property* caused by freezing inside the appliance, **unless:**

- the *residence* was vacant, unoccupied, or under construction or renovation; **and**
- you didn't take reasonable steps to prevent it from freezing, either by heating *your residence* or by shutting off the water supply and draining the system or appliance. If *your residence* has a fire protective sprinkler system, you must leave the water supply on and maintain heat to prevent freezing.

EXTRA BENEFITS

In addition to covering *your residence* and *personal property*, "Your Property Coverage" includes many extra benefits. We'll pay certain costs that may occur in connection with a loss, such as extra living expenses after *your house* burns down. We'll pay for some losses that may not involve tangible property, such as information stored in a home computer.

This section describes *your* extra benefits in detail. Except where noted, these benefits are additional coverages over and above *your coverage limits*.

A. LOSS OF USE OF YOUR RESIDENCE

If a *residence* named on the Declarations Page can't be lived in because of a loss covered by this policy, we'll pay certain expenses. These expenses are described below. This coverage does not apply to expenses caused by a cancelled lease or contract.

This extra benefit is part of "Your Property Coverage". Our payments will be applied against *your coverage limit* for that *residence*. There is no *deductible*. And we'll continue to pay these expenses for as long as you're eligible for them, even if *your Home Policy* expires during that time.

- **Additional Living Expenses**

You may not be able to live in *your residence* because of a loss covered by this policy. If so, we'll pay for any increase in *your normal living expenses* that is necessary to maintain *your normal*

standard of living. We'll pay these expenses for the shortest time needed to repair or replace the *residence*, or to move to a new one.

- **Loss Of Rent**

You may not be able to rent out part of *your residence* because of a loss covered by this policy. If so, we'll pay the fair value of the rent you lose. We'll pay it for the shortest time needed to repair or replace the *residence*. But it must be a part of *your residence* that you normally rent out. And we'll subtract any expenses you don't have to pay while it's unoccupied.

- **Evacuation Costs**

You may not be able to live in *your residence* because a civil authority forbids you to use it because of a loss to a neighbor's property. If so, we'll pay *your additional living expenses*. We'll also pay for loss of rent if part of *your residence* is normally rented out. We'll pay these expenses for as long as you're told not to use the *residence*, up to a maximum of 30 days. But the loss to *your neighbor's* property must be a kind of loss covered by this policy.

B. CREDIT CARD, FUND TRANSFER CARD, FORGERY, COUNTERFEIT MONEY AND HOME BANKING

We cover certain kinds of financial swindling, described below. But we won't pay for any loss resulting from an *insured person's* dishonesty, or from an *insured person's business*, trade or job. This extra benefit has a *coverage limit* of \$10,000. There is no *deductible*.

We reserve the right to investigate and settle any lawsuit resulting from these losses. If we decide to defend against the suit, we will choose and hire a lawyer.

(1) **Unauthorized Use of a Credit Card or Bank Card.** This benefit applies to an *insured person's* losses or legal obligations resulting from the theft or unauthorized use of a credit card or bank card issued in any *insured person's* name. This includes the theft of a credit card number on the Internet. All terms and conditions of the card must be complied with.

But we do not cover any use by a *family member* or someone who was given the card, even if the specific use was unauthorized.

(2) **Forgery.** This benefit applies to an *insured person's* losses caused by a check, or another kind of negotiable instrument, that was forged or altered.

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(3) Counterfeit Money. This benefit applies to an *insured person's* losses caused by accepting counterfeit United States or Canadian money. But the money must have been accepted in good faith.

(4) Home Banking. This benefit applies to an *insured person's* losses or legal obligations resulting from the unauthorized use of computer equipment to conduct personal checking transactions with a bank.

But we do not cover any use by a *family member* or someone who is given access to the computer ordinarily used by an *insured person* to conduct such transactions, even if the specific use was unauthorized.

C. MORTGAGE RENEGOTIATION COSTS

We cover certain extra costs if a bank or lending institution requires *you* or a *family member* to renegotiate a mortgage at a higher rate. This coverage applies **only** to a *residence* named on the Declarations Page that is totally destroyed by a loss this policy covers. A *residence* is considered totally destroyed when we've paid 90% of the dwelling value shown on the Declarations Page for that *residence*. The costs we cover are:

(1) Monthly payments. We'll pay the difference between the old and the new monthly payments. We'll pay them every month, until the final payment date or until the property is sold. But we won't pay for points or service charges levied by the bank or institution, or for any kind of taxes. This is additional coverage, with a *coverage limit* of \$50,000. There is no *deductible*.

(2) Legal costs. We'll also pay legal expenses related to the mortgage. We'll pay them whether *you* renegotiate the mortgage or maintain the existing one. Legal costs include lawyer's fees and related expenses like a title search or deed filing. They don't include fines, judgments, points, service charges, or legal services by any lawyer except the *insured person's*. This is additional coverage, with a *coverage limit* of \$2,000. There is no *deductible*.

D. PERSONAL COMPUTER RECORDS

We cover the cost of re-creating information *you* store in a computer located at a *residence* covered by this policy. But the information and computer must be primarily for personal use, and the information must be lost because of a loss covered by this policy, including the loss of personal data as a result of a computer virus. This extra benefit has a *coverage limit* of \$1,000.

E. LOSS-RELATED EXPENSES

We'll pay these extra expenses that may occur after a loss.

(1) Debris Removal. We'll pay reasonable costs for removing debris resulting from a loss covered by this policy. We will also pay reasonable costs of removing a fallen tree that:

- has caused a loss to a structure covered by this policy;
- blocks a driveway; or
- blocks a ramp or other access way designed to assist a handicapped person to enter or leave the *residence*.

Tree removal does not include the uprooting and removal of tree roots.

Tree removal not included in Debris Removal. We will pay up to \$1,000 for the removal of fallen trees caused by wind, hail, sleet, or the weight of ice or snow when the tree does not damage a structure or block a driveway or handicap-access way. Tree removal does not include the uprooting and removal of tree roots.

(2) Precautionary Repairs. After a loss covered by this policy, we'll pay reasonable costs for temporary repairs only to prevent additional loss. But the only reason for the repair must be to prevent further damage. This extra benefit is part of "Your Property Coverage", and will be applied against *your coverage limit* for that *residence*.

(3) Fire Department Service Charges. If *you* have an agreement with the fire department to pay when it answers *your* call, we'll pay the charges up to \$500. But the fire department must have been called to protect the property covered by this policy from a loss covered by this policy. We won't pay if the property is inside the city, municipal district or fire district normally protected by that fire department. This extra benefit is additional coverage, with no *deductible*.

(4) Property Removed. We'll pay for any loss to property removed from a *residence* because it is in danger of a loss covered by this policy. But it must be property covered by this policy. This extra benefit applies for 30 days after the property is removed. It is part of "Your Property Coverage", and will be applied against *your coverage limit* for the *residence* the property is removed from.

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F. CONSTRUCTION STANDARDS

After a covered loss, we will pay the cost of conforming to any law or ordinance that regulates the repair, rebuilding or demolition of *your* residence made necessary by the covered loss. If *you* do not repair *your residence* or rebuild it at the same location, this coverage does not apply.

G. ARSON AWARD

We will pay \$1,000 for information leading to an arson conviction in connection with a fire loss covered under this policy. \$1,000 is the most we will pay regardless of the number of persons providing information.

H. LOCK REPLACEMENT

If the keys to *your residence* are lost or stolen, we'll pay for the cost of replacing the locks to *your residence* up to a total of \$500. You must notify us in writing within 72 hours of *your* discovering the missing keys. No *deductible* applies.

I. FOOD SPOILAGE

We'll pay up to \$1,000 for spoilage of food resulting from the loss of power to, or mechanical failure of a refrigerator or deep freeze unit located at *your residence*. This coverage does not apply if:

- the plug from an electrical outlet is removed;
- an electrical switch is turned off; or
- *you* did not use all reasonable means to protect the food from spoiling.

There is a \$250 *deductible* for this coverage.

J. LOSS ASSESSMENT

We'll pay up to either \$25,000, or for an additional premium, the limit shown on the Declarations Page for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- a loss to property owned by the Association; or
- liability resulting from the *deductible* in an insurance policy.

For us to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

K. IDENTITY FRAUD EXPENSES

We will pay for an *insured person's identity fraud expenses* resulting from *identity fraud*. The most we will pay for this is \$25,000 for each *identity fraud occurrence*, subject to a \$500 *deductible* for

each *identity fraud occurrence*. This coverage only applies to *identity fraud occurrences* that commence during the policy period.

• Definitions

Identity fraud means the act of knowingly transferring or using, without lawful authority, an *insured person's* means of identity in violation of federal law or any applicable state or local law.

Identity fraud expenses means:

- costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for certified mail to law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for telephone calls to merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- loan application fees for re-applying for loan(s) when the original loan application was rejected because the lender obtained incorrect credit information;
- up to \$250 per day, not to exceed a total of \$10,000, for actual earnings lost as a result of missing work to complete fraud affidavits or meet with legal counsel, merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations; or
- reasonable attorney fees incurred for the following, but only if *you* give us prior notice:
 - defense of an *insured person* against any lawsuit(s) by merchants, businesses or their collection agencies;
 - removal of any criminal or civil judgments wrongly entered against an *insured person*; or
 - challenge of the information in an *insured person's* consumer credit report or similar records.

Identity fraud occurrence means any act or series of acts of *identity fraud* committed by one person or a related group of people.

Identity fraud expenses we do not cover:

We will not pay for *identity fraud expenses* due to any fraudulent, dishonest or criminal act by:

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- an *insured person*;
- any person acting in concert with an *insured person*; or
- any authorized representative of an *insured person*;

whether acting alone or in collusion with others.

This coverage does not apply to losses covered under *your* Extra Benefit for Credit Card, Fund Transfer Card, Forgery, Counterfeit Money and Home Banking.

PART II: YOUR LIABILITY COVERAGE

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of *you* accidentally hurts someone or damages their property. And *we* also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will *we* pay? For a claim or suit covered by this policy, *we'll* pay damages for which *you* are legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
- *property damage*, which means physical damage or destruction to property, or the loss of its use.

This coverage applies to any *occurrence* except the ones specifically described in "Damages We Won't Pay". To help *you* and *your* family meet the many incidental costs connected with an *occurrence*, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

LIABILITY AND MEDICAL EXPENSES

This section tells *you* about the different kinds of liability and *medical expenses* *your* Home Policy covers.

WHAT WE COVER**A. PERSONAL LIABILITY**

We'll pay damages an *insured person* is legally obligated to pay because of an *occurrence* that results in *bodily injury*, *personal injury* or *property damage* during the *policy period*.

Who we insure.

Under this coverage, *insured person* includes *you*, other *family members*, and the following other people and organizations:

- for *occurrences* involving a motor vehicle covered by *your* Home Policy, any person using that vehicle with *your* permission at an *insured*

place or while working for *you* or a *family member*; and

- for *occurrences* involving an animal or watercraft owned by *you* or a *family member*, any person or organization with legal responsibility for that animal or watercraft. But this doesn't include a person or organization using or having custody of that animal or watercraft without permission, or in the course of a *business*, trade or job.

Territory. This coverage applies to *occurrences* happening *anywhere* in the world.

B. MEDICAL EXPENSES

In addition to Personal Liability coverage, *we'll* pay reasonable *medical expenses* for certain people injured in an accident, including:

- fees for doctors, surgeons, dentists and nurses;
- hospital and ambulance costs;
- charges for X-rays and artificial limbs or organs; and
- funeral expenses.

But *we'll* pay only those reasonable expenses incurred within three years of the date of the accident. By paying these expenses, *we* don't admit any legal liability.

Who we insure.

For *bodily injury* from an *occurrence*, *we'll* pay reasonable *medical expenses* for anyone *except*:

- *you* or a *family member*; or
- a person who regularly lives in *your* household, other than a *domestic employee*.

But *we'll* pay *medical expenses* at *your* request *only* if the *occurrence* happened at an *insured place* or was caused by:

- an *insured person*;
- a *domestic employee*, in the course of working for an *insured person*;
- an animal owned by or in the care of an *insured person*; or

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- a condition at an *insured place* or on the ways immediately adjoining an *insured place*.

Under this coverage, *insured person* has the same meaning as under your Personal Liability coverage.

Territory. This coverage applies to *occurrences* happening **anywhere** in the world.

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in your Home Policy;
- *new residences* you acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- *temporary residences* of you or a *family member*;
- vacant land (other than farmland) owned or rented by you or a *family member*;
- land where you or a *family member* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by you or a *family member*;
- places occasionally rented by you or a *family member* for any purpose except a *business, trade* or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE'LL PAY

So far, you've seen that "Your Liability Coverage" pays for certain damages and *medical expenses* stemming from an *occurrence*.

DAMAGES WE WON'T PAY

In this section of your Home Policy, we describe certain *exclusions*. We won't pay for *bodily injury, personal injury, property damage, or medical expenses* to which an *exclusion* applies.

A. CLAIMS FOR PERSONAL INJURY

We won't pay damages for any *personal injury* that one of these *exclusions* applies to:

- (1) **Expected or intended injury.** We won't pay for any *personal injury* that is expected or intended by an *insured person*. This *exclusion* applies even if the resulting injury:

- is of a different kind, quality or degree than initially expected or intended; or
- is sustained by a different person or entity than initially expected or intended.

However, this *exclusion* does **not** apply if the injury results from the use of reasonable force by an *insured person* to protect persons or property.

(2) **Employee injuries.** We won't pay for *personal injury* to an *insured person's* employee, if it is related in any way to his or her work for the *insured person*.

(3) **Civic activities.** We won't pay for any *personal injury* arising out of an *insured person's* activities as an elected or appointed official of a governmental body, whether or not that person is paid for those activities.

(4) **Assumed liability.** We won't pay for *personal injury* that an *insured person* assumes liability for under a contract or agreement except for a lease or an incidental contract.

(5) **Business activities.** We won't pay damages for any *personal injury* arising out of an *insured person's* *business, trade* or job.

(6) **Contamination.** We won't pay for any *personal injury* arising out of the release, discharge, dispersal, or application of contaminants or pollutants from any source or by rust, mold, fungi, wet or dry rot, or bacteria.

(7) **Lead Hazards.** We won't pay for any *personal injury* arising out of lead hazards in or on an *insured place*.

(8) **Molestation and Corporal Punishment.** We won't pay for any *personal injury* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation.

(9) **Intra-family liability.** We won't pay for *personal injury* to anyone related to an *insured person* by blood, marriage or adoption who is a resident of the same household. This includes a ward or a foster child.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

For *bodily injury* or *property damage*, we won't pay any claims or *medical expenses* that one of these *exclusions* applies to:

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(1) Expected or intended injury or damage. We won't pay for *bodily injury* or *property damage* or *medical expenses* that are expected or intended by an *insured person*. This *exclusion* applies even if the resulting injury or damage:

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

However, this *exclusion* does not apply if the injury or damage results from the use of reasonable force by an *insured person* to protect persons or property.

(2) Professional services. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of or by an *insured person's* rendering, or failure to render, professional services.

(3) Watercraft accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of a watercraft an *insured person* owns or rents. The term watercraft includes hovercraft whenever used in this policy.

This *exclusion* does not apply to a watercraft:

- that has an inboard motor of 50 horsepower or less that is:
 - rented by an *insured person*; or
 - owned by an *insured person* and is not a personal watercraft, airboat, air cushion or similar type of craft. A personal watercraft is any watercraft that is less than 16 feet long which uses an inboard motor powering a water jet pump as its primary source of motive power and which is designed to be operated by a person in a sitting, standing or kneeling position on the vessel rather than inside the vessel. The term personal watercraft includes but is not limited to, jet skis, jet boats and wave runners.
- that has an outboard motor(s) of:
 - 25 total horsepower or less; or
 - more than 25 total horsepower that is rented by an *insured person*; or
 - more than 25 total horsepower that is owned by an *insured person* and was acquired before or during the *policy period* and you notified us of your intention to insure it within 45 days of acquiring it.
- that is a sailboat less than 26 feet long.
- while it is stored.

However, the watercraft listed above will only be covered while they are not:

- practicing for or participating in a race, except for sailboats;
- used to carry persons or cargo for a charge;
- used for any *business* purpose; or
- rented to others.

This *exclusion* does not apply to *bodily injury* or *medical expenses* to a *domestic employee* in the course of his or her job.

(4) Aircraft accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of an aircraft an *insured person* owns or uses, except a remote control model aircraft. This *exclusion* doesn't apply to a *domestic employee* for an *accident* in the course of his or her job.

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of any kind of military or warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

(6) Assumed liability. We won't pay for *bodily injury* or *property damage* that an *insured person* assumes liability for under a contract or agreement. This *exclusion* doesn't apply to written contracts relating to the ownership, maintenance or use of an *insured place* or to contracts, written before an *occurrence*, where an *insured person* assumes the liability of others.

(7) Injury required to be covered elsewhere. We won't pay *medical expenses* or damages for *bodily injury* that is covered, or required to be covered, by a worker's compensation, nonoccupational disability, or occupational disease law.

(8) Nuclear accidents. We won't pay for *bodily injury* or *property damage* for which an *insured person*:

- is an *insured person* under a nuclear energy liability policy; or
- would be an *insured person* 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:

- Nuclear Energy Liability Insurance Association;

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- Mutual Atomic Energy Liability Underwriters; or
- Nuclear Insurance Association of Canada.

We won't pay for *medical expenses* for occurrences from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

(9) Accidents to off-duty domestic employees. We won't pay *medical expenses* for a *domestic employee* for an accident that doesn't occur at an *insured place*, and is not caused by his or her job in any way.

(10) Accidents to people who live on your property. We won't pay *medical expenses* for anyone who lives at an *insured place*, except *domestic employees*.

(11) Accidents to trespassers. We won't pay *medical expenses* for any person who is at an *insured place* without permission.

(12) Business related accidents. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of or in the course of conducting a *business*, trade or job, including the rental of land or a building. This *exclusion* does not apply to:

- the occasional or part-time job of a *family member* under 21;
- renting part of *your residence* to one person or as an office, school, studio or private garage;
- occasionally renting *your entire residence* as a *residence*; or
- activities that normally occur in the course of *non-business activities*.

(13) Accidents at your other properties. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of a condition at a place *you* or another *family member* owns or rents that is not an *insured place*. This *exclusion* doesn't apply to a *domestic employee* injured in the course of his or her job.

(14) Damage to your own property. We won't pay for *property damage* to property an *insured person* owns or is transporting.

(15) Damage to property in your care. We won't pay for *property damage* to property an *insured person* rents, occupies, possesses, uses or has available for regular use, but does not own. This *exclusion* does not apply to property damaged by fire, smoke or explosion.

(16) Intra-family liability. We won't pay for *bodily injury* to anyone related to an *insured person* by blood, marriage or adoption who is a resident of the same household. This includes a ward or a foster child.

(17) Communicable Disease. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of an *insured person's* transmission of a communicable disease.

(18) Accidents involving motor vehicles. We won't pay for *bodily injury* or *property damage* or *medical expenses* that occurs while an *insured person* is riding in or driving a motor vehicle. A motor vehicle means any motorized land vehicle, including a trailer while being towed.

This *exclusion* does not apply to:

- an owned motorized golf cart while used for golfing purposes or while traveling to and from a golf course for golfing purposes;
- an owned motorized golf cart while used in a private residential community where an *insured person* lives;
- a non-owned golf cart;
- a motor vehicle designed for recreational use off public roads that is either not owned by an *insured person* or is on an *insured place*; or
- a motor vehicle that is used to service the *residence* of an *insured person*, designed to assist the handicapped, or in dead storage at an *insured place*.

However, the motor vehicles listed above will only be covered while they are not:

- practicing for or participating in a race;
- used to carry persons or property for a charge;
- used for any *business* purpose, except for golf carts; or
- rented to others.

(19) Molestation and Corporal Punishment. We won't pay for any *bodily injury* or *property damage* or *medical expenses* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation.

(20) Controlled Substance. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a

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controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled substance includes but is not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this *exclusion* does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

(21) Lead Hazards. We won't pay for *bodily injury* or *property damage* or *medical expenses* arising out of lead hazards in or on an *insured place*.

EXTRA BENEFITS

In addition to covering against claims, suits and *medical expenses*, "Your Liability Coverage" includes many extra benefits. This section describes them in detail. These benefits are additional coverages over and above *your coverage limits*.

A. Legal Services

We'll defend against claims and suits for *bodily injury*, *personal injury* or *property damage* covered by this policy, at *our* own expense. But *our* obligation ends when *our* limit of liability for this coverage has been exhausted. We also reserve the right to investigate and settle a claim whenever we wish.

In connection with a claim, suit or *occurrence* covered by "Your Liability Coverage", we'll pay all these costs:

(1) Legal expenses. We'll pay for investigations, legal fees and court costs while defending against a claim covered by *your* Home Policy.

(2) Bond premiums. We'll pay premiums on bonds required in a lawsuit we're defending. We do not have to furnish or apply for any bonds ourselves.

(3) Interest on a judgment. If a judgment is entered on a claim covered by this policy, we'll pay the interest that accrues until we pay the judgment. We will pay other interest as required by law on amounts up to the *coverage limit*.

(4) Loss of earnings. We may ask a person we're defending to help us investigate or defend against that claim. If we do, we'll pay up to \$250 a day for actual loss of wages or salary (but not loss of other income). We'll pay for other reasonable expenses incurred at *our* request, too.

B. First Aid

We'll reimburse an *insured person* for money he or she spends for first aid at the scene of an accident, to anyone who is **not** an *insured person*.

C. Voluntary Payments

We'll pay for damage an *insured person* causes to someone else's property, even if he or she isn't legally obligated to pay. We'll pay, at *your* request, up to \$2,000 for each *occurrence*. There is no *deductible* for these payments. But we won't pay for:

- damage to property that *you* or anyone who lives with *you* (including tenants) owns or rents;
- damage to property covered by the property coverage of *your* Home Policy;
- damage occurring in connection with a *business*, trade or occupation;
- damage caused by a motor vehicle, aircraft or boat;
- damage occurring at a place an *insured person* owns or rents that isn't an *insured place*; or
- damage caused intentionally, unless the person who caused it was less than 13 years old.

D. Loss Assessment

We'll pay up to either \$25,000, or for an additional premium, the limit shown on the Declarations Page for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- liability of the Association; or
- liability resulting from the *deductible* in an insurance policy.

For us to pay, it must be:

- a liability *occurrence* covered by this policy; or
- an act or series of related acts committed by the organization's officers, directors or trustees while acting in their capacity as such, provided:

- (1) the directors, officers or trustees are elected by the members of the organization; and
- (2) the directors, officers or trustees serve without pay.

This coverage applies only to loss assessments charged against *you* as owner or tenant of the *residence*.

We do not cover loss assessments charged against *you* or a corporation or association of property owners by any governmental body.

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PART III: TERMS AND CONDITIONS

This part of *your* Home Policy tells *you* everything else *you* need to know about *your* insurance. It's divided into four sections:

- "How Much We'll Pay" explains how we figure out *our* payments after an *occurrence* or loss.
- "What To Do After An *Occurrence* Or Loss" tells *you* all the steps *you* should take to protect *your* rights and *ours*.
- "Glossary" repeats the definitions of all the defined words and phrases in this policy.
- "General Conditions" explains the other terms and conditions of *your* Home Policy.

HOW MUCH WE'LL PAY

This section tells *you* how much *we'll* pay for any loss we cover. In it, we use certain terms with specific meanings. To understand how much *we'll* pay, *you* need to know exactly what the following terms mean:

Coverage limit. *Your coverage limit* is the most *we'll* pay for an *occurrence* or loss. Each type of coverage has its own limit, shown on the Declarations Page.

Deductible. *Your deductible* is the amount of a loss *you're* responsible for. *We'll* subtract this amount from *our* payment. If the *deductible* is larger than the amount of the loss, we won't pay anything. *Deductibles* do not apply to personal liability or to *medical expenses*.

Occurrence. An *occurrence* is an accident that causes *bodily injury*, *personal injury*, *property damage*, or loss. It can be a single event or a series of related events. Generally, *our* coverage applies separately to each *occurrence*.

YOUR PROPERTY COVERAGE

This section explains how much *we'll* pay for a loss to *your residence* and personal belongings. *We'll* pay this money to *you*, unless another person is named on the Declarations Page to receive *our* payment. *We'll* pay the *replacement cost* of the property except under some circumstances described in Your Residences And Personal Property below.

Replacement cost. The *replacement cost* is the cost of replacing property with property of a like kind and quality. *We'll* pay today's cost for comparable property, even if the property *you're* replacing was old and had gone down in value.

YOUR RESIDENCES AND PERSONAL PROPERTY

For a loss to *your* property covered by this policy, *we'll* pay the *replacement cost* except as noted below. *We'll* pay up to *your coverage limit* for each *occurrence*, less *your deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. However, if the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. *Our* payment will be either this replacement cost or 50% of the Total Location Limit, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For *personal property*, we will not pay more than the actual cash value for articles that:

- are not maintained in good or workable condition;
- show signs of excessive wear; or
- are outdated or obsolete and are stored or not being used.

Coverage limits. On the Declarations Page, *you'll* find a Total Location Limit for each of *your residences*. This limit is the total limit for all real and *personal property* losses, including loss of use, in and around that *residence*. Special limits on certain property apply as described in "Your Property Coverage".

Personal property. Which *coverage limit* applies to *personal property*? If the property is at a *residence* when the loss occurs, *we'll* apply the Total Location Limit for that *residence*. If the loss occurs away from a *residence*, *we'll* apply the Total Location Limit for the *residence* that property is usually kept at. If the property isn't usually kept at a *residence*, *we'll* apply *your* highest Total Location Limit.

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- **Special Features**

To give you maximum coverage for *your homes and personal property*, your Home Policy includes some special features:

Residence replacement protection. If you decide to repair or replace *your residence* and unattached structures at the same location (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and unattached structures even when it's more than *your coverage limit*. However, this applies *only* if you had allowed us to annually increase *your coverage limit* to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for loss to any extensions or new construction you added during the *policy period*, but *only* if you had reported them to us before the loss.

Special Reserve. What happens if you use up most of *your coverage on your residence*, and you still have *personal property* to replace? Fortunately, *your Home Policy* keeps a special reserve for just this kind of catastrophe. *We* guarantee that 100% of the dwelling amount shown on the Declarations Page will be available to pay for *personal property*. And *we* also guarantee that 20% of the dwelling amount shown on the Declarations Page will always be available for loss of use of that *residence*.

If *your residence* is a condominium, cooperative unit, apartment, or any other type of *residence you rent to live in*, *we* guarantee that 40% of the contents amount shown on the Declarations Page will always be available for loss of use of that *residence*.

If *your residence* is a one or two-family house that you own, this special reserve coverage applies only when the *residence* is a total loss as defined below:

- A loss is total in fact when every part of the *residence* is actually destroyed, or when some portion of the *residence* remains intact, but the cost of restoring the *residence* to pre-loss condition exceeds the dwelling amount shown on the Declarations Page; or
- A loss is total in law when a portion of the *residence* remains intact and the *residence* can be restored to pre-loss condition without exceeding the dwelling amount shown on the

Declarations Page, but its destruction is required by law.

YOUR LIABILITY COVERAGE

This section explains how much *we'll* pay for an *occurrence covered by your liability or medical expenses coverages*.

- **Personal Liability**

For personal liability covered by *your Home Policy*, *we'll* pay up to *your liability coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

- **Medical Expenses**

For *medical expenses* covered by *your Home Policy*, *we'll* pay up to *your medical expenses coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

WHEN WE'LL PAY

We'll pay all the money *we owe you* within 60 days after *we* receive *your sworn proof of loss*. *Your claim* is considered settled when:

- *we* reach an agreement with *you* on the amount of the loss and a sworn proof of loss is submitted;
- a final judgment is entered; or
- an appraisal award is filed with *us*.

Residence losses.

If you don't rebuild after a property loss to a *residence*, *we* won't pay more than the actual cash value of the loss. However, this does not apply to a total loss of a *residence*. If you haven't decided whether to rebuild, or if you don't know how much it will cost, you may make an initial claim for the actual cash value. Later, you may make an extra claim for the remainder of the *replacement cost*. But you must make any extra claims within 180 days of the *occurrence*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

This section explains the steps you must take after an *occurrence* or loss, in order for *us* to help you. If you don't take these steps, *we* may not be able to pay any money.

- **Step One: At the Scene of the Accident or Loss**

You should take these measures at the scene of the accident or loss:

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(a) Prevent further damage. *You should take immediate action to prevent any further damage after the initial accident or loss. This includes reasonable cost for temporary repairs only that may be necessary to protect property. In many cases we will pay for these repairs. These payments are described in the "Extra Benefits" sections of this policy.*

If *you* don't take reasonable steps to protect property, we don't have to pay for any *ensuing losses* that could have been prevented.

(b) Obtain all information. *You should obtain the names and addresses of all people who were involved in or witnessed the accident or loss.*

(c) Don't pay or agree to pay any damages. No person covered by this policy should voluntarily take any of these actions:

- make any payments for damages;
- assume any obligations to make payments; or
- pay any money for *medical expenses* except first aid at the scene of the accident or loss.

We won't honor any liability you assume without our consent.

(d) Keep detailed records. *You should keep an accurate record of your expenditures, including all bills, receipts and other documents related to the occurrence, loss, or any repairs. These records will help you prepare the inventory and proof of losses you'll have to submit to us later.*

• **Step Two: Notify Us**

You must notify us or our agent as soon as possible. Your notice should include this information:

(a) Policy identification. *Tell us the policy number found on the Declarations Page.*

(b) Names and addresses. *Tell us the names and addresses of these people:*

- *you;*
- anyone else involved in the accident or loss who is covered by this policy;
- anyone who was injured;
- anyone whose property was damaged; and
- any witnesses.

(c) Circumstances of the accident or loss. *Tell us where, when and how the accident or loss happened.*

In Case of Identity Fraud. *If the loss involved identity fraud, you must notify the applicable law enforcement agency as soon as possible.*

In Case of Theft. *If the loss involved theft, you must notify the police as soon as possible.*

In Case of Unauthorized Credit Card or Bank Card Use. *If the loss involved the unauthorized use of a credit card or bank card, you must also notify the credit card company or financial institution as soon as possible.*

• **Step Three: Submit All Claims**

For us to pay under "Your Property Coverage", "Medical Expenses Coverage" or "Extra Benefits", you must submit a formal claim. For us to pay under "Personal Liability Coverage", you must forward all claims made against you or another insured person. In this section we tell you how to submit these claims.

Property Coverage

Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(a) Cause of damage or loss. *Tell us when the damage or loss occurred, and what caused it.*

(b) Who owns the property. *Tell us the name and address of the person who owns the covered property. If he or she does not own the property outright, tell us:*

- what portion of the property he or she owns;
- the name and portion of any other owner; and
- any claims, liens, or other encumbrances on the property.

(c) Other insurance. *Tell us about any other insurance policies or bonds covering the damage or loss.*

(d) Changes during the policy period. *Tell us about any changes in the ownership, use or occupancy of the property that took place while this policy was in effect.*

(e) Inventory and proof of losses. *Include an up-to-date inventory with any receipts and other supporting documents you have not yet submitted.*

For a loss to a residence. *Give us the specifications of the damaged building and a detailed estimate for its repair.*

For personal property loss. *Give us a description of every damaged item, and tell us the replacement cost.*

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Personal Liability Coverage.

Promptly send us copies of any notices or legal papers received in connection with the accident. This includes every demand, claim, summons or other process any *insured person* receives.

Medical Expenses Coverage

The injured person (or someone acting on his or her behalf) must submit a signed, sworn claim. The claim should contain this information:

- description of the injury;
- description of the medical treatment and expenses;
- bills, receipts, and other documents supporting the claim; and
- an authorization allowing us to obtain his or her medical reports and records.

Extra Benefits

Submit a description of *your* claim within 60 days of the *occurrence*. Include all bills, receipts and other supporting documents.

- **Step Four: Cooperate with Our Defense**

You and anyone else who is making a claim must help us investigate, defend, and settle it. In many cases we'll pay for reasonable expenses incurred while helping us. These payments are described in "Extra Benefits".

1. Help Us Substantiate Your Claim

Anyone seeking damages must take these steps to help us investigate and prove the claim:

- (a) **Provide records, documents and proofs.** An *insured person* must provide any records, documents or proofs we ask for, and allow us to make copies of them.
- (b) **Exhibit damaged property.** An *insured person* must allow us to inspect and appraise damaged property before it is repaired or discarded.
- (c) **Swear under oath.** An *insured person* must be willing to submit to examination under oath and sign his or her testimony.
- (d) **Authorize us to obtain records.** An *insured person* must be willing to authorize us to obtain any pertinent records. This includes medical reports and other personal documents.
- (e) **Submit to physical examinations.** A person seeking coverage must submit to physical exams as often as we reasonably request. We'll select the doctor and pay for the exams.

2. Participate in Legal Proceedings

Anyone covered by this policy must participate in legal proceedings connected with his or her coverage. This includes hearings, trials, arbitrations and other proceedings.

- (a) **Help us prepare.** An *insured person* must help us prepare for and conduct proceedings, and provide any evidence we ask for.
- (b) **Attend hearings.** An *insured person* must attend all proceedings at our request.
- (c) **Obtain witnesses.** An *insured person* must help us obtain the cooperation of witnesses, including their attendance at hearings and trials.
- (d) **Enforce indemnity.** An *insured person* must help us collect damages or a portion of the liability owed by another person or organization.

GLOSSARY

In this section, we repeat the definitions of every word and phrase we defined in *your* Home Policy.

Bodily injury means physical harm, sickness, mental anguish or death, including any care required or services lost because of the injury.

Business means a trade, profession, occupation or other activity for which an *insured person* receives more than \$2,000 annually in money or other compensation, whether performed on a full-time, part-time or occasional basis. However, *business* does not include:

- volunteer activities for which the only payment received is for expenses incurred to perform the activity;
- providing home day care services on an exchange of services basis with no monetary compensation; or
- providing home day care services to a relative.

Coverage limit means the most we'll pay for a loss, as explained in "How Much We'll Pay". Each type of coverage has its own limit, shown on the Declarations Page.

Deductible means the amount of a loss you're responsible for. We'll subtract this amount from our payment. If the *deductible* is larger than the amount of the loss, we won't pay anything. *Deductibles* do not apply to personal liability or to *medical expenses*.

Direct loss means a property loss caused directly by a particular set of circumstances.

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Domestic employee means an *employee* of an *insured person* or an *employee* leased to an *insured person* by a labor leasing firm, whose duties include household or domestic services.

Employee means an *employee* of an *insured person* or an *employee* leased to an *insured person* by a labor leasing firm, whose duties are other than those performed by a *domestic employee*.

Ensuing loss means a property loss caused indirectly by a particular set of circumstances.

Exclusion means a particular set of circumstances when we won't pay for certain damages or loss.

Family member means any of these people, but only if they are residents of *your* household:

- *your* children;
- *your* other relatives; and
- other people under 21 years of age such as wards, who are in the care of *you* or a *family member*.

Identity fraud means the act of knowingly transferring or using, without lawful authority, an *insured person's* means of identity in violation of federal law or any applicable state or local law.

Identity fraud expenses means:

- costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for certified mail to law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- costs for telephone calls to merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
- loan application fees for re-applying for loan(s) when the original loan application was rejected because the lender obtained incorrect credit information;
- up to \$250 per day, not to exceed a total of \$10,000, for actual earnings lost as a result of missing work to complete fraud affidavits or meet with legal counsel, merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations; or
- reasonable attorney fees incurred for the following, but only if *you* give us prior notice:

- defense of an *insured person* against any lawsuit(s) by merchants, businesses or their collection agencies;
- removal of any criminal or civil judgments wrongly entered against an *insured person*; or
- challenge of the information in an *insured person's* consumer credit report or similar records.

Identity fraud occurrence means any act or series of acts of *identity fraud* committed by one person or a related group of people.

Insured person means any of the people or organizations insured by the coverage in question. Just who this includes varies slightly from coverage to coverage. A summary of *insured persons* can be found in "Who We Insure", at the beginning of *your* Home Policy.

Insured place means any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- *new residences* you acquire during the policy period
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of *you* or a *family member*;
- vacant land (other than farm land) owned or rented by *you* or a *family member*;
- land where *you* or a *family member* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by *you* or a *family member*.
- places occasionally rented by *you* or a *family member* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

Medical expenses means any of these expenses for *bodily injury* stemming from an *occurrence*:

- fees for doctors, surgeons, dentists and nurses;
- hospital and ambulance costs;
- charges for X-rays and artificial limbs or organs; and
- funeral expenses.

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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.

Occurrence means the accident that causes *bodily injury, personal injury, or property damage* or loss. It can be a single event or a series of related events.

Personal injury means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character.

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* are considered *personal property* unless they are licensed for road use).

Plumbing fixture means sinks, bathtubs, showers, toilets and bidets.

Policy period means the period between the starting and ending times shown on the Declarations Page, unless this policy is cancelled by *you* or by *us*.

Property damage means physical damage or destruction to property, or the loss of its use.

Replacement cost means the cost of replacing property with property of a like kind and quality. *We'll* pay today's cost for comparable property, even if the property *you're* replacing was old and had gone down in value.

Residence is a one or two-family house, condominium, cooperative unit, apartment or any other type of residence *you* own or rent to live in, named on the Declarations Page. *Residence* includes outdoor possessions.

We, us, our and ours mean the company named on the Declarations Page.

You, your and yours mean each person named on the Declarations Page, and his or her spouse if they live together.

GENERAL CONDITIONS

This section explains additional terms and conditions that apply to *your* Home Policy.

1. OTHER INSURANCE

Under "Your Property Coverage":

- If another insurance policy also covers the loss, *we'll* pay *our* share of the damages and no more. *Our* share is the proportion of *our* coverage limit to the total of all coverage limits that apply.

- If a home warranty or service agreement also covers the loss, *we* will pay only the amount that exceeds the amount payable under the home warranty or service agreement.

Under "Your Liability Coverage", *we* will pay liability or *medical expenses* only in excess of other coverage that applies.

2. CHANGES

The terms of this policy cannot be waived or changed except in writing by *us*. *We* reserve the right to adjust *your* premium because of a change *we* make. If, during the *policy period* or within 60 days before it starts, *we* revise the policy to broaden or extend its coverage without any extra premium, *you* automatically receive the additional coverage on the date *we* implement the change in *your* state. This automatic coverage does not apply if the revision *we* make includes both extensions and restrictions of coverage.

3. CANCELLATION OR NONRENEWAL

In some states these rules may vary. If other rules for cancellation or nonrenewal apply, *we'll* attach an endorsement to *your* policy.

(a) **Nonrenewal.** *We* may decide not to renew this policy. If *we* do, *we'll* notify *you* at least 30 days before the policy ends. *We'll* mail *our* notice to the address shown on the Declarations Page. Proof of mailing is enough proof that *we* notified *you*.

(b) **Cancellation by you.** *You* may cancel this policy during the *policy period* for any reason. Simply mail *us* the policy or a written notice of the date *you* wish the cancellation to take effect.

(c) **Cancellation by us.** If *we* cancel this policy, *we'll* notify *you* in writing. *Our* notice will be mailed to the address shown on the Declarations Page. No other notice is necessary. But *we* may cancel this policy only under one of these circumstances:

- If *you* haven't paid the premium, *we* may cancel with 10 days' notice;
- If the policy has been in effect for less than 60 days and is not a renewal, *we* may cancel for any reason with 10 days' notice;
- If the *policy period* is longer than one year, *we* may cancel for any reason on the anniversary of the starting date, with 30 days' notice; or
- If *you* falsified or concealed any information that would have affected the way *we* wrote this policy, or if the risk has changed substantially, *we* may cancel with 30 days' notice.

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(d) **Refund.** If the policy is cancelled, we'll refund the unearned premium within a reasonable time. The refund will be calculated pro rata.

4. TRANSFER

You may not transfer *your* rights or duties under this policy to another person without *our* consent. However, if *you* die, this policy will continue to cover for the rest of the *policy period*:

- *your* surviving spouse, if he or she lived with *you* at the time of death;
- the surviving members of *your* family, while they continue to live with *your* surviving spouse or at a *residence* named on the Declarations Page; and
- *your* legal representative, for obligations assumed in the course of representing *your* affairs.

5. LEGAL ACTION AGAINST US

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can we be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under "Your Property Coverage", an *insured person* agrees not to sue *us* later than two years after the date of the *occurrence*.

Under "Your Liability Coverage", an *insured person* agrees not to sue *us* before we agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

6. MORTGAGES

If a mortgagee is shown on the Declarations Page for any *residence*:

We'll pay the mortgagee directly for its share of any damages to a *residence* or another structure on the grounds.

We'll notify the mortgagee at least 10 days before the effective date if we cancel or decline to renew this policy. The mortgagee's rights won't be affected by any denial of *your* claims. However, to preserve its right to make a claim, the mortgagee must:

- notify *us* of any change in ownership, occupancy, or risk it is aware of;
- pay on demand any premium; and
- submit a signed, sworn proof of loss within 60 days after being notified that *you* failed to do so.

Instead of paying the mortgagee damages that we refused to pay *you*, we reserve the right to pay off

the entire principal and interest due on the mortgage. If we do, the entire mortgage will be transferred to *us* along with any securities held as collateral.

7. OUR RIGHT TO RECOVER PAYMENT

If we pay money to a person under the terms of this policy, that person's right to recover any damages is automatically transferred to *us*. This also applies if we make payment to a mortgagee. The person or organization who receives *our* payment agrees to:

- sign papers, deliver documents and cooperate with *our* effort to recover damages; and
- do nothing to jeopardize or interfere with *our* ability to recover damages.

This right does not apply to payments made under:

- Medical Expenses Coverage; or
- Voluntary Payments for *property damage* under Extra Benefits.

8. APPRAISALS

If we fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand an appraisal. The demand must be in writing. This is the appraisal procedure:

(a) **Selecting Appraisers.** Within 20 days after the demand is received, both sides will select a competent, impartial appraiser. The two appraisers will evaluate the loss and try to come to an agreement. If they succeed, that will be the amount of the loss.

(b) **Selecting an Umpire.** If the two appraisers can't agree, they will select a competent, impartial umpire. If they can't agree on an umpire within 15 days, either side can ask a judge in the state where the *residence* is located to select one. Each appraiser will submit a written report to the umpire. The umpire's decision will be the amount of the loss.

(c) **Paying for the Appraisal.** Each side will pay the appraiser it chooses. Both sides will contribute equally to the umpire's pay and other expenses.

9. ABANDONMENT

We don't have to accept any property an *insured person* abandons.

10. BANKRUPTCY

Bankruptcy or insolvency of an *insured person* shall not relieve *us* of any of *our* obligations under this policy.

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11. CONCEALMENT AND FRAUD

We do not provide coverage for any *insured person* who has, either before or after a loss, intentionally concealed or misrepresented any material fact or circumstance relating to this insurance. We do not provide coverage in the case of any fraud or false swearing by an *insured person* concerning this insurance.

12. NO BENEFIT TO BAILEE

We won't pay any money that directly or indirectly benefits a person or organization that is holding, storing or transporting property for money. This rule overrides any conflicting provisions of this policy.

13. PAIRS, SETS AND PARTS

Loss to one piece in a pair or set, which can't be used without the missing piece, will be treated as loss to the entire pair or set. However, loss to one part of property consisting of several parts when whole, which is still usable without the missing part, will be treated as loss to that part only.

14. SUBSTITUTIONS

We reserve the right to repair or replace property ourselves, instead of paying with money. If we plan to exercise this right, we'll notify you in writing within 30 days after we receive your signed, sworn proof of loss.

15. RETURN OF STOLEN PROPERTY

If stolen property is recovered and you want the property returned to you, you will return to us any payment we made to you for this item. However, we agree to pay for any damage caused by the theft.

16. INSURABLE INTEREST

For a property loss, we won't pay an *insured person* more than the amount of his or her interest in the property.

17. SEVERABILITY

This insurance applies separately to each *insured person*. This rule will not increase our coverage limit for any one occurrence.

In Witness Whereof, we have caused this policy to be executed and attested, but this policy will not be valid unless countersigned by our authorized representative.

(signed)
Mary E. Hahn

(signed)
Kenneth C. Smith

Secretary

President

The following information was obtained from the records of the
 Atlantic Mutual Insurance Company, which is a member of the
 National Association of Insurance Commissioners, and is being
 furnished to you for your information. The information is
 based on the records of the company as of the date of the
 filing of this report. The information is not intended to
 constitute an offer of insurance or any other financial
 product, and it is not intended to be used in any way to
 determine the suitability of any insurance or other financial
 product for any individual. The information is being
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 determine the suitability of any insurance or other financial
 product for any individual. The information is being
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****THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.****

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The first paragraph deleted and replaced by the following:

This part of your Home Policy covers you and your family against financial loss if the things you and your family own are damaged or lost. We tell you about this coverage in "Residences and Personal Property". The specific items we cover in each are described in "What We Cover".

RESIDENCES AND PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an insured person's personal property. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) *At your request, we will also cover:*

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This exclusion does not apply to sinkhole collapse. By sinkhole collapse, we mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We won't pay for direct or ensuing loss caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, soot, fumes, acids, alkalis, chemicals, waste, and air pollution, which includes smoke from industrial operations and agricultural smudging, and smog.*

(7) Air Pollution is deleted.

(7) Air Pollution is deleted.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.
- **Special Rules for Home Appliances**

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, plumbing fixtures, and the connecting pipes. Plumbing fixture means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage is deleted and replaced by the following:

(1) Leakage and seepage. *We won't pay for direct loss to a residence or personal property caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated occurrences. However, we will pay for ensuing loss to a residence if coverage is not excluded by another provision in this policy.*

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The second paragraph is deleted and replaced by the following:

What kinds of damages will we pay? For a claim or suit covered by this policy, we'll pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
 - *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
 - *property damage*, which means physical damage or destruction to property, or the loss of its use.
-

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- new *residences* you acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of an *insured person*;
- vacant land (other than farmland) owned or rented by you or an *insured person*;
- land where an *insured person* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by an *insured person*;
- places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE WON'T PAY

A. CLAIMS FOR PERSONAL INJURY

(6) Contamination is deleted.

(7) Lead Hazards is deleted.

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against you or your family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) War is deleted and replaced by the following:

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against you or your family:

- to repay; or
- share damages with;

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

(21) **Lead Hazards** is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and other structures. This applies even when it's more than the dwelling amount shown on the Declarations Page. The most *we* will pay to repair or replace a *residence* is 125% of the dwelling amount shown on the Declarations Page. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money *we* owe *you*:

- within 20 days after *we* receive *your* proof of loss and reach written agreement with *you*; or
- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonable possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, we'll notify you at least 90 days before this policy ends or nonrenewal. We will mail our notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us:**

(c) Cancellation by us. If we cancel this policy, we'll notify you in writing and include the specific reasons for the cancellation. We will mail our notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But we may cancel this policy only under one of these circumstances:

- (1) If you haven't paid the premium, we may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the *insured property*;
 - b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, we will let you know of our action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, we will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by us; or
- (3) there has been a substantial change in the risk assumed by us since the policy was issued; or

- (4) on the basis of property insurance claims that are a result of an act of God if *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably necessary as requested by *us* to prevent recurrence of damage to the *insured* property; or
- (5) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If *we* offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can *we* be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before *we* agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If *we* fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the settlement amount *we* offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

FLORIDA HOME ENDORSEMENT

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The first paragraph is deleted and replaced by the following:

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RESIDENCES AND PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an insured person's personal property. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) At *your* request, *we* will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This *exclusion* does not apply to sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We won't pay for direct loss* caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, soot, fumes, acids, alkalis, chemicals, waste, and air pollution, which includes smoke from industrial operations and agricultural smudging, and smog.

(7) Air Pollution is deleted.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.
- **Special Rules for Home Appliances**

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage is deleted and replaced by the following:

(1) Leakage and seepage. *We won't pay for direct loss to a residence or personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated *occurrences*. However, *we* will pay for *ensuing loss to a residence* if coverage is not excluded by another provision in this policy.

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The second paragraph is deleted and replaced by the following:

What kinds of damages will we pay? For a claim or suit covered by this policy, we'll pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
- *property damage*, which means physical damage or destruction to property, or the loss of its use.

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- new *residences* you acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of an *insured person*;
- vacant land (other than farmland) owned or rented by you or an *insured person*;
- land where an *insured person* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by an *insured person*;
- places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE WON'T PAY

A. CLAIMS FOR PERSONAL INJURY

(6) Contamination is deleted.

(7) Lead Hazards is deleted.

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against you or your family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) War is deleted and replaced by the following:

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against you or your family:

- to repay; or
- share damages with;

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

(21) **Lead Hazards** is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and other structures even when it's more than *your* Total Location Limit. The most *we* will pay to repair or replace a *residence*, other structures, *personal property* and loss of use, however, is 125% of the Total Location Limit shown on the Declarations Page for that *residence*. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money *we* owe *you*:

- within 20 days after *we* receive *your* proof of loss and reach written agreement with *you*; or
- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonable possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, we'll notify you at least 90 days before this policy ends or nonrenewal. We will mail our notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us:**

(c) Cancellation by us. If we cancel this policy, we'll notify you in writing and include the specific reasons for the cancellation. We will mail our notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But we may cancel this policy only under one of these circumstances:

- (1) If you haven't paid the premium, we may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the *insured property*;
 - b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, we will let you know of our action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, we will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by us; or
- (3) there has been a substantial change in the risk assumed by us since the policy was issued; or

- (4) on the basis of property insurance claims that are a result of an act of God if we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably necessary as requested by *us* to prevent recurrence of damage to the *insured* property; or
- (5) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If we offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can we be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before we agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If we fail to reach agreement with *you* on the amount of a loss, either *you* or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the settlement amount we offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that we gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If we fail to appear, we will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

FLORIDA GOLF CLUB MEMBER ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

J. LOSS ASSESSMENT is deleted and replaced by the following:

J. LOSS ASSESSMENT

We'll pay up to \$50,000 for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members in the Condominium, Cooperative, or Homeowners Association. But it must be an assessment for:

- a loss to property owned by the Association; or
- liability of the Association; or
- liability resulting from the *deductible* in an insurance policy.

For *us* to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

The following Extra Benefits are added:

L. LOSS OF ONE GOLF CLUB

We'll pay up to \$200 for loss of one golf club due to misplacing or losing the club while playing golf. There is a \$50 *deductible* for this coverage.

M. THEFT FROM LOCKER

We'll pay up to \$500 for theft of personal property from *your* locker at the Golf Club including loss of property from *your* locker when it is likely that it has been stolen. There is a \$100 *deductible* for this coverage.

N. THEFT OF GOLF EQUIPMENT FROM BAG STORAGE AT THE GOLF CLUB

We'll pay up to \$200 per club, maximum \$1,000 per set of golf equipment for loss by theft from bag storage at the Golf Club. A set of golf equipment may include golf bag, golf clubs, head covers, ball retriever, and other customary golfing equipment. This insurance is excess over the Golf Club's insurance. There is a \$100 *deductible* for this coverage.

O. DAMAGE TO YOUR HOME FROM GOLF BALLS

We'll pay up to \$1,000 for damage to *your residence* by the impact of a golf ball that was not hit by an *insured*. There is no *deductible* for this coverage.

P. THEFT OF GOLF EQUIPMENT

We'll pay up to \$200 per club, maximum \$1,000 per set of golf equipment for loss by theft. A set of golf equipment may include golf bag, golf clubs, head covers, ball retriever and other customary golfing equipment. There is a \$100 *deductible* for this coverage.

Q. GOLF CARTS

This section tells *you* about coverage for *your* golf cart. *Your* Declarations Page shows which kind of property coverage (if any) *you* have on *your* golf cart.

Two kinds of property coverage are available for a golf cart: comprehensive and *collision*. Comprehensive coverage covers *your* golf cart against property loss except *collisions* and any of the other *exclusions* described below under the heading "Losses We Won't Pay For". Collision coverage covers *your* golf cart **only** against *collisions*.

WHAT WE COVER

A golf cart has comprehensive or *collision* coverage **only** if a *deductible* is shown for that coverage on the Declarations Page. However, under certain conditions described in "Newly Acquired Golf Carts" we also cover some golf carts *you* acquire during the *policy period*. But we don't cover the golf cart while being used for a *business* trade or job other than farming or ranching.

Territory. This coverage applies anywhere in the United States, including Puerto Rico and other territories and possessions, and Canada. This coverage also applies while being transported between their ports.

NEWLY ACQUIRED GOLF CARTS

We'll cover golf carts *you* acquire during the *policy period* **only** if a golf cart is already named on the Declarations Page. But if *you* don't report the golf cart to *us* within 30 days after *you* acquire it, there is no coverage.

If the golf cart replaces one that is covered by this policy, it will have the same coverage and limits as the golf cart it replaces. If it's additional to those covered by this policy, it will have the broadest coverage we already provide for a golf cart.

LOSSES WE'LL PAY FOR

What is the golf cart covered against? That depends on the type of coverage *you* selected. Each golf cart has the property coverage(s) that show a *deductible* for that golf cart on the Declarations Page.

Golf Carts. If a *deductible* is shown only for comprehensive coverage, that golf cart is covered against risks of loss except *collision* and the other *exclusions* described below in "Losses We Won't Pay For." If a *deductible* is also shown for *collision* coverage, it's covered against *collision*, too.

LOSSES WE WON'T PAY FOR

In this section of the Golf Club Member Endorsement, we describe some *exclusions* that apply to *your* property coverage for golf carts. We won't pay for any loss that one of these *exclusions* applies to:

- 1. Deterioration.** We won't pay for direct loss to any golf cart caused by deterioration or inherent vice. This includes: wear and tear, marring, scratching, latent defect, rust, mold, wet or dry rot and electrical or mechanical breakdown. This *exclusion* doesn't apply to loss to a golf cart that occurs while the vehicle is stolen.
- 2. Freezing.** We won't pay for *direct loss* to a golf cart caused by freezing, by ice, by thawing ice or by freezing water. This *exclusion* doesn't apply to loss to a golf cart that occurs while the golf cart is stolen.
- 3. War and nuclear accident.** We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.
- 4. Tire damage.** We won't pay for any loss to a tire caused by road damage. This *exclusion* doesn't apply to loss that occurs while the golf cart is stolen.

- Precautionary Repairs

For a golf cart that shows a *deductible* for comprehensive or *collision* coverage, we'll pay for repairs to prevent additional damage after a loss covered by this policy. However, these costs must be reasonable. This payment is part of both *your* comprehensive and *collision* coverages, and will be applied against *your coverage limit* for that golf cart.

GLOSSARY

Collision means the impact of a golf cart with any object except a bird, animal or falling object. A golf cart overturning is also considered a *collision*. But certain kinds of impact are **not** considered a *collision*. This is any impact caused by fire, theft, vandalism, explosion, wind, hail, water, or riot. Breaking of glass is **not** considered a *collision* unless the breakage occurs during a *collision*.

PART II: YOUR LIABILITY COVERAGE

DAMAGES WE WON'T PAY

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(18) **Accidents involving motor vehicles** is deleted and replaced by the following:

(18) **Accidents involving motor vehicles.** We won't pay for *bodily injury* or *property damage* or *medical expenses* that occurs while an *insured person* is riding in or driving a motor vehicle. A motor vehicle means any motorized land vehicle, including a trailer while being towed.

This *exclusion* does **not** apply to:

- an owned motorized golf cart while used for golfing purposes or while traveling to and from a golf course for golfing purposes or while traveling within the perimeter of the golfing community;
- an owned motorized golf cart while used in a private residential community where an *insured person* lives;
- a non-owned golf cart;
- a motor vehicle designed for recreational use off public roads that is either not owned by an *insured person* or is on an *insured place*; or
- a motor vehicle that is used to service the *residence* of an *insured person*, designed to assist the handicapped, or in dead storage at an *insured place*.

However, the motor vehicles listed above will only be covered while they are **not**:

- practicing for or participating in a race;
- used to carry persons or property for a charge;
- used for any *business* purpose, except for golf carts; or
- rented to others.

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

FLORIDA SKEET AND TRAP CLUB MEMBER ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

- **Special Limits for Some Kinds of Property**

- (9) **Firearms** is deleted and replaced by the following:

- (9) **Firearms.** We won't pay more than \$10,000 per item or \$50,000 per *occurrence* for firearms and related equipment that is stolen, misplaced or lost. There is a \$100 *deductible* for this coverage.

EXTRA BENEFITS

The following Extra Benefits are added:

- L. **Skeet and Trap Club Loss Assessment.**

- We'll pay up to \$25,000 for this coverage, per *occurrence* for *your* share of an assessment charged during the *policy period* against all members of the Skeet and Trap Club. But it must be an assessment for:

- a loss to property owned by the Skeet and Trap Club; or
 - liability of the Skeet and Trap Club; or
 - liability resulting from the *deductible* in an insurance policy.

- For *us* to pay, it must be a kind of loss or liability covered by this policy, other than earthquake. There is no *deductible* for this coverage.

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

FLORIDA PROPERTY REMEDIATION AND LIMITED LIABILITY COVERAGES FOR ESCAPED LIQUID FUEL

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For the credit given or the premium charged, the coverage provided by this endorsement and the applicable *coverage limits* shown on the Declarations Page apply. These *coverage limits* apply to the total of all loss, damage or expense payable under this endorsement, regardless of the number of locations *insured* under this endorsement and listed on the Declarations Page.

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

The following is added:

L. PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL

1. With respect to the total of all escapes of liquid fuel from a *fuel system* which an *insured person* first discovers or learns of during the *policy period*, we will pay up to the *coverage limits* shown on the Declarations Page for loss, damage or expense described in paragraph **3**.
2. The limit shown in the Declarations Page for this coverage is the most we will pay for the total of all loss, damage, or expense payable under Paragraph **3**, regardless of the:
 - a. Number of locations *insured* under this endorsement;
 - b. Number of escapes of liquid fuel from a *fuel system* an *insured person* first discovers or learns of during the *policy period*; or
 - c. Number of claims made.

3. Loss, Damage Or Expense Covered

This coverage pays for;

- a. Loss or damage to:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;caused directly or indirectly by the escape of such fuel from a *fuel system*;
- b. The reasonable expense *you* incur to:
 - (1) Take temporary measures to stop the further escape of liquid fuel from any part of the *fuel system*;
 - (2) Retard or stop the spread of escaped liquid fuel;
 - (3) Clean up, remove or treat loss or damage to:
 - (a) *Covered real property*; or
 - (b) *Covered personal property*; or
 - (4) Test, monitor or assess the effects of the escape of liquid fuel on or away from *covered real property*:
 - (a) As required by law; or
 - (b) In response to a request, demand or order by a governmental authority or court of law.

We will pay for such expense only if it results from the same escape that is payable under Paragraph 3. a., or b. ;

- c. Loss or damage to trees, shrubs, lawn and other plants on the grounds of *your residence*, but only if there is loss, damage, or expense caused by the same escape that is payable under Paragraph 3. a., or b. However, we will only pay up to \$1500 for damage to any one plant, tree, or shrub, to a total of \$15,000 per *occurrence* for landscaping losses.

4. Deductible

The *deductible* amount that applies to *your residence*, applies to loss, damage or expense covered under this additional coverage. We will pay only that part of the total of all loss, damage or expense payable under Paragraph 3. that exceeds that *deductible* amount.

5. Losses We Won't Pay For

We will not pay:

- a. For any diminution or reduction in the market value of any:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;whether or not such property is damaged;
- b. For any damage resulting from the loss of or reduction in value of a pending sale of:
 - (1) *Covered real property*; or
 - (2) *Covered personal property*;
- c. To replace any fuel;
- d. For any expense to:
 - (1) Demolish or remove; or
 - (2) Repair, replace, rebuild or restore;any part of a *fuel system* other than those expenses provided in Paragraph 3. a., or b.; or
- e. For any damage that results from an escape from:
 - (1) One or more containers, tanks or vessels, that are, or were, used to hold liquid fuel and are a part of a motor vehicle, motorized land conveyance or watercraft; or
 - (2) Related lines or parts, that are or were connected to a motor vehicle, motorized land conveyance or watercraft.

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses**

With respect to **Property Remediation For Escaped Liquid Fuel**, Additional Living Expenses is deleted and replaced with the following:

- **Additional Living Expenses**

- (1) Additional Living Expenses are any necessary increase in living expenses *you* incur, so that *your* household can maintain its normal standard of living, if the escape of liquid fuel:
 - (a) Results in loss, damage or expense payable under Paragraph 3. a., or b.; and
 - (b) Makes that part of the *residence* where *you* reside not fit to live in.
- (2) Payment for Additional Living Expenses will be for the shortest time required:
 - (a) To make that part of the *residence* where *you* reside fit to live in; or
 - (b) For *your* household to settle elsewhere, if *you* permanently relocate.This period of time applies even if it extends past the expiration date of this policy.
- (3) This coverage does not increase the *coverage limits* shown on the Declarations Page.

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE WON'T PAY FOR

This section applies to this **Property Remediation For Escaped Liquid Fuel** coverage with the exception of **(6) Contamination**.

PART III: TERMS AND CONDITIONS

PART III applies to this **Property Remediation For Escaped Liquid Fuel** coverage with the exception of the following:

This **Property Remediation For Escaped Liquid Fuel** coverage does not apply to any *residence premises* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to real and personal property under the policy to which this endorsement is attached.

GENERAL CONDITIONS

1. OTHER INSURANCE

With respect to loss, damage or expense described in **Property Remediation For Escaped Liquid Fuel**, General Condition 1. **Other Insurance** is deleted and replaced with:

1. OTHER INSURANCE AND SERVICE AGREEMENT**a. Other Insurance**

If loss, damage, or expense covered in **Property Remediation For Escaped Liquid Fuel**, is also covered by other insurance, we will pay only the proportion of the loss, damage or expense that the *coverage limit* that applies under this endorsement bears to the total amount of insurance covering the loss, damage or expense.

b. Service Agreement

If loss, damage or expense covered in **Property Remediation For Escaped Liquid Fuel**, is also covered by a service agreement, then this **Property Remediation For Escaped Liquid Fuel** coverage is excess over any amount payable under any such agreement. Service Agreement means a *fuel system* service plan, property restoration protection plan, or similar service or warranty agreement, even if it is characterized as insurance.

This coverage does not apply to any *residence premises* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to real and personal property under the policy to which this endorsement is attached.

PART II: YOUR LIABILITY COVERAGE

LIMITED ESCAPED LIQUID FUEL LIABILITY COVERAGE

With respect to *bodily injury* or *property damage* described below,

LIABILITY AND MEDICAL EXPENSES

WHAT WE COVER is deleted and replaced with:

Limited Escaped Liquid Fuel Liability Coverage

This coverage applies if a claim is made or a suit is brought against an *insured person* for damages because of :

- a. *Bodily injury* or *property damage* caused by an *occurrence* involving the escape of fuel from a *fuel system*. However, this limited coverage does not apply to an *occurrence* of fire or explosion that results from such escaped fuel. Damages resulting from such an *occurrence* of fire or explosion are subject to the *coverage limits* on the Declarations Page.

NO OTHER ESCAPED LIQUID FUEL LIABILITY COVERAGE APPLIES UNDER THIS POLICY EXCEPT AS PROVIDED IN THIS PARAGRAPH.

1. If coverage applies for **Limited Escaped Liquid Fuel Liability** as stated above, we will;
 - a. Pay up to the aggregate *coverage limits* stated on the Declarations Page for damages for which an *insured person* is legally liable. Damages include prejudgement interest awarded against an *insured person*; and
 - b. 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 the amount *we* pay for damages resulting from *bodily injury* or *property damage* described in **Limited Escaped Liquid Fuel Liability** above, exhausts the aggregate *coverage limits* stated on the Declarations Page.
2. With respect only to applying the provisions of this coverage as described above, *bodily injury* or *property damage* caused in whole or in part by an *occurrence* described in **Limited Escaped Liquid Fuel Liability**, shall be deemed to have been caused solely by such an *occurrence* regardless of any other covered cause or event contributing to the *bodily injury* or *property damage*.
3. This coverage does not apply to any *insured place* at which the containers, tanks or vessels, described in the definition of the *fuel system* in the **Glossary**, have a total combined storage capacity of less than 100 U.S. gallons of liquid fuel.

Coverage, if any, for escape of liquid fuel from such containers, tanks or vessels is subject to those:

- a. **LOSSES WE WON'T PAY FOR;**
- b. **TERMS AND CONDITIONS;**
- c. Other provisions; and
- d. Coverage limits;

that apply to Liability and Medical Expenses coverage under the policy to which this endorsement is attached.

EXTRA BENEFITS

D. LOSS ASSESSMENT

With respect to the **Limited Escaped Liquid Fuel Liability Coverage** described above, **D. Loss Assessment** is deleted and replaced by the following:

D. LOSS ASSESSMENT

- a. We'll pay up to the aggregate *coverage limits* stated on the Declarations Page for *your* share of loss assessment charged during the *policy period* against *you* by a corporation or association of property owners when the assessment is made as a result of:
- (1) An *occurrence* involving the escape of fuel from a *fuel system*;
 - (2) Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (a) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (b) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
- b. This coverage applies only to loss assessments charged against *you* as owner or tenant of the *residence*.
- c. We do not cover assessments charged against *you* or a corporation or association of property owners:
- (1) As required by law; or
 - (2) In response to a request, demand or order by a governmental authority or court of law.
- d. Regardless of the number of assessments, the aggregate *coverage limits* stated on the Declarations Page is the most we will pay for loss arising out of:
- (1) One accident, including continuous or repeated exposure to the same general harmful conditions; or
 - (2) 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.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE

is deleted only with respect to coverage provided by this endorsement and replaced with the following:

1. Aggregate Coverage Limits

Our total liability in any one *policy period* for all damage resulting from the total of all *bodily injury* or *property damage* during the *policy period* will not be more than the limited escaped liquid fuel liability coverage aggregate *coverage limits* stated on the Declarations Page. This is the most we will pay regardless of the:

- a. Number of locations insured under the policy to which this endorsement is attached;
- b. Number of persons injured;
- c. Number of persons whose property is damaged;
- d. Number of *insured persons*; or
- e. Number of claims made.

The *occurrence coverage limits* does not apply to this coverage.

GENERAL CONDITIONS

17. SEVERABILITY is deleted only with respect to coverage provided by this endorsement and replaced with:

17. SEVERABILITY

This insurance applies separately to each *insured person* except with respect to the aggregate *coverage limits* described above. This condition will not increase the limit for this coverage.

WHAT TO DO AFTER AN ACCIDENT OR LOSS

- **Step Three: Submit All Claims**

Medical Expenses Coverage is deleted.

PART III: TERMS AND CONDITIONS

GLOSSARY

The definition for **residence** is deleted and replaced with the following:

Residence is a one or two-family house, condominium, cooperative unit, apartment or any other type of *residence you own or rent to live in*, named on the Declarations Page. *Residence* includes:

- Outdoor Possessions
- Any location shown on the Declarations Page for this coverage.

The following definitions are added:

Covered real property. The following applies only to **Property Remediation For Escaped Liquid Fuel:**

a. *Covered real property* means:

- (1) Property owned by an *insured person* and covered under:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

A. YOUR RESIDENCES

- (2) Any other one, two, three or four family dwelling building owned by an *insured person* and shown on the Declarations Page under **Property Remediation for Escaped Liquid Fuel coverage limits**.
 - (3) Materials and supplies located on or next to the *residence*, used to construct, alter or repair the dwelling or other structures on the *residence*;
 - (4) Land, other than farm land:
 - (a) Which is within the *residence*;
 - (b) Which is owned by an *insured person*; and
 - (c) On which a building or structures described in Paragraphs (1), (2), or (3) above is located.
- b. *Covered real property* does not include:
- (1) Water;
 - (2) Other structures that are part of the *fuel system*; or
 - (3) Trees, shrubs, plants or lawns, except to the extent permitted in:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

EXTRA BENEFITS

L. PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL

3. Loss, Damage or Expense Covered

subsection c.

Covered personal property. The following applies only to **Property Remediation For Escaped Liquid Fuel:**

Covered personal property means:

- (1) Personal property owned or used by an insured person and covered under:

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PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. PERSONAL PROPERTY; and

(2) Located on *your residence*.

Fuel System means:

- a. One or more containers, tanks or vessels which have a total combined storage capacity of 100 or more U.S. gallons of liquid fuel; and
 - (1) Are, or were, used to hold liquid fuel that is intended to be used solely for one or more of the following:
 - (a) To heat or cool a building;
 - (b) To heat water;
 - (c) To cook food; or
 - (d) To power, but not permanently affixed to, motor vehicles, other motorized land conveyances or watercraft owned by an *insured person* and not used at any time or in any manner for *business*; and
 - (2) Are, or were, located on:
 - (a) *Covered real property*; or
 - (b) *An insured place*;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a. above.
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a. above;
- d. A boiler, furnace or a water heater, the liquid fuel for which is stored in a container, tank or vessel described Paragraph a. above, and which is located on:
 - (1) *Covered real property*; or
 - (2) *An insured place*;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a. above;
- f. A structure that is specifically designed and built to hold the liquid fuel that escapes from one or more containers, tanks or vessels described in Paragraph a. above.

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

BUSINESS PURSUITS

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

For an additional premium, we cover the *business* described on the Declarations Page, which is conducted by an *insured person* at the location described, subject to the following:

PART II: YOUR LIABILITY COVERAGE**LIABILITY AND MEDICAL EXPENSES****DAMAGES WE WON'T PAY****B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE**

(12) **Business related accidents** is deleted and replaced with the following:

(12) Business related accidents.

Damages we won't pay for:

- (1) to *bodily injury* or *property damage* or *medical expenses* arising out of or in the course of conducting the *business* pursuits of the *insured person* in connection with a business owned or financially controlled by the *insured person* or by a partnership of which the *insured person* is a partner or member;
- (2) to *bodily injury* or *property damage* or *medical expenses* arising out of the rendering of or failure to render professional services of any nature other than teaching, including but not limited to any architectural, engineering or industrial design services, any medical, surgical, dental or other services or treatment conducive to the health of persons or animals and any beauty or barber services or treatment;
- (3) to *bodily injury* or *medical expenses* to a fellow employee of the *insured person* injured in the course of employment;
- (4) when the *insured person* is a member of the faculty or teaching staff of any school or college;
 - a. to the *bodily injury* or *property damage* arising out of the maintenance, use, loading or unloading of draft or saddle animals, vehicles for use therewith, aircraft, motor vehicle, recreational motor vehicle or *watercraft* owned or operated, or hired by or for the *insured person* or employer if used by the *insured person* for the purpose of instruction in the use thereof; or
 - b. to *bodily injury*, *nonbodily injury*, or *property damage* arising out of corporal punishment, abuse or molestation including but not limited to sexual, physical and mental abuse or molestation, of any person by anyone. This *exclusion* applies to all *insured persons* irrespective of whether the *insured person* participated in the corporal punishment, abuse or molestation

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

FLORIDA LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

LOSSES WE WON'T PAY FOR

(5) Deterioration is deleted and replaced by the following:

(5) Deterioration. We won't pay for *direct loss* caused by deterioration or inherent vice. This includes wear and tear, marring, scratching, latent defect, rust, and electrical or mechanical breakdown.

The following *exclusion* is added:

(27) Fungi, wet or dry rot, or bacteria. We won't pay for *direct loss* caused by the presence, growth, proliferation, spread or any activity of *fungi*, wet or dry rot, or bacteria. We won't pay for *ensuing loss* either, unless the direct cause is a risk not excluded in **(1)** to **(26)** above. This *exclusion* does not apply:

- when the *fungi*, wet or dry rot, or bacteria results from fire or lightning; or
- to the extent that coverage is provided under Extra Benefits, when the *fungi*, wet or dry rot, or bacteria results from a covered loss other than fire or lightning.

Special Rules for Home Appliances

The following *exclusion* is added to this section:

We won't pay for loss caused by the presence, growth, proliferation, spread or any activity of *fungi*, wet or dry rot, or bacteria that results from a covered loss under:

(2) Sudden water loss; or

(3) Internal freezing;

except to the extent that coverage is provided under Extra Benefits.

EXTRA BENEFITS

The following Extra Benefit is added:

L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

We will pay for damage caused by *fungi*, wet or dry rot, or bacteria that results from a loss covered by this policy other than fire or lightning, but only if *you* have used all reasonable means to prevent further damage to the property following the covered loss. In addition to the total loss payable under Part I: Your Property Coverage caused by *fungi*, wet or dry rot, or bacteria, *we'll* pay for:

- the cost of removing the *fungi*, wet or dry rot, or bacteria;
- the cost to tear out and replace any part of *your residence* or other property as necessary to gain access to the *fungi*, wet or dry rot, or bacteria; and
- the cost of testing to confirm the presence, absence or level of *fungi*, wet or dry rot, or bacteria. However, *we'll* pay for testing only if there is a reason to believe that *fungi*, wet or dry rot, or bacteria may be present as a result of a covered loss.

The most *we* will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for Fungi, Wet or Dry Rot, or Bacteria. This is most *we'll* pay for each occurrence regardless of the number of locations insured or number of claims made. If the *direct loss* is covered and results in *ensuing loss* due to *fungi*, wet or dry rot, or bacteria, payment will not be limited by the terms of this Extra Benefit, except to the extent that *fungi*, wet or dry rot, or bacteria causes an increase in the loss.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE is deleted and replaced by the following:

This section explains how much *we'll* pay for an *occurrence* covered by *your* Personal Liability or Medical Expenses coverage.

Personal Liability

- (1) For personal liability covered by *your* Home policy, *we'll* pay up to *your* personal liability coverage limit except as described in paragraph (2). That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.
- (2) For personal liability 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, *we'll* pay up to *your* personal liability coverage limit or \$300,000, whichever is less, but in no event will *your coverage limit* be less than \$50,000 for damages under this paragraph (2). This is the most *we'll* pay in any one *policy period* regardless of:
 - (a) the number of locations insured under this policy;
 - (b) the number of persons injured;
 - (c) the number of persons whose property is damaged;
 - (d) the number of *insured persons*; or
 - (e) the number of *occurrences*.

Medical Expenses

For *medical expenses* covered by *your* Home policy, *we'll* pay up to *your medical expenses coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

GLOSSARY

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*.

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your residences* and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your personal property described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- 1. Fire or lightning.**
- 2. Windstorm or hail.** This cause of loss 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 through which rain, snow, sleet, sand, or dust enters and causes damage. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
- 3. Explosion.**
- 4. Riot or civil commotion.**
- 5. Aircraft,** including self-propelled missiles and spacecraft.
- 6. Vehicles.**
- 7. Smoke,** meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- 8. Vandalism or malicious mischief.**
- 9. Theft,** including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- 10. Falling Objects.** This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
- 12. Collapse of a building or any part of a building.** This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- 13. 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.

This cause of loss does not include loss:

 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in Losses We'll pay For (15) Freezing; or

- on the *residence* caused by accidental discharge or overflow which occurs off the *residence* or away from the building where the *residence* is located.
14. **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 cause of loss.*
 15. **Freezing**, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
 - maintain heat in the building; or
 - shut off the water supply and drained the system and appliances of water.
 16. **Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
 17. **Breakage of glass or safety glazing material** which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
 18. **Damage to covered property by glass or safety glazing material** which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
 19. **Earth movement**, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.
 20. **Misplacing or losing.**
 21. **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE – EXCLUDING WINDSTORM AND HAIL

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your residences* and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your personal property described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- 1. Fire or lightning.**
- 2. Explosion.**
- 3. Riot or civil commotion.**
- 4. Aircraft**, including self-propelled missiles and spacecraft.
- 5. Vehicles.**
- 6. Smoke**, meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- 7. Vandalism or malicious mischief.**
- 8. Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- 9. Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- 10. Weight of ice, snow or sleet** which causes damage to property contained in a building.
- 11. Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- 12. 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.

This cause of loss does not include loss:

 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in Losses We'll pay For (15) Freezing; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* or away from the building where the *residence* is located.

- 13. 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 cause of loss.
- 14. Freezing**, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drained the system and appliances of water.
- 15. Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- 16. Breakage of glass or safety glazing material** which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 17. Damage to covered property by glass or safety glazing material** which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 18. Earth movement**, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.
- 19. Misplacing or losing.**
- 20. Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

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

RENTAL PROPERTY ENDORSEMENT – EXCLUDING WINDSTORM AND HAIL

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with “What kind of losses will we pay for?” is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in “Losses We Won't Pay For”. *Your personal property* is covered against physical damage or loss caused by certain named perils described in “Losses We'll Pay For”. And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in “Extra Benefits”.

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in “What We Cover” are insured for *direct loss* except under certain circumstances described in “Losses We Won't Pay For”.

Your other *personal property* described in “What We Cover” is insured for the following causes of loss, unless the loss is excluded under “Losses We Won't Pay For”.

- (1) **Fire or lightning.**
- (2) **Explosion.**
- (3) **Riot or civil commotion.**
- (4) **Aircraft, including self-propelled missiles and spacecraft.**
- (5) **Vehicles.**
- (6) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.

- (7) **Theft**, including attempted theft.
- (8) **Vandalism or malicious mischief**. This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (9) **Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- (10) **Weight of ice, snow or sleet** which causes damage to property contained in a building.
- (11) **Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (12) **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.
- This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (14)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* or away from the building where the *residence* is located.
- (13) **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 cause of loss.
- (14) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (15) **Sudden and accidental damage from artificially generated electrical current**. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (16) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (17) **Volcanic eruption**. This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (18) **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:
This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less *your deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, *we'll* pay the *replacement cost*. However, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. Our payment will be either this *replacement cost* or the dwelling amount shown on the Declarations Page, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

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

FLORIDA RENTAL PROPERTY ENDORSEMENT

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with "What kind of losses will we pay for?" is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in "Losses We Won't Pay For". *Your personal property* is covered against physical damage or loss caused by certain named perils described in "Losses We'll Pay For". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your other *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

(1) **Fire or lightning.**

(2) **Windstorm or hail.** This cause of loss 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 the roof or wall and the rain, snow, sleet, sand or dust enters through this opening. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

(3) **Explosion.**

(4) **Riot or civil commotion.**

(5) **Aircraft, including self-propelled missiles and spacecraft.**

(6) **Vehicles.**

- (7) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- (8) **Theft**, including attempted theft.
- (9) **Vandalism or malicious mischief**. This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (10) **Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
- (12) **Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (13) **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.
- This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (15)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* or away from the building where the *residence* is located.
- (14) **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 cause of loss.
- (15) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (16) **Sudden and accidental damage from artificially generated electrical current**. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (17) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (18) **Volcanic eruption**. This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (19) **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:
This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less your *deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, *we'll* pay the *replacement cost*. However, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. Our payment will be either this *replacement cost* or the dwelling amount shown on the Declarations Page, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

Filing Details**Work Unit Number:**

W05-141731

Filing Purpose:

Forms Only

Line of Business:

HOMEOWNERS MULTI PERIL

Date Created:

2/28/2005 09:45:51 AM

Filing Name:

Homeowner - Forms Filing

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
ATLANTIC MUTUAL INSURANCE COMPANY	134934590	19895	0024
CENTENNIAL INSURANCE COMPANY	136104845	19909	0024

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Cover Letter	0		Cover Letter
Explanatory Memorandum	0		Explanatory Memorandum
Miscellaneous	0		Exhibit 1 FL Home Forms List Revised 02-17-05
Miscellaneous	0		FL Exhibit 2 Form Change Summary Revised 02-17-05
Miscellaneous	0		Home 1001
Forms	0		ATL 12-1298
Forms	0		FL Home128-1204
Forms	0		FL Home27-1204
Forms	0		FL Home135-1204
Forms	0		FL Home136-1204
Forms	0		FL Home137-1204
Forms	0		Home14-0701
Forms	0		FL Home138-1204
Forms	0		FL Home133-1204
Forms	0		FL Home134-1204
Forms	0		Home129-1204
Forms	0		FL Home101-1204



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December 18, 2008

Honorable Kevin M. McCarty
Commissioner, Office of Insurance Regulation
Property & Casualty Forms & Rates
P.O. Box 7700
Tallahassee, Florida 32314-7700

Attention: Anne Ivory
Insurance Analyst II

RE: Homeowner – Forms
Two-company/Ex Wind Program
Company Filing Number: 2644A
OIR File Number: FCP 05-00233

Atlantic Mutual Insurance Company 024-19895
Centennial Insurance Company 024-19909

Dear Ms. Ivory:

In response to our phone conversation of March 08, 2005, we hereby submit for your Department's approval the attached responses and corrected forms for your review.

We trust that you will find this additional submission acceptable. As noted in my memo dated March 09, 2005, we would like to further discuss any outstanding issues with you in a teleconference as early as possible tomorrow morning, March 10, 2005. Please let me know what time is most convenient for you to hold this conference. If you should have any additional questions, please let me know.

Sincerely,

Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Companies
973-593-2532
973-410-2101 (Fax)
dfreiman@atlanticmutual.com

**Atlantic Mutual Insurance Company
Centennial Insurance Company**

**Florida Home Forms Filing
Company File Number 2644A
OIR File Number FCP 05-00233**

Response to Ms. Ivory's questions asked during conversation with Doreen Freiman 3/7/2005.

Home 138 (12/04) Florida Limited Coverage for Fungi, Wet or Dry Rot, or Bacteria

You have requested we include increased split limits in the policy form. The policy form does not indicate the per occurrence or aggregate limits options. The form refers the insured to the Declarations Page for the applicable limit. The options available are listed in our filed and approved rate and rule manual.

Home 133 (12/04) Florida Personal Property Named Peril Endorsement and Home 134 (12/04) Florida Personal Property Named Peril Endorsement – Excluding Windstorm and Hail

We have revised the third bullet under **LOSSES WE'LL PAY FOR, Accidental discharge or overflow of water or steam**. This peril now distinguishes between one- and two-family homes, condominiums, cooperatives, and apartments. This terminology is consistent with the terminology used elsewhere in our contract. Attached please find copies of Home 133 and Home 134.

ONLY Home 134 (12/04) Florida Personal Property Named Peril Endorsement – Excluding Windstorm and Hail

The reference to the Freezing peril has been correct to (14) from (15), as requested.

Home 27 (12/04) Florida Home Endorsement and Home 128 (12/04) Florida Home Endorsement

You have requested an explanation of when Home 27 and Home 128 would be used. Home 128 is used only when writing rental properties. Therefore, if either Home 101 (12/04) Rental Property Endorsement or Home 129 (12/04) Rental Property Endorsement – Excluding Windstorm and Hail is attached, Home 128 will also be attached. Home 27 is used for all other policies. Home 128 revises the replacement cost provision so it does not refer to the total location limit which is not applicable when Home 101 or Home 129 is attached.

We have also clarified which paragraph is being deleted and replaced under RESIDENCES AND PERSONAL PROPERTY, B. YOUR PERSONAL PROPERTY.

The pagination in both forms has been corrected.

Regarding Home 27 and Home 128, we have revised exclusions (6) Pollutants by removing air pollution as requested. The definition of pollutant is now identical to the ISO definition. Exclusion (7) Smoke has been added for agricultural smudging or industrial operations, which mirrors the ISO language. We have also added an additional exclusion (27) Smog, which was

included in the Air Pollution exclusion. Attached please find revised copies of Home 27 and Home 128.

Attached please find revised copies of Home 27 and Home 128.

ONLY Home 128 (12/04) Florida Home Endorsement

The terms defined in the Glossary and contained in the first paragraph under PART I: YOUR PROPERTY COVERAGE have been italicized as necessary.

Home 101 (12/04) Rental Property Endorsement and Home 129 (12/04) Rental Property Endorsement – Excluding Windstorm and Hail

We have made the following revisions as requested:

- Under B. YOUR PERSONAL PROPERTY, we have changed “you” to “you or a family member.”
- Under named peril Accidental Discharge or Overflow of Water or Steam, we have distinguished between one- and two-family houses, condominiums, cooperatives, and apartments.

Attached please find revised copies of Home 101 and Home 129.

ONLY Home 101 (12/04) Rental Property Endorsement

We have revised named peril (2) Windstorm or hail as requested. It now matches the wording we used in Home 133 and Home 134 in response to earlier questions.

Home 10/01 Home Policy

The first sentence under PART II: YOUR LIABILITY COVERAGE has been revised in Home 27 and Home 128 to remove the italics from the second use of the word “you”. Please see revision in copies of Home 27 and Home 128 attached.

Teleconference

We would like to have a teleconference with you during the morning of March 10, 2005 to resolve outstanding issues. During this teleconference, we would like to discuss the following to gain a better understanding of your concerns:

- The wording of our cancellation and non-renewal provisions in Home 27 and Home 128.
- Our Land Restoration provision and its \$10,000 limit.
- Our Cash Settlement option and statute 627.702.
- Our handling of liability exposure and medical expense exposure for domestic employees.
- In our contract under GENERAL CONDITIONS, provision 13. PAIRS, SETS AND PARTS and statute 626.9744.

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

RENTAL PROPERTY ENDORSEMENT – EXCLUDING WINDSTORM AND HAIL

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with "What kind of losses will *we* pay for?" is deleted and replaced with the following:

What kind of losses will *we* pay for? *Residences* are covered against physical damage or loss except the ones specifically described in "Losses We Won't Pay For". *Your personal property* is covered against physical damage or loss caused by certain named perils described in "Losses We'll Pay For". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* or a *family member* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your other *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- (1) **Fire or lightning.**
- (2) **Explosion.**
- (3) **Riot or civil commotion.**
- (4) **Aircraft, including self-propelled missiles and spacecraft.**
- (5) **Vehicles.**

- (6) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- (7) **Theft**, including attempted theft.
- (8) **Vandalism or malicious mischief**. This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (9) **Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- (10) **Weight of ice, snow or sleet** which causes damage to property contained in a building.
- (11) **Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (12) **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.
This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (14)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.
- (13) **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 cause of loss.
- (14) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (15) **Sudden and accidental damage from artificially generated electrical current**. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (16) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (17) **Volcanic eruption**. This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (18) **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:
This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less *your deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, *we'll* pay the *replacement cost*. However, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. Our payment will be either this *replacement cost* or the dwelling amount shown on the Declarations Page, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

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

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The first paragraph deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* and *your* family own are damaged or lost. *We* tell *you* about this coverage in "Residences and Personal Property". The specific items *we* cover in each are described in "What We Cover".

RESIDENCES AND PERSONAL PROPERTY

B. YOUR PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an *insured person's personal property*. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) At *your* request, *we* will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This exclusion does not apply to sinkhole collapse. By sinkhole collapse, we mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We* won't pay for *direct* loss caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant 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.

(7) Air Pollution is deleted and replaced by the following:

(7) Smoke. *We* won't pay for *direct* or *ensuing* loss caused by smoke from agricultural smudging or industrial operations.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.

The following *exclusion* is added:

(27) Smog. *We* won't pay for *direct* or *ensuing* loss caused by smog.

- **Special Rules for Home Appliances**

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage is deleted and replaced by the following:

(1) Leakage and seepage. We won't pay for *direct loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated *occurrences*. However, we will pay for *ensuing loss* to a *residence* if coverage is not excluded by another provision in this policy.

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The first and second paragraphs are deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of you accidentally hurts someone or damages their property. And we also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will we pay? For a claim or suit covered by this policy, we'll pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
 - *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
 - *property damage*, which means physical damage or destruction to property, or the loss of its use.
-

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
 - new *residences* you acquire during the *policy period*;
 - places used in connection with a covered *residence* or outdoor possessions;
 - temporary *residences* of an *insured person*;
 - vacant land (other than farmland) owned or rented by you or an *insured person*;
 - land where an *insured person* is building a one-family or two-family house to live in;
 - cemetery plots and burial vaults owned by an *insured person*;
 - places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
 - for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.
-

DAMAGES WE WON'T PAY

A. CLAIMS FOR PERSONAL INJURY

(6) Contamination is deleted.

(7) Lead Hazards is deleted.

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against you or your family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) War is deleted and replaced by the following:

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military

personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

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

(21) Lead Hazards is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and other structures. This applies even when it's more than the dwelling amount shown on the Declarations Page. The most *we* will pay to repair or replace a *residence* is 125% of the dwelling amount shown on the Declarations Page. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money *we owe you*:

- within 20 days after *we* receive *your* proof of loss and reach written agreement with *you*; or
- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonable possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, *we'll* notify *you* at least 90 days before this policy ends or nonrenewal. We will mail *our* notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us**:

(c) Cancellation by us. If we cancel this policy, *we'll* notify *you* in writing and include the specific reasons for the cancellation. We will mail *our* notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But we may cancel this policy only under one of these circumstances:

- (1) If *you* haven't paid the premium, we may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured property*;
 - b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
 - c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, we will let you know of our action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, we will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by us; or
- (3) there has been a substantial change in the risk assumed by us since the policy was issued; or
- (4) on the basis of property insurance claims that are a result of an act of God if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- (5) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - ii. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting you know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If we offer to renew or continue and you or your representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the policy period.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An insured person agrees not to sue us until he or she has fully complied with the terms of this policy. Nor can we be brought into any legal action as a co-defendant or co-plaintiff without our consent.

Under property coverage, an insured person agrees not to sue us later than five years after the date of the occurrence.

Under liability coverage, an insured person agrees not to sue us before we agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If we fail to reach agreement with you on the amount of a loss, either you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the deductible is applied, or the difference between the settlement amount we offer and the one you request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if you have not rescinded it within 3 business days

after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

FLORIDA RENTAL PROPERTY ENDORSEMENT

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with "What kind of losses will we pay for?" is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in "Losses We Won't Pay For". *Your personal property* is covered against physical damage or loss caused by certain named perils described in "Losses We'll Pay For". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* or a *family member* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your other *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- (1) **Fire or lightning.**
- (2) **Windstorm or hail.** This cause of loss 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 through which rain, snow, sleet, sand, or dust enters and causes damage. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
- (3) **Explosion.**
- (4) **Riot or civil commotion.**
- (5) **Aircraft, including self-propelled missiles and spacecraft.**

- (6) **Vehicles.**
- (7) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- (8) **Theft,** including attempted theft.
- (9) **Vandalism or malicious mischief.** This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (10) **Falling Objects.** This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
- (12) **Collapse of a building or any part of a building.** This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (13) **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.
This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (15)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.
- (14) **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 cause of loss.
- (15) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (16) **Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (17) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (18) **Volcanic eruption.** This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (19) **Sinkhole Collapse,** meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:
This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less your *deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, *we'll* pay the *replacement cost*. However, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, we will establish the *replacement cost*. Our payment will be either this *replacement cost* or the dwelling amount shown on the Declarations Page, whichever is less. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your* residences and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

1. **Fire or lightning.**
2. **Windstorm or hail.** This cause of loss 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 through which rain, snow, sleet, sand, or dust enters and causes damage. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles.**
7. **Smoke**, meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief.**
9. **Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
10. **Falling Objects.** This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
12. **Collapse of a building or any part of a building.** This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
13. **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.

This cause of loss does not include loss:

 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in Losses We'll pay For (15) Freezing; or

- on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.
- 14. 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 cause of loss.*
- 15. Freezing**, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drained the system and appliances of water.
- 16. Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- 17. Breakage of glass or safety glazing material** which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 18. Damage to covered property by glass or safety glazing material** which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- 19. Earth movement**, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.
- 20. Misplacing or losing.**
- 21. Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

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

FLORIDA PERSONAL PROPERTY NAMED PERIL COVERAGE – EXCLUDING WINDSTORM AND HAIL

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

RESIDENCES AND PERSONAL PROPERTY

LOSSES WE'LL PAY FOR is deleted and replaced by the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *your residences* and a wide range of *personal property*.

Your residences described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your personal property described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- 1. Fire or lightning.**
- 2. Explosion.**
- 3. Riot or civil commotion.**
- 4. Aircraft**, including self-propelled missiles and spacecraft.
- 5. Vehicles.**
- 6. Smoke**, meaning sudden and accidental damage from smoke. This cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- 7. Vandalism or malicious mischief.**
- 8. Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen. This cause of loss does not include loss caused by theft:
 - committed by any *insured person*;
 - in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
- 9. Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- 10. Weight of ice, snow or sleet** which causes damage to property contained in a building.
- 11. Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- 12. 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.

This cause of loss does not include loss:

 - to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in Losses We'll pay For (14) Freezing; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.

APPROVED

Date Received: **JAN 7 2005** Date of Action: **MAR 16 2005**

OFFICE OF INSURANCE REGULATION

13. 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 cause of loss.*

14. Freezing, of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:

- maintain heat in the building; or
- shut off the water supply and drained the system and appliances of water.

15. Sudden and accidental damage from artificially generated electrical current. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Breakage of glass or safety glazing material which is part of a covered building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

17. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window. This peril does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

18. Earth movement, including earthquake; volcanic eruption; landslide; mudflow; and earth sinking, rising or shifting.

19. Misplacing or losing.

20. Sinkhole Collapse, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

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

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The first paragraph is deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* and *your* family own are damaged or lost. *We* tell *you* about this coverage in "*Residences and Personal Property*". The specific items *we* cover in each are described in "*What We Cover*".

RESIDENCES AND PERSONAL PROPERTY

B. YOUR PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an *insured person's personal property*. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) At *your* request, *we* will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This *exclusion* does not apply to sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We* won't pay for *direct* loss caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant 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.

(7) Air Pollution is deleted and replaced by the following:

(7) Smoke. *We* won't pay for *direct* or *ensuing* loss caused by smoke from agricultural smudging or industrial operations.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.

The following *exclusion* is added:

(27) Smog. *We* won't pay for *direct* or *ensuing* loss caused by smog.

- **Special Rules for Home Appliances**

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) **Leakage and seepage** is deleted and replaced by the following:

(1) **Leakage and seepage.** We won't pay for *direct loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated *occurrences*. However, we will pay for *ensuing loss* to a *residence* if coverage is not excluded by another provision in this policy.

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The first and second paragraphs are deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of you accidentally hurts someone or damages their property. And we also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will we pay? For a claim or suit covered by this policy, we'll pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
- *property damage*, which means physical damage or destruction to property, or the loss of its use.

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- new *residences* you acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of an *insured person*;
- vacant land (other than farmland) owned or rented by *you* or an *insured person*;
- land where an *insured person* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by an *insured person*;
- places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE WON'T PAY

A. CLAIMS FOR PERSONAL INJURY

(6) **Contamination** is deleted.

(7) **Lead Hazards** is deleted.

The following wording is added to exclusion (9) **Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) **War** is deleted and replaced by the following:

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

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

(21) Lead Hazards is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there without *our* paying more than \$10,000 for land restoration, *we'll* pay the replacement cost of *your residence* and other structures even when it's more than *your* Total Location Limit. The most *we* will pay to repair or replace a *residence*, other structures, *personal property* and loss of use, however, is 125% of the Total Location Limit shown on the Declarations Page for that *residence*. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money *we owe you*:

- within 20 days after *we* receive *your* proof of loss and reach written agreement with *you*; or
- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonable possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item 1. **Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces (a) **Nonrenewal**:

(a) **Nonrenewal.**

We may decide not to renew this policy. If so, we'll notify you at least 90 days before this policy ends or nonrenewal. We will mail our notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces (c) **Cancellation by us**:

(c) **Cancellation by us.** If we cancel this policy, we'll notify you in writing and include the specific reasons for the cancellation. We will mail our notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But we may cancel this policy only under one of these circumstances:

- (1) If you haven't paid the premium, we may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably requested by us to prevent recurrence of damage to the *insured property*;
 - b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
 - c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or

- ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, we will let *you* know of *our* action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, we will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by *us*; or
- (3) there has been a substantial change in the risk assumed by *us* since the policy was issued; or
- (4) on the basis of property insurance claims that are a result of an act of God if we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured* property; or
- (5) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If we offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can we be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before we agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If we fail to reach agreement with *you* on the amount of a loss, either *you* or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the

settlement amount *we* offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

Filing Details**Work Unit Number:**

W05-143410

Filing Purpose:

Forms Only

Line of Business:

HOMEOWNERS MULTI PERIL

Date Created:

3/9/2005 09:40:03 AM

Filing Name:

Homeowner - Forms Filing

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
ATLANTIC MUTUAL INSURANCE COMPANY	134934590	19895	0024
CENTENNIAL INSURANCE COMPANY	136104845	19909	0024

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Cover Letter	0		Cover Letter
Explanatory Memorandum	0		Explanatory Memorandum
Forms	0		HOME129-1204
Forms	0		HOME128-1204
Forms	0		HOME101-1204
Forms	0		HOME133-1204
Forms	0		HOME134-1204
Forms	0		HOME27-1204

From: Anne Ivory

Sent: Wednesday, March 09, 2005 12:01 PM

To: PCFREDMS

Subject: 05-00233

-----Original Message-----

From: Fred E. Karlinsky [mailto:FKarlinsky@cftlaw.com]

Sent: Wednesday, March 09, 2005 10:46 AM

To: Anne Ivory

Cc: Kent_Schickling@AtlanticMutual.com

Subject: RE: Atlantic Mutual Filing FCP 05-00233

Anne -

This will confirm that Atlantic Mutual will extend the "deemer" date for the above-reference filing through and including March 17, 2005. We look forward to continuing to work with you toward approval of this filing.

Thank you in advance for your continued assistance.

Regards,

FEK

THIS E-MAIL IS INTENDED ONLY FOR THE ABOVE-NAMED RECIPIENT(S) AND IS CONFIDENTIAL.

It is protected by legal privileges, including the attorney work-product privilege and attorney-client privilege. If you are not the intended recipient, please do not read any further. Call (954)492-4010 or e-mail: fkarlinsky@cftlaw.com and advise of your receipt so that this can be retrieved immediately. Thank you.

Fred E. Karlinsky, Esq.

Colodny, Fass, Talenfeld, Karlinsky & Abate, P.A.

2000 W. Commercial Blvd.

Suite 232

Ft. Lauderdale, FL 33309

From: Anne Ivory [mailto:Anne.Ivory@fldfs.com]

Sent: Friday, February 18, 2005 9:02 AM

To: Fred E. Karlinsky

Subject: RE: Atlantic Mutual Filing FCP 05-00233

Fred,

This email serves to acknowledge our receipt of your message. Please understand that keeping the filing open to the extent indicated below is an exception to normal practice and I will be speaking to my supervisor, Richard Koon, regarding this issue.

Thanks,

Anne

Anne Ivory

Insurance Analyst II

Office of Insurance Regulation

IvoryA@dfs.state.fl.us

(850) 413-5375

-----Original Message-----

From: Fred E. Karlinsky [mailto:FKarlinsky@cftlaw.com]

Sent: Thursday, February 17, 2005 1:46 PM

To: Anne Ivory

Cc: Kent_Schickling@AtlanticMutual.com; Doreen_A_Freiman@AtlanticMutual.com; Chris_Donahue@AtlanticMutual.com

Subject: Atlantic Mutual Filing FCP 05-00233

Anne -

Thank you for taking the time to speak with me this morning. This e-mail shall serve to confirm our conversation with respect to the above-referenced filing. As we discussed, Atlantic Mutual and the OIR agree to extend the "deemer" date on this filing up through and including Thursday, March 17, 2005. It would be Atlantic's intention to respond to your letter dated February 16, 2005, on or before Monday, February 28, 2005. It is my understanding that you will have something back to the company on or before Monday, March 7, 2005. That will give us ten days until the "deemer" extension runs to respond to any further issues/inquires that you may

have with respect to the filing.

I understand the reason that you sent the February 16, 2005, letter with a return date of February 17, 2005, was the company's desire to ascertain what issues needed to be addressed in order to move this filing forward. As we discussed, the company's desire is to seek approval of this filing, and not to withdraw it or have it denied. I believe that the process that we have agreed to above will serve as the most efficient way to accomplish that objective.

Thank you again for your consideration. As the OIR would have us do, please respond to this email to acknowledge receipt.

Regards,

Fred

THIS E-MAIL IS INTENDED ONLY FOR THE ABOVE-NAMED RECIPIENT(S) AND IS CONFIDENTIAL.

It is protected by legal privileges, including the attorney work-product privilege and attorney-client privilege. If you are not the intended recipient, please do not read any further. Call (954)492-4010 or e-mail: fkarlinsky@cftlaw.com and advise of your receipt so that this can be retrieved immediately. Thank you.

Fred E. Karlinsky, Esq.
Colodny, Fass, Talenfeld, Karlinsky & Abate, P.A.
2000 W. Commercial Blvd.
Suite 232
Ft. Lauderdale, FL 33309



Atlantic Mutual Insurance Company
Centennial Insurance Company
Administrative Center
Three Giralda Farms
Madison, New Jersey 07940-1004
973.408.6000
www.atlanticmutual.com

December 18, 2008

Honorable Kevin M. McCarty
Commissioner, Office of Insurance Regulation
Property & Casualty Forms & Rates
P.O. Box 7700
Tallahassee, Florida 32314-7700

Attention: Anne Ivory
Insurance Analyst II

RE: Homeowner – Forms
Two-company/Ex Wind Program
Company Filing Number: 2644A
OIR File Number: FCP 05-00233

Atlantic Mutual Insurance Company 024-19895
Centennial Insurance Company 024-19909

Dear Ms. Ivory:

In response to our phone conversations of March 07, 2005 and March 10, 2005, we hereby submit for your Department's approval the attached amended forms. Please see our Filing Response Memorandum which details all of the changes.

We trust that you will find this submission acceptable and look forward to your Department's approval. If you should have any additional questions, please let me know.

Sincerely,

Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Companies
973-593-2532
973-410-2101 (Fax)
dfreiman@atlanticmutual.com

**Atlantic Mutual Insurance Company
Centennial Insurance Company**

**Florida Home Forms Filing
Company File Number 2644A
OIR File Number FCP 05-00233**

Follow up to teleconference with Ms. Ivory on 3/10/2005

In the Residence Replacement Protection provision on page 3 of both Home 27 and Home 128, we have removed reference to the \$10,000 Land Restoration limit. Land restoration cost below that limit is not a precondition of providing replacement cost coverage.

We have revised our Land Restoration provision on page 4 of the Home 10/01 contract in Home 27 and Home 128 to specify that this limit will not apply to the filling of a sinkhole that causes loss covered by the policy. However, we restate our concern with including this wording as it seems inconsistent with the wording of the statute and the ISO contract. We understand it is the departments intent to have insurers cover the filling of sinkholes after a covered loss, however, we would like to be reassured that other carriers are held to the same standard. We will be in contact with the OIR regarding this concern.

Home 27 and Home 128 have also been revised to cover ensuing loss from smoke and smog. Please see exclusion numbers (7) and (27) on page 1 of both forms.

Through Home 27 and Home 128, we have elected to delete Bodily Injury and Property Damage exclusion **(9) Accidents to off-duty domestic employees**. We feel **Who we insure** in the Liability and Medical Expenses section adequately describes the coverage provided.

As suggested during the teleconference, we have revised the wording in our cancellation and non-renewal provisions in Home 27 and Home 128. We have included a bullet under Cancellation by Us when a policy has been in effect for more than 90 days or is a renewal policy. This entry addresses unmitigated water damage.

We have revised the cash settlement option under YOUR RESIDENCES AND PERSONAL PROPERTY on page 3 of Home 27, Home 128, Home 101, and Home 129. In the event of a total loss, the insured is now given the option of receiving payment of the policy limit if the home must be rebuilt at another location.

Regarding our Pairs, Sets and Parts provision under GENERAL CONDITIONS in our Home 10/01 contract, we feel this complies with statute 626.9744. Our claims practice is to return the insured to pre-loss value. As a provider of insurance to the affluent market, we feel we go above and beyond normal industry practices in ensuring our insured's satisfaction with the adjustment and mitigation of their loss. This will often include repairing or refurbishing undamaged property.

In Home 138, we have changed the exclusion number for **Fungi, wet or dry rot, or bacteria** to number (28). This eliminates the redundancy with exclusion (27) added to the Home 27 and Home 128. In addition, we have included wording referencing the applicable aggregate limit.

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

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The first paragraph is deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* and *your* family own are damaged or lost. *We tell you* about this coverage in "*Residences and Personal Property*". The specific items *we* cover in each are described in "*What We Cover*".

RESIDENCES AND PERSONAL PROPERTY

The following sentence is added to **Land Restoration**.

The \$10,000 limit does not apply to the restoration of land following a covered sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

B. YOUR PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an *insured person's personal property*. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) At *your* request, *we* will also cover:

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This *exclusion* does not apply to sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We* won't pay for *direct* loss caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant 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.

(7) Air Pollution is deleted and replaced by the following:

(7) Smoke. *We* won't pay for *direct* loss caused by smoke from agricultural smudging or industrial operations.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.

The following *exclusion* is added:

(27) Smog. *We* won't pay for *direct* loss caused by smog.

• Special Rules for Home Appliances

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage is deleted and replaced by the following:

(1) Leakage and seepage. We won't pay for *direct loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated *occurrences*. However, we will pay for *ensuing loss* to a *residence* if coverage is not excluded by another provision in this policy.

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The first and second paragraphs are deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of you accidentally hurts someone or damages their property. And *we* also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will *we* pay? For a claim or suit covered by this policy, *we'll* pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
- *property damage*, which means physical damage or destruction to property, or the loss of its use.

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- new *residences* you acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of an *insured person*;
- vacant land (other than farmland) owned or rented by *you* or an *insured person*;
- land where an *insured person* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by an *insured person*;
- places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE WON'T PAY**A. CLAIMS FOR PERSONAL INJURY**

(6) Contamination is deleted.

(7) Lead Hazards is deleted.

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) War is deleted and replaced by the following:

(5) War. We won't pay for *bodily injury* or *property damage* or *medical expenses* caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.

The following wording is added to exclusion **(16) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;

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

(9) Accidents to off-duty domestic employees. is deleted.

(21) Lead Hazards is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The second paragraph is deleted and replaced by the following:

For a *residence*, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, *our* payment will be the dwelling amount shown on the Declarations Page. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there, *we'll* pay the replacement cost of *your residence* and other structures even when it's more than *your* Total Location Limit. The most we will pay to repair or replace a *residence*, other structures, *personal property* and loss of use, however, is 125% of the Total Location Limit shown on the Declarations Page for that *residence*. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money we owe *you*:

- within 20 days after we receive *your* proof of loss and reach written agreement with *you*; or

- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonably possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, *we'll* notify *you* at least 90 days before this policy ends or nonrenewal. *We* will mail *our* notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, *we* will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, *we* may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us**:

(c) Cancellation by us. If *we* cancel this policy, *we'll* notify *you* in writing and include the specific reasons for the cancellation. *We* will mail *our* notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But *we* may cancel this policy only under one of these circumstances:

- (1) If *you* haven't paid the premium, *we* may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, *we* may cancel for any reason, except *we* may not cancel:
 - a. on the basis of property insurance claims that are the result of an act of God unless *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured property*;
 - b. solely on the basis of a single claim on this policy that is the result of water damage unless *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property; or
 - c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, *we* may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, *we* will let *you* know of *our* action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, *we* will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by *us*; or
- (3) there has been a substantial change in the risk assumed by *us* since the policy was issued; or
- (4) on the basis of property insurance claims that are a result of an act of God if *we* can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured property*; or
- (5) on the basis of a single claim on this policy that is the result of water damage if *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property; or
- (6) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If *we* offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can *we* be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before *we* agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If *we* fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the settlement amount *we* offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

FLORIDA RENTAL PROPERTY ENDORSEMENT

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with "What kind of losses will we pay for?" is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in "Losses We Won't Pay For". *Your personal property* is covered against physical damage or loss caused by certain named perils described in "Losses We'll Pay For". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* or a *family member* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your other *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

(1) **Fire or lightning.**

(2) **Windstorm or hail.** This cause of loss 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 through which rain, snow, sleet, sand, or dust enters and causes damage. This cause of loss includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

(3) **Explosion.**

(4) **Riot or civil commotion.**

(5) **Aircraft, including self-propelled missiles and spacecraft.**

- (6) **Vehicles.**
- (7) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- (8) **Theft,** including attempted theft.
- (9) **Vandalism or malicious mischief.** This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (10) **Falling Objects.** This cause of loss does not include loss to property contained in a building unless the roof or an exterior 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** which causes damage to property contained in a building.
- (12) **Collapse of a building or any part of a building.** This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (13) **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.
- This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (15)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.
- (14) **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 cause of loss.
- (15) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.
- This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (16) **Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (17) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (18) **Volcanic eruption.** This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (19) **Sinkhole Collapse,** meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:

This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less your *deductible*. However, if the loss is \$50,000 or more, we will waive the *deductible*.

For a *residence*, we will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, *our* payment will be the dwelling amount shown on the Declarations Page. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, we will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts we will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

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

FLORIDA HOME ENDORSEMENT

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The first paragraph deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if the things *you* and *your* family own are damaged or lost. *We tell you* about this coverage in "Residences and Personal Property". The specific items *we* cover in each are described in "What We Cover".

RESIDENCES AND PERSONAL PROPERTY

The following sentence is added to **Land Restoration**.

The \$10,000 limit does not apply to the restoration of land following a covered sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

B. YOUR PERSONAL PROPERTY

The first paragraph is deleted and replaced by the following:

We cover an insured person's personal property. This is any physical object an *insured person* owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.) *At your request, we will also cover:*

- other people's *personal property* in a *residence* named on the Declarations Page, except in a part of that *residence* occupied by someone who isn't an *insured person*; and
- *personal property* owned by a guest or domestic employee while it is in any *residence* occupied by an *insured person*.

LOSSES WE WON'T PAY FOR

The following paragraph is added to exclusion **(1) Earth Movement**:

This exclusion does not apply to sinkhole collapse. By sinkhole collapse, *we* mean the actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting the *residence* and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

(6) Contamination is deleted and replaced by the following:

(6) Pollutants. *We won't pay for direct loss* caused by the release, discharge, dispersal or application of contaminants or pollutants from any source. Pollutant 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.

(7) Air Pollution is deleted and replaced by the following:

(7) Smoke. *We won't pay for direct loss* caused by smoke from agricultural smudging or industrial operations.

The following is added to **(21) Breakage of fragile articles**.

- water not otherwise excluded.

The following *exclusion* is added:

(27) Smog. *We won't pay for direct loss* caused by smog.

- **Special Rules for Home Appliances**

The first paragraph is deleted and replaced by the following:

You may have a loss caused by certain home appliances breaking down, or not working right. The following rules apply to property loss caused by any of these appliances: heaters, air conditioners, fire protective sprinkler systems, other household appliances, *plumbing fixtures*, and the connecting pipes. *Plumbing fixture* means sinks, bathtubs, showers, toilets and bidets.

(1) Leakage and seepage is deleted and replaced by the following:

(1) Leakage and seepage. We won't pay for *direct loss* to a *residence* or *personal property* caused by water or steam escaping from one of these appliances or fixtures over a period of weeks, months or years. It doesn't matter whether it escaped continuously or in repeated *occurrences*. However, we will pay for *ensuing loss* to a *residence* if coverage is not excluded by another provision in this policy.

EXTRA BENEFITS

The last sentence under **F. CONSTRUCTION STANDARDS** is deleted.

PART II: YOUR LIABILITY COVERAGE

The first and second paragraphs are deleted and replaced by the following:

This part of *your* Home Policy covers *you* and *your* family against financial loss if any of you accidentally hurts someone or damages their property. And *we* also cover many *medical expenses* after an accident. All these coverages are described in "What We Cover".

What kinds of damages will *we* pay? For a claim or suit covered by this policy, *we'll* pay damages for which an *insured person* is legally liable for:

- *bodily injury*, which means physical harm, sickness, mental anguish or death, including any care required or services lost because of injury;
- *personal injury*, which means false arrest, invasion of privacy, wrongful eviction or entry, libel, slander or defamation of character; and
- *property damage*, which means physical damage or destruction to property, or the loss of its use.

LIABILITY AND MEDICAL EXPENSES

Insured places is deleted and replaced by the following:

Insured places. An *insured place* is any of these locations:

- *residences* and outdoor possessions covered by the property coverage in *your* Home Policy;
- *new residences* *you* acquire during the *policy period*;
- places used in connection with a covered *residence* or outdoor possessions;
- temporary *residences* of an *insured person*;
- vacant land (other than farmland) owned or rented by *you* or an *insured person*;
- land where an *insured person* is building a one-family or two-family house to live in;
- cemetery plots and burial vaults owned by an *insured person*;
- places occasionally rented by an *insured person* for any purpose except a *business*, trade or job; and
- for an additional premium, a premises described on the Declarations Page as an additional *residence* rented to others or as an additional *residence* owner occupied.

DAMAGES WE WON'T PAY**A. CLAIMS FOR PERSONAL INJURY**

(6) Contamination is deleted.

(7) Lead Hazards is deleted.

The following wording is added to exclusion **(9) Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or

- share damages with;
another person who may be obligated to pay damages because of *personal injury* to an *insured person*.

B. CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE

(5) **War** is deleted and replaced by the following:

(5) **War.** *We won't pay for **bodily injury** or **property damage** or **medical expenses** caused by war. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental.*

The following wording is added to exclusion (16) **Intra-Family Liability**:

This *exclusion* also applies to any claim made or suit brought against *you* or *your* family:

- to repay; or
- share damages with;
another person who may be obligated to pay damages because of *bodily injury* to an *insured person*.

(9) **Accidents to off-duty domestic employees.** is deleted.

(21) **Lead Hazards** is deleted.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The second paragraph is deleted and replaced by the following:

For a *residence*, *we* will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, *our* payment will be the dwelling amount shown on the Declarations Page. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

- **Special Features**

Residence replacement protection is deleted and replaced by the following:

Residence replacement protection.

If *you* decide to repair or replace *your residence* and unattached structures, at the same location, (or different location if the land is declared unusable), and they can be safely rebuilt there, *we'll* pay the replacement cost of *your residence* and other structures. This applies even when it's more than the dwelling amount shown on the Declarations Page. The most *we* will pay to repair or replace a *residence* is 125% of the dwelling amount shown on the Declarations Page. This protection applies **only** if *you* had allowed *us* to annually increase *your* coverage limit to keep pace with inflation and construction costs or as a result of a recently completed inspection using an industry recognized appraisal system. *We'll* also pay for losses to any extensions or new construction *you* added during the *policy period*, but only if *you* had reported them to *us* before the loss.

Special Reserve section is deleted in its entirety.

WHEN WE'LL PAY

The first paragraph is deleted and replaced by the following:

We'll pay all the money *we* owe *you*:

- within 20 days after *we* receive *your* proof of loss and reach written agreement with *you*; or
- within 60 days after *we* receive *your* proof of loss and there is an entry of final judgment or there is a filing of an appraisal award or a mediation settlement with *us*.

WHAT TO DO AFTER AN OCCURRENCE OR LOSS

- **Step 4: Cooperate with Our Defense**

The first sentence under **2. Participate in Legal Proceedings** is deleted and replaced by the following:

Anyone covered by this policy must participate, as reasonably possible, in legal proceedings connected with his or her coverage.

GLOSSARY

Personal property is deleted and replaced by the following:

Personal property means any physical object a person owns except real estate and motor vehicles. (But motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use.)

GENERAL CONDITIONS

1. OTHER INSURANCE

The following sentence is added to item **1. Other Insurance**:

However, if, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

3. CANCELLATION OR NONRENEWAL

The following paragraph replaces **(a) Nonrenewal**:

(a) Nonrenewal.

We may decide not to renew this policy. If so, we'll notify *you* at least 90 days before this policy ends or nonrenewal. We will mail *our* notice, together with the specific reasons for nonrenewal, to the address shown on the Declarations Page. Notice will be mailed by registered or certified mail or United States Post Office Proof of Mailing. If the policy is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

We will not nonrenew this policy:

- a. on the basis of property insurance claims that are a result of an act of God unless we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the insured property;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 1. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 2. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following paragraph replaces **(c) Cancellation by us**:

(c) Cancellation by us. If we cancel this policy, we'll notify *you* in writing and include the specific reasons for the cancellation. We will mail *our* notice by registered or certified mail or United States Post Office Proof of Mailing, to the named *insured* shown on the Declarations Page at the address shown in the policy. But we may cancel this policy only under one of these circumstances:

- (1) If *you* haven't paid the premium, we may cancel with 10 days' notice. However, if your property is secured by a mortgage and this policy is canceled due to the failure of the lender to pay the premium in a timely manner, the policy shall be reinstated.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:

- a. on the basis of property insurance claims that are the result of an act of God unless we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured property*;
- b. solely on the basis of a single claim on this policy that is the result of water damage unless you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- c. on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim. However, we may cancel this policy if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 1. above, we will let *you* know of *our* action at least 20 days before the date cancellation takes effect.

After this policy is in effect for 90 days, or, if this is a renewal or continuation policy, we will cancel only:

- (1) for non-payment of premium (with 10 days' notice); or
- (2) if this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by *us*; or
- (3) there has been a substantial change in the risk assumed by *us* since the policy was issued; or
- (4) on the basis of property insurance claims that are a result of an act of God if we can demonstrate, by claims frequency or otherwise, that *you* have failed to take action reasonably requested by *us* to prevent recurrence of damage to the *insured property*; or
- (5) on the basis of a single claim on this policy that is the result of water damage if you have failed to take action reasonably requested by us to prevent recurrence of damage to the insured property; or
- (6) on the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the *occurrence* of such a claim, if:
 - i. the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for *property damage*; or
 - ii. *you* have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting *you* know at least 90 days before the date cancellation takes effect.

The following are added:

(e) Automatic termination. If we offer to renew or continue and *you* or *your* representatives do 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.

(f) Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

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.

The effective date of cancellation stated in the notice shall become the end of the *policy period*.

5. LEGAL ACTION AGAINST US is deleted and replaced with the following:

An *insured person* agrees not to sue *us* until he or she has fully complied with the terms of this policy. Nor can we be brought into any legal action as a co-defendant or co-plaintiff without *our* consent.

Under *property coverage*, an *insured person* agrees not to sue *us* later than five years after the date of the *occurrence*.

Under liability coverage, an *insured person* agrees not to sue *us* before *we* agree in writing that he or she is liable, or a court or arbiter determines the amount of his or her liability.

7. OUR RIGHT TO RECOVER PAYMENT

The following sentence is added:

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

8. APPRAISALS is deleted and replaced by the following:

8. MEDIATION OR APPRAISAL

If *we* fail to reach agreement with *you* on the amount of a loss, either *you* or *we* may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be at least \$500, before the *deductible* is applied, or the difference between the settlement amount *we* offer and the one *you* request must be at least \$500. The mediation settlement is binding only if both parties agree, in writing, on it and if *you* have not rescinded it within 3 business days after settlement is reached. *You* cannot rescind the settlement if the settlement check or draft that *we* gave *you* is cashed or deposited.

We will pay the cost of conducting any mediation conference unless *you* fail to appear at it. If *you* fail to appear, the conference will be rescheduled and *you* must pay the mediator's fee for the rescheduled conference. If *we* fail to appear, *we* will pay that fee as well as the actual cash expenses *you* incur in attending the conference.

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

RENTAL PROPERTY ENDORSEMENT – EXCLUDING WINDSTORM AND HAIL

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Throughout this endorsement, the term *residence* refers to any type of dwelling that you own and rent to others for them to live in.

Your Home Policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

The second paragraph beginning with "What kind of losses will we pay for?" is deleted and replaced with the following:

What kind of losses will we pay for? *Residences* are covered against physical damage or loss except the ones specifically described in "Losses We Won't Pay For". *Your personal property* is covered against physical damage or loss caused by certain named perils described in "Losses We'll Pay For". And, to help *you* and *your* family meet the many incidental costs connected with a property loss, *we'll* pay many other kinds of expenses, too. They're described in "Extra Benefits".

RESIDENCES AND PERSONAL PROPERTY

WHAT WE COVER

B. YOUR PERSONAL PROPERTY

The introductory section is deleted and replaced with the following:

If a limit is shown for *personal property* on the Declarations Page, *we* cover *personal property* that *you* or a *family member* own and keep at the rental location described on the Declarations Page. This is any physical object *you* or a *family member* own except real estate and motor vehicles (but motor vehicles used to maintain a *residence* or assist the handicapped are considered *personal property* unless they are licensed for road use) that is usual to the occupancy as a dwelling. At *your* request, *we* will also cover *personal property* owned by a guest or *domestic employee* while it is at the *residence* named on the Declarations Page.

- **Personal Property We Don't Cover**

(1) **Rental Property.** is deleted

LOSSES WE'LL PAY FOR is deleted and replaced with the following:

LOSSES WE'LL PAY FOR

So far, *you've* seen that *we* cover *residences* and a wide range of *personal property*.

Residences and additions, alterations, improvements, fixtures, and other permanent installations described in "What We Cover" are insured for *direct loss* except under certain circumstances described in "Losses We Won't Pay For".

Your other *personal property* described in "What We Cover" is insured for the following causes of loss, unless the loss is excluded under "Losses We Won't Pay For".

- (1) **Fire or lightning.**
- (2) **Explosion.**
- (3) **Riot or civil commotion.**
- (4) **Aircraft, including self-propelled missiles and spacecraft.**
- (5) **Vehicles.**

- (6) **Smoke, meaning 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 cause of loss does not include loss caused by smoke from agricultural smudging or industrial operations.
- (7) **Theft**, including attempted theft.
- (8) **Vandalism or malicious mischief**. This peril does not include loss if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.
- (9) **Falling Objects**. This cause of loss does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- (10) **Weight of ice, snow or sleet** which causes damage to property contained in a building.
- (11) **Collapse of a building or any part of a building**. This cause of loss does not include settling, cracking, shrinking, bulging or expansion.
- (12) **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. This cause of loss does not include loss:
- to the system or appliance from which the water or steam escaped;
 - caused by or resulting from freezing except as provided in **Losses We'll Pay For (14)**; or
 - on the *residence* caused by accidental discharge or overflow which occurs off the *residence* if the *residence* is a one- or two-family home or away from the building where the *residence* is located if the *residence* is a condominium, cooperative, or apartment.
- (13) **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 cause of loss.
- (14) **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance. This cause of loss does not include loss on the *residence* while the dwelling is unoccupied, unless *you* have used reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and drain the system and appliances of water. However, if *your residence* has a fire protective sprinkler system, *you* must leave the water supply on and maintain heat to prevent freezing.
- (15) **Sudden and accidental damage from artificially generated electrical current**. This peril does not include loss to tubes, transistors, electronic components or circuitry that are part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.
- (16) **Damage by glass or safety glazing material** which is part of a building, storm door or storm window. This cause of loss does not include loss on the *residence* if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- (17) **Volcanic eruption**. This cause of loss does not include loss caused by earthquake, land shock waves or tremors.
- (18) **Sinkhole Collapse**, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. The earth movement exclusion does not apply to this peril.

EXTRA BENEFITS

A. LOSS OF USE OF YOUR RESIDENCE

- **Additional Living Expenses** is deleted.
- **Loss Of Rent** is deleted and replaced with the following:
- **Loss Of Rent**

You may not be able to rent out the *residence* because of a loss covered by this policy. If so, *we'll* pay the fair value of the rent *you* lose. *We'll* pay it for the shortest time needed to repair or replace the *residence*. However, *we'll* subtract any expenses *you* don't have to pay while it's unoccupied.

- **Evacuation Costs** is deleted and replaced with the following:
- **Evacuation Costs**

The tenants of this *residence* may not be able to live in this *residence* because a civil authority forbids them to use it due to a loss to a neighbor's property. If so, *we'll* pay for loss of rent. *We'll* pay these expenses for as long as *you* are told this residence is unable to be used, up to a maximum of 30 days. But the loss to the neighbor's property must be a kind of loss covered by this policy.

I. FOOD SPOILAGE is deleted.

PART II: YOUR LIABILITY COVERAGE

The following sentence is added to the beginning of PART II:

This coverage applies to the residences for which a Liability Limit is shown on your Declarations Page.

PART III: TERMS AND CONDITIONS

YOUR PROPERTY COVERAGE

YOUR RESIDENCES AND PERSONAL PROPERTY

The introductory paragraph is deleted and replaced with the following:

For a loss to *your* property covered by this policy, *we'll* pay up to *your coverage limit* for each *occurrence* less *your deductible*. However, if the loss is \$50,000 or more, *we* will waive the *deductible*.

For a *residence*, *we* will not pay more than the actual cash value unless actual repair or replacement is completed or the cost to repair or replace is less than 5% of the dwelling amount shown on the Declarations Page. If the loss is a total loss and *you* choose not to rebuild at the same location, *you* may select the cash settlement option. If *you* select this option, *our* payment will be the dwelling amount shown on the Declarations Page. By accepting the cash settlement option, *you* forfeit the right to make further claim under the *replacement cost* provisions of the policy.

For a loss to the *personal property* covered by this policy, *we* will pay the actual cash value at the time of the loss or the amount required to repair or replace the damaged property, whichever is less, up to the *coverage limit*.

Coverage limits. Is deleted and replaced with the following:

Coverage limits. On the Declarations Page under "Rental Locations", *you'll* find a *coverage limit* for each coverage provided under this policy for any residence rented to others. These limits are the total amounts *we* will pay for losses covered by that coverage as described in this policy. Special limits on certain property may apply as described throughout this policy.

Personal property. is deleted.

Special Reserve. is deleted.

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

FLORIDA LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

This endorsement changes certain parts of *your* Home policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

Your Home policy is amended as follows:

PART I: YOUR PROPERTY COVERAGE

LOSSES WE WON'T PAY FOR

(5) **Deterioration** is deleted and replaced by the following:

(5) **Deterioration.** We won't pay for *direct loss* caused by deterioration or inherent vice. This includes wear and tear, marring, scratching, latent defect, rust, and electrical or mechanical breakdown.

The following *exclusion* is added:

(28) **Fungi, wet or dry rot, or bacteria.** We won't pay for *direct loss* caused by the presence, growth, proliferation, spread or any activity of *fungi*, wet or dry rot, or bacteria. We won't pay for *ensuing loss* either, unless the direct cause is a risk not excluded in (1) to (26) above. This *exclusion* does not apply:

- when the *fungi*, wet or dry rot, or bacteria results from fire or lightning; or
- to the extent that coverage is provided under Extra Benefits, when the *fungi*, wet or dry rot, or bacteria results from a covered loss other than fire or lightning.

Special Rules for Home Appliances

The following *exclusion* is added to this section:

We won't pay for loss caused by the presence, growth, proliferation, spread or any activity of *fungi*, wet or dry rot, or bacteria that results from a covered loss under:

(2) **Sudden water loss;** or

(3) **Internal freezing;**

except to the extent that coverage is provided under Extra Benefits.

EXTRA BENEFITS

The following Extra Benefit is added:

L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA

We will pay for damage caused by *fungi*, wet or dry rot, or bacteria that results from a loss covered by this policy other than fire or lightning, but only if *you* have used all reasonable means to prevent further damage to the property following the covered loss. In addition to the total loss payable under Part I: Your Property Coverage caused by *fungi*, wet or dry rot, or bacteria, we'll pay for:

- the cost of removing the *fungi*, wet or dry rot, or bacteria;
- the cost to tear out and replace any part of *your residence* or other property as necessary to gain access to the *fungi*, wet or dry rot, or bacteria; and
- the cost of testing to confirm the presence, absence or level of *fungi*, wet or dry rot, or bacteria. However, we'll pay for testing only if there is a reason to believe that *fungi*, wet or dry rot, or bacteria may be present as a result of a covered loss.

The most we will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for Fungi, Wet or Dry Rot, or Bacteria. This is most we'll pay for each *occurrence* regardless of the number of locations insured or number of claims made. During the *policy period* we will not pay more than the policy aggregate regardless of the number of *occurrences*. If the *direct loss* is covered and results in *ensuing loss* due to *fungi*, wet or dry rot, or bacteria, payment will not be limited by the terms of this Extra Benefit, except to the extent that *fungi*, wet or dry rot, or bacteria causes an increase in the loss.

PART III: TERMS AND CONDITIONS

HOW MUCH WE'LL PAY

YOUR LIABILITY COVERAGE is deleted and replaced by the following:

This section explains how much *we'll* pay for an *occurrence* covered by *your* Personal Liability or Medical Expenses coverage.

Personal Liability

- (1) For personal liability covered by *your* Home policy, *we'll* pay up to *your* personal liability *coverage limit* except as described in paragraph (2). That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.
- (2) For personal liability 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, *we'll* pay up to *your* personal liability *coverage limit* or \$300,000, whichever is less, but in no event will *your coverage limit* be less than \$50,000 for damages under this paragraph (2). This is the most *we'll* pay in any one *policy period* regardless of:
 - (a) the number of locations insured under this policy;
 - (b) the number of persons injured;
 - (c) the number of persons whose property is damaged;
 - (d) the number of *insured persons*; or
 - (e) the number of *occurrences*.

Medical Expenses

For *medical expenses* covered by *your* Home policy, *we'll* pay up to *your medical expenses coverage limit*. That is the most *we'll* pay for each *occurrence*, no matter how many people were involved.

GLOSSARY

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*.

Filing Details**Work Unit Number:**

W05-144025

Filing Purpose:

Forms Only

Line of Business:

HOMEOWNERS MULTI PERIL

Date Created:

3/11/2005 03:15:47 PM

Filing Name:

Homeowner - Forms Filing

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
ATLANTIC MUTUAL INSURANCE COMPANY	134934590	19895	0024
CENTENNIAL INSURANCE COMPANY	136104845	19909	0024

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Cover Letter	0		Cover Letter
Explanatory Memorandum	0		Explanatory Memorandum
Forms	0		HOME27-1204
Forms	0		HOME101-1204
Forms	0		HOME128-1204
Forms	0		HOME129-1204
Forms	0		HOME138-1204

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

**FLORIDA WINDSTORM
EXTERIOR PAINT OR WATERPROOFING EXCLUSION
SEACOAST**

This endorsement changes certain parts of *your* Home Policy. Every coverage, *exclusion*, definition and rule that isn't changed by this endorsement remains the same.

This *exclusion* applies only to those Florida locations shown on the Declarations Page.

Your Home Policy is amended as follows:

Part I: Your Property Coverage

Residences and Personal Property

Losses We Won't Pay For

The following *exclusion* is added as item **(29)**:

(29) Florida Windstorm Exterior Paint or Waterproofing Exclusion.

We won't pay for loss caused by:

- a. windstorm or hail; or
 - b. windstorm during a hurricane;
- to paint or waterproofing material applied to the exterior of a building or structure covered by this policy.

A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.

A hurricane *occurrence*:

- a. begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
- b. ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

Filing Details**Work Unit Number:**

W05-144811

Filing Purpose:

Forms Only

Line of Business:

HOMEOWNERS MULTI PERIL

Date Created:

3/16/2005 03:33:51 PM

Filing Name:

Homeowner - Forms Filing

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
ATLANTIC MUTUAL INSURANCE COMPANY	134934590	19895	0024
CENTENNIAL INSURANCE COMPANY	136104845	19909	0024

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Forms	0		Florida Windstorm Exterior Paint or Waterproofing Exclusion Seacoast



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

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GOVERNOR

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CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

February 14, 2005

Ms. Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Insurance Company
3 Giralda Farms
Madison, NJ 07940

RE: Atlantic Mutual Insurance Company
Centennial Insurance Company
Homeowners Multi Peril
Company File Number: 2644A
OIR File Number: FCP 05-00233

Dear Ms. Freiman:

Thank you for your form filing. We have completed our review of the filing received on 1/7/2005 and need additional information in order to continue our review. Further consideration of the filing cannot be given unless a response to the following items is received:

- 1) How do you comply with Section 627.4131, Florida Statutes?

Regarding Form HOME-1001:

- 1) Please correct the pagination problem.
- 2) Please correct the formatting issues with this form to eliminate the gaps in text.
- 3) On Page 2, under Your Agreement With Us, Definitions, it is indicated the Glossary is located at the end of the policy. Since it is not at the end of the policy, please clarify that the Glossary is located toward the end of the policy or in Part III of the policy.
- 4) On Page 3, in the first paragraph under Part I: Your Property Coverage, please replace the following, "...if the things *you* own are damaged..." with, "...if the things *you* and *your* family own are damaged..." for consistency with the first sentence under RESIDENCES AND PERSONAL PROPERTY.
- 5) On Page 4, please eliminate your Land Restoration restriction, in accordance with Section 627.706, Florida Statutes, unless it is actually an additional coverage that applies above the residence limit.
- 6) On Page 4, under B. YOUR PERSONAL PROPERTY, please clarify that coverage not only applies to "...any physical object *you* own..." but also to any physical object owned by an "*insured person*."

• • •

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- 7) On Page 4, under B. YOUR PERSONAL PROPERTY, in the first paragraph, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property. Please likewise revise your definition of Personal Property on Page 23.
- 8) On Page 4, in the second bullet point under B. YOUR PERSONAL PROPERTY, please exchange “*family member*” with “*insured person.*”
- 9) On Page 6, based upon the customary understanding of the different categories within this group of losses not insured, Exclusions (6) and (7) need revision for clarity. To carry over items specifically mentioned in one exclusion into other exclusions, categorized as something else, is confusing. Specifically, “Contamination” is potentially an ambiguous term and should be referenced instead as the time-honored term “Pollutants” and should not include rust, mold, fungi, wet or dry rot. These items were included in the previously listed category of (5) Deterioration, and to include them again under a different exclusion classification generates an inconsistency. Also, “Pollutants” needs to be defined based upon standard provisions. Provision (7) Air Pollution confuses the issue noting “pollutants” are already indicated in the prior provision, (6) Contamination. Also, under Provisions (6) and (7), ensuing loss to a *residence* should be covered.
- 10) On Page 8, please add “water not otherwise excluded” as an additional bullet point under (21) Breakage of fragile articles.
- 11) On Page 8, under Special Rules for Home Appliances, a plumbing system should not be restricted to pipes located within the wall. Pipes in other locations, such as the attic, under the floor, in the ground, or within the slab, etc., should also be included.
- 12) On Page 8, under (1) Leakage and seepage, ensuing loss to a residence not precluded by any other provision in the policy should be covered. Also, “a period of time” as used in this provision is ambiguous and should be clarified to read, “a period of weeks, months or years.” Please revise accordingly.
- 13) On Page 11, under F. CONSTRUCTION STANDARDS, it is indicated that if you don’t rebuild the residence at the same location, this coverage doesn’t apply. Based on standard provisions, this coverage still should apply. Please see Section 627.7011(1)(b), Florida Statutes. How do you comply with the offer of additional law and ordinance coverage of at least 25% of the dwelling limit, as required pursuant to Section 627.7011, Florida Statutes?
- 14) On Page 12, in the first paragraph under PART II: YOUR LIABILITY COVERAGE, it appears the second use of the word “you” should not be italicized. Please correct.
- 15) On Page 12, in the second paragraph under PART II: YOUR LIABILITY COVERAGE, it appears “you are” should actually read, “an *insured person* is”.
- 16) On Page 13, under “Insured places” in the right column, in bullet points 4-8, your use of “you or a family member” should be replaced with “an insured person.”
- 17) On Page 14, please eliminate Exclusions (6) and (7), noting these exclusions generally don’t apply to liability coverage.
- 18) On Page 15, under (5) War, there is no coverage for “any kind of military or warlike action.” This description is overly broad in scope regarding any military action and should be revised.
- 19) On Page 15, under (9) Accidents to off-duty domestic employees, medical expenses are not paid for injury *caused by* the off-duty domestic employee, however, they should be paid for injury *sustained by* an off-duty domestic employee, under applicable circumstances. Perhaps this provision should be titled “Accidents caused by off-duty domestic employees.” Please revise this provision.
- 20) On Page 16, please eliminate exclusion (21) Lead Hazards, pursuant to Sections 626.9641(1)(b) and 627.412(2), Florida Statutes.

- 21) On Page 17, the first sentence under PART III: TERMS AND CONDITIONS indicates that section of the policy tells the insured "everything else" they need to know. That is a fairly broad, absolute statement. Please consider using "other things" rather than "everything else."
- 22) On Page 18, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the second paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding "any loss which is repaired or replaced *at any location*," and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.
- 23) Please eliminate your \$10,000 restriction for land restoration, noting it appears to conflict with Section 627.706, Florida Statutes.
- 24) On Page 21, under 2. Participate in Legal Proceedings, within the first sentence, please revise "...must participate..." to read, "...must participate, as reasonably possible..."
- 25) On Page 25, does Provision 13. only pertain to personal property losses?

Regarding Form HOME9:

- 1) This form does not appear to comply with Section 627.701(6), Florida Statutes. Please advise.

Regarding Form HOME19:

- 1) How does this form comply with Section 626.973, Florida Statutes?
- 2) On Page 2, under 3. War and nuclear accident, there is no coverage for "any kind of military or warlike action." This description is overly broad in scope regarding any military action and should be revised.
- 3) Please eliminate the "Hole-In-One- Insurance" from this form.

Regarding Form HOME20:

- 1) How does this form comply with Section 626.973, Florida Statutes?
- 2) Please eliminate the "100 x 100 Insurance" from this form.

Regarding Form HOME29:

- 1) On Page 7, within your definition of a Fuel System, please add, "A *fuel system* does not include any fuel tanks permanently affixed to a motor vehicle or watercraft listed in a.(1)(d) above."

Regarding Form HOME14:

- 1) Provision (12) has an additional word in its title, "nonvehicle," that does not appear to exist in the original title or in its replacement. Please remove the word "nonvehicle" for consistency.

Regarding Form HOME79:

- 1) Is this form mandatory?
- 2) Please describe the dollar amounts of fungi coverage you offer.
- 3) Please reposition the sentence, "The most *we* will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for *Fungi*, Wet or Dry Rot, or Bacteria," currently found on the second page of this form, to the first paragraph located under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, to make your intentions of limited amount coverage more obvious. Please also clarify that is the most you will pay for each occurrence regardless of the number of locations insured under this endorsement or number of claims made.
- 4) On Page 1, in first paragraph falling under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, the last sentence should indicate, "In addition to the total of all loss payable under YOUR PROPERTY COVERAGE caused by *fungi*, wet or dry rot, or bacteria, *we'll* pay for:..."

- 5) In Exclusion (27), please clarify that direct loss by a peril insured against resulting from *fungi*, wet or dry rot, or bacteria, is covered. Please express this using terms used in your policy language.
- 6) Please also clarify that if there is a 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 extra benefit, except to the extent that fungi, wet or dry rot or bacteria causes an increase in the loss. Please express this using terms used in your policy language.

Regarding Form HOME133:

- 1) Please revise Item 2. Windstorm or Hail to indicate, "...causing an opening through which rain, snow, sleet, sand or dust enters and causes damage," rather than, "causing an opening in the roof or wall and the rain, snow, sleet, sand or dust enters through this opening," to track more closely with the language found in Section 627.4025(2)(a), Florida Statutes.
- 2) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 13. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 3) On Page 1, please clarify in (13) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (15); or..."
- 4) On Page 2, in the way that Cause of Loss (16) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Regarding Form HOME134:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."
- 2) How is sinkhole coverage provided for personal property, pursuant to Section 627.706, Florida Statutes, noting "sinkhole" is not one of the named perils on Page 1 or 2? Please add an additional cause of loss for sinkhole coverage as you did on Form HOME129.
- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 4) On Page 1, please clarify in (12) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (14); or..."
- 5) On Page 2, in the way that Cause of Loss (15) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Regarding Form HOME27:

- 1) On Page 2, regarding WHEN WE'LL PAY, please revise this section beyond the first sentence to track more closely with Sections 627.4265 and 627.427, Florida Statutes.
- 2) On Page 2, in the second sentence under (a) Nonrenewal, please delete the mention of a renewal premium, noting it appears inappropriately placed in this section.
- 3) Please revise your form to comply with the SB 2038 amendments to Section 627.4133, Florida Statutes.
- 4) On Page 3, please eliminate cancellation reason (4) noting it appears to depart from the reasons permitted pursuant to Section 627.4133, Florida Statutes.
- 5) On Page 3, please add "Mediation" to your heading in 8. for clarity.
- 6) On Page 4, please revise "FL Insurance Department" to read "Florida Department of Financial Services".

Regarding Form HOME129:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."
- 2) On Page 1, under B. YOUR PERSONAL PROPERTY, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property.
- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 4) On Page 3, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the third paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding "any loss which is repaired or replaced *at any location*," and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.

The Office is exercising its right pursuant to Section 627.410, Florida Statutes to extend the review of this filing until 2/21/2005.

Please respond using the "Add to a Submitted Filing" feature of our I-File system.

If we do not receive a complete response to this letter by 2/14/2005, the filing will be affirmatively disapproved. Alternatively, you may choose to withdraw the filing without prejudice and resubmit it at a later date when the filing is complete.

If you have any questions regarding this filing, please contact me at the telephone number listed below.

Sincerely,

Anne Ivory
Insurance Analyst II
IvoryA@dfs.state.fl.us
(850) 413-5375



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

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COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

February 16, 2005

Ms. Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Insurance Company
3 Giralda Farms
Madison, NJ 07940

RE: Atlantic Mutual Insurance Company
Centennial Insurance Company
Homeowners Multi Peril
Company File Number: 2644A
OIR File Number: FCP 05-00233

Dear Ms. Freiman:

Thank you for your form filing. We have completed our review of the filing received on 1/7/2005 and need additional information in order to continue our review. Further consideration of the filing cannot be given unless a response to the following items is received:

- 1) How do you comply with Section 627.4131, Florida Statutes?

Regarding Form HOME-1001:

- 1) Please correct the pagination problem.
- 2) Please correct the formatting issues with this form to eliminate the gaps in text.
- 3) On Page 2, under Your Agreement With Us, Definitions, it is indicated the Glossary is located at the end of the policy. Since it is not at the end of the policy, please clarify that the Glossary is located toward the end of the policy or in Part III of the policy.
- 4) On Page 3, in the first paragraph under Part I: Your Property Coverage, please replace the following, "...if the things *you* own are damaged..." with, "...if the things *you* and *your* family own are damaged..." for consistency with the first sentence under RESIDENCES AND PERSONAL PROPERTY.
- 5) On Page 4, please eliminate your Land Restoration restriction, in accordance with Section 627.706, Florida Statutes, unless it is actually an additional coverage that applies above the residence limit.
- 6) On Page 4, under B. YOUR PERSONAL PROPERTY, please clarify that coverage not only applies to "...any physical object *you* own..." but also to any physical object owned by an "*insured person*."

...

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- 7) On Page 4, under B. YOUR PERSONAL PROPERTY, in the first paragraph, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property. Please likewise revise your definition of Personal Property on Page 23.
- 8) On Page 4, in the second bullet point under B. YOUR PERSONAL PROPERTY, please exchange "*family member*" with "*insured person.*"
- 9) On Page 6, based upon the customary understanding of the different categories within this group of losses not insured, Exclusions (6) and (7) need revision for clarity. To carry over items specifically mentioned in one exclusion into other exclusions, categorized as something else, is confusing. Specifically, "Contamination" is potentially an ambiguous term and should be referenced instead as the time-honored term "Pollutants" and should not include rust, mold, fungi, wet or dry rot. These items were included in the previously listed category of (5) Deterioration, and to include them again under a different exclusion classification generates an inconsistency. Also, "Pollutants" needs to be defined based upon standard provisions. Provision (7) Air Pollution confuses the issue noting "pollutants" are already indicated in the prior provision, (6) Contamination. Also, under Provisions (6) and (7), ensuing loss to a *residence* should be covered.
- 10) On Page 8, please add "water not otherwise excluded" as an additional bullet point under (21) Breakage of fragile articles.
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- 12) On Page 8, under (1) Leakage and seepage, ensuing loss to a residence not precluded by any other provision in the policy should be covered. Also, "a period of time" as used in this provision is ambiguous and should be clarified to read, "a period of weeks, months or years." Please revise accordingly.
- 13) On Page 11, under F. CONSTRUCTION STANDARDS, it is indicated that if you don't rebuild the residence at the same location, this coverage doesn't apply. Based on standard provisions, this coverage still should apply. Please see Section 627.7011(1)(b), Florida Statutes. How do you comply with the offer of additional law and ordinance coverage of at least 25% of the dwelling limit, as required pursuant to Section 627.7011, Florida Statutes?
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- 15) On Page 12, in the second paragraph under PART II: YOUR LIABILITY COVERAGE, it appears "you are" should actually read, "an *insured person* is".
- 16) On Page 13, under "Insured places" in the right column, in bullet points 4-8, your use of "you or a family member" should be replaced with "an insured person."
- 17) On Page 14, please eliminate Exclusions (6) and (7), noting these exclusions generally don't apply to liability coverage.
- 18) On Page 15, under (5) War, there is no coverage for "any kind of military or warlike action." This description is overly broad in scope regarding any military action and should be revised.
- 19) On Page 15, under (9) Accidents to off-duty domestic employees, medical expenses are not paid for injury *caused by* the off-duty domestic employee, however, they should be paid for injury *sustained by* an off-duty domestic employee, under applicable circumstances. Perhaps this provision should be titled "Accidents caused by off-duty domestic employees." Please revise this provision.
- 20) On Page 16, please eliminate exclusion (21) Lead Hazards, pursuant to Sections 626.9641(1)(b) and 627.412(2), Florida Statutes.

- 21) On Page 17, the first sentence under PART III: TERMS AND CONDITIONS indicates that section of the policy tells the insured "everything else" they need to know. That is a fairly broad, absolute statement. Please consider using "other things" rather than "everything else."
- 22) On Page 18, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the second paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding "any loss which is repaired or replaced *at any location*," and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.
- 23) Please eliminate your \$10,000 restriction for land restoration, noting it appears to conflict with Section 627.706, Florida Statutes.
- 24) On Page 21, under 2. Participate in Legal Proceedings, within the first sentence, please revise "...must participate..." to read, "...must participate, as reasonably possible..."
- 25) On Page 25, does Provision 13. only pertain to personal property losses?

Regarding Form HOME9:

- 1) This form does not appear to comply with Section 627.701(6), Florida Statutes. Please advise.

Regarding Form HOME19:

- 1) How does this form comply with Section 626.973, Florida Statutes?
- 2) On Page 2, under 3. War and nuclear accident, there is no coverage for "any kind of military or warlike action." This description is overly broad in scope regarding any military action and should be revised.
- 3) Please eliminate the "Hole-In-One- Insurance" from this form.

Regarding Form HOME20:

- 1) How does this form comply with Section 626.973, Florida Statutes?
- 2) Please eliminate the "100 x 100 Insurance" from this form.

Regarding Form HOME29:

- 1) On Page 7, within your definition of a Fuel System, please add, "A *fuel system* does not include any fuel tanks permanently affixed to a motor vehicle or watercraft listed in a.(1)(d) above."

Regarding Form HOME14:

- 1) Provision (12) has an additional word in its title, "nonvehicle," that does not appear to exist in the original title or in its replacement. Please remove the word "nonvehicle" for consistency.

Regarding Form HOME79:

- 1) Is this form mandatory?
- 2) Please describe the dollar amounts of fungi coverage you offer.
- 3) Please reposition the sentence, "The most *we* will pay for each *occurrence* is the amount shown on the Declarations Page for Property Coverage for *Fungi*, Wet or Dry Rot, or Bacteria," currently found on the second page of this form, to the first paragraph located under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, to make your intentions of limited amount coverage more obvious. Please also clarify that is the most you will pay for each occurrence regardless of the number of locations insured under this endorsement or number of claims made.
- 4) On Page 1, in first paragraph falling under L. LIMITED COVERAGE FOR FUNGI, WET OR DRY ROT, OR BACTERIA, the last sentence should indicate, "In addition to the total of all loss payable under YOUR PROPERTY COVERAGE caused by *fungi*, wet or dry rot, or bacteria, *we'll* pay for:..."

- 5) In Exclusion (27), please clarify that direct loss by a peril insured against resulting from *fungi*, wet or dry rot, or bacteria, is covered. Please express this using terms used in your policy language.
- 6) Please also clarify that if there is a 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 extra benefit, except to the extent that fungi, wet or dry rot or bacteria causes an increase in the loss. Please express this using terms used in your policy language.

Regarding Form HOME133:

- 1) Please revise Item 2. Windstorm or Hail to indicate, "...causing an opening through which rain, snow, sleet, sand or dust enters and causes damage," rather than, "causing an opening in the roof or wall and the rain, snow, sleet, sand or dust enters through this opening," to track more closely with the language found in Section 627.4025(2)(a), Florida Statutes.
- 2) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 13. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 3) On Page 1, please clarify in (13) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (15); or..."
- 4) On Page 2, in the way that Cause of Loss (16) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Regarding Form HOME134:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."
- 2) How is sinkhole coverage provided for personal property, pursuant to Section 627.706, Florida Statutes, noting "sinkhole" is not one of the named perils on Page 1 or 2? Please add an additional cause of loss for sinkhole coverage as you did on Form HOME129.
- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 4) On Page 1, please clarify in (12) that "This loss does not include loss: caused by or resulting from freezing except as provided in Losses We'll Pay For (14); or..."
- 5) On Page 2, in the way that Cause of Loss (15) is written, it appears you are limiting coverage to damage to electrical appliances, devices, fixtures and wiring. Please clarify this to indicate the standard intent of this peril, as you did in Form HOME129.

Regarding Form HOME27:

- 1) On Page 2, regarding WHEN WE'LL PAY, please revise this section beyond the first sentence to track more closely with Sections 627.4265 and 627.427, Florida Statutes.
- 2) On Page 2, in the second sentence under (a) Nonrenewal, please delete the mention of a renewal premium, noting it appears inappropriately placed in this section.
- 3) Please revise your form to comply with the SB 2038 amendments to Section 627.4133, Florida Statutes.
- 4) On Page 3, please eliminate cancellation reason (4) noting it appears to depart from the reasons permitted pursuant to Section 627.4133, Florida Statutes.
- 5) On Page 3, please add "Mediation" to your heading in 8. for clarity.
- 6) On Page 4, please revise "FL Insurance Department" to read "Florida Department of Financial Services".

Regarding Form HOME129:

- 1) Please re-title this form noting you appear to be eliminating coverage for Windstorm and Hail, rather than just "Wind."
- 2) On Page 1, under B. YOUR PERSONAL PROPERTY, please clarify that motor vehicles designed to assist the handicapped, not required to be registered for use on public roads, are also considered personal property.
- 3) Does this form attach to a condo or renter's policy? If so, in those instances, the third bullet point under 12. Accidental Discharge should read, "on the residence caused by accidental discharge or overflow which occurs away from the building where the residence is located."
- 4) On Page 3, under YOUR RESIDENCES AND PERSONAL PROPERTY, in the third paragraph, there appear to be conflicts with language found in Section 627.7011(1)(b), Florida Statutes, regarding "any loss which is repaired or replaced *at any location*," and Section 627.702(1), Florida Statutes, regarding a total loss. Please advise and revise as necessary.

The Office is exercising its right pursuant to Section 627.410, Florida Statutes to extend the review of this filing until 2/21/2005.

Please respond using the "Add to a Submitted Filing" feature of our I-File system.

If we do not receive a complete response to this letter by 2/17/2005, pursuant to our conversation today regarding the rapidly approaching deemer date, the filing will be affirmatively disapproved. Alternatively, you may choose to withdraw the filing without prejudice and resubmit it at a later date when the filing is complete.

If you have any questions regarding this filing, please contact me at the telephone number listed below.

Sincerely,

Anne Ivory
Insurance Analyst II
IvoryA@dfs.state.fl.us
(850) 413-5375



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

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ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

March 16, 2005

Ms. Doreen Freiman
Regulatory Compliance Specialist
Atlantic Mutual Insurance Company
3 Giralda Farms
Madison, NJ 07940

RE: Atlantic Mutual Insurance Company
Centennial Insurance Company
Homeowners Multi Peril
Company File Number: 2644A
OIR File Number: FCP 05-00233

Dear Ms. Freiman:

The Office has completed its review of the above-referenced filing dated 1/7/2005 and received by the Office on 1/7/2005. The forms submitted in this filing are **APPROVED**. It is our understanding that the proposed effective date for use of the forms is 4/1/2005 for new business and 5/20/2005 for renewals.

This approval is applicable only to the stamped approved form(s) contained herein. Any corresponding rate or rule filing must be submitted as a separate filing. This approval is conditioned upon and subject to the filing and approval of the respective rates and rules.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Anne Ivory
Insurance Analyst II
IvoryA@dfs.state.fl.us
(850) 413-5375

To: doreen_a_freiman@atlanticmutual.com
From: IvoryA@dfs.state.fl.us
Cc:
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 05-00233]
Attachment(s): 05-00233-Clarification-Letter1.rtf

Sent: 2/16/2005 10:27:53 AM

Attached, you will find a clarification letter for this filing. You must use the 'Add to a Submitted Filing' feature of I-FILE <https://iportal.fldfs.com/ifile/default.asp> to send your response and any applicable attachments. Please note the date requirement for your response. If you have any questions, please do not hesitate to contact me.

Sincerely,

Anne Ivory
Insurance Analyst II
(850) 413-5375

To: doreen_a_freiman@atlanticmutual.com
From: IvoryA@dfs.state.fl.us
Cc:
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 05-00233]
Attachment(s): 05-00233-Approval-Letter.rtf

Sent: 3/17/2005 9:07:07 AM

Click the link below to view the documents for this filing:
<http://www.fldfs.com/edms/docs.asp?FN=05-00233>

Dear Doreen,
Please see the attached letter. Electronic copies of the stamped documents may be viewed using the link provided. If you have any questions, please do not hesitate to contact me.

Sincerely,

Anne Ivory
Insurance Analyst II
(850) 413-5375