

House Owner Insurance Policy Wordings

These Policy Wordings describe the home insurance that you have purchased. They include various terms, conditions, and exclusions that limit the insurance this Policy provides. An index is provided at the beginning of this document. **Please read the eight sections of document carefully and contact us if you have any questions.**

1 Insuring Agreement

In exchange for the premium paid, this Policy provides the insurance described in these Policy Wordings, subject to the limits and deductibles specified on the Policy Declaration.

All limits, deductibles, and premiums expressed in this Policy are in United States dollars.

Only Named Insureds may make changes to this Policy, file a claim under this Policy, or take legal action against the Insurer. This Policy cannot be assigned to others without the Insurer's written consent.

Insurance cannot be a source of profit; it is designed to indemnify you for insured losses you incur or you are legally liable to pay. This Policy will not pay any amount greater than your insurable interest at the time of loss.

2 Definitions

The following definitions apply to all sections of your Policy. Additional definitions may also be embedded in specific sections of this Policy.

- 2.1 Actual Cash Value** means Replacement Cost (as defined), minus a deduction for depreciation and obsolescence, which takes into consideration the condition of the property immediately before the loss, its normal life expectancy, and its resale value.
- 2.2 Bicycles, Sporting Equipment and Firearms** means Firearms (as defined), and any personal and portable equipment used for athletic or recreational activities, including cycling, equestrian, fishing, golf, hang-gliding, hockey, paragliding, shooting, skating, skiing, snowboarding, surfing and windsurfing.
- 2.3 Bodily Injury** means damage to a person's physical condition including pain, illness or resulting death.
- 2.4 Building** means the main structure of your Premises (as defined) occupied by you or your tenants as a private residence.
- 2.5 Business** means a trade, profession, occupation or activity for profit or compensation, but does not include:
 - (a) your personal actions during the course of your Business that are not directly related to your Business;
 - (b) your activities during the course of your Business which are not ordinarily considered to be Business activities;
 - (c) the temporary or part-time Business activities of an Insured under eighteen (18) years of age;
 - (d) your rental to others of a portion of your Premises for use as a private residence, as long as this rental is noted on your Policy Declaration; or
 - (e) your rental to others of not more than three (3) car spaces or parking stalls in residential garages.
- 2.6 Business Property** means property pertaining to, or intended for, use in a Business (as defined).
- 2.7 China, Silverware and Furs** means:

- (a) any porcelain ware, plates, cups, saucers that are supplementary to everyday usage;
 - (b) eating and serving utensils made of silver that are supplementary to everyday usage;
 - (c) figurines made of porcelain or ceramic material; and
 - (d) furs and fur-trimmed garments.
- 2.8 **Civil Authority** means any person acting with authority under Federal, State or Municipal legislation with respect to the protection of persons and property in the event of an emergency.
- 2.9 **Collectibles** means items collected as a hobby, for display, or as an investment whose value may appreciate, and includes sports card collections, comic book collections, sports memorabilia, rare or signed or first edition books, coin collections and stamp collections.
- 2.10 **Condominium Corporation** means an “association” or a “unit owners’ association” as established under the Uniform Condominium Act, or a housing cooperative corporation.
- 2.11 **Condominium Improvements** means:
- (a) any upgrades, additions or alterations to your Premises (as defined) made by you or a previous resident; or
 - (b) any countertops, flooring, glass or other fixtures in your Premises that you are responsible for insuring under the bylaws of your Condominium Corporation (as defined).
- 2.12 **Detached Structures** means all structures on the Premises (as defined) that are not attached to the Building (as defined), and includes garages, sheds and gazebos.
- 2.13 **Electronic Data** means collections or representations of information stored and/or transmitted in electronic format.
- 2.14 **Fine Arts** means visual art considered to have been created primarily for aesthetic purposes and judged for its beauty or meaningfulness, and includes paintings, sculptures, drawings, watercolours, graphics, limited edition prints and other pieces that cannot be easily replaced.
- 2.15 **Firearms** means firearms, scopes, ammunition, and miscellaneous property including clips, tripods, carrying cases, and holsters, which are used in connection with firearms.
- 2.16 **Fixtures** means any property that is permanently attached to the Building (as defined) by means of cement, plaster, nails, bolts or screws, except for household appliances.
- 2.17 **Flood** means the covering of dry land by freshwater, wastewater or seawater, including:
- (a) surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether driven by wind or not; or
 - (b) any overflow, release migration or discharge of water in any manner from a lake, river, stream, natural watercourse, reservoir, canal, dam, levee, dike, hurricane barrier or any water or flood control device.
- 2.18 **Gardening Equipment** means tools used to maintain Landscaping and Fences (as defined) and includes garden-type tractors, lawn mowers, trimmers, and snow removal equipment, whether self-propelled or not.
- 2.19 **Insured** means any Named Insured (as defined) and:
- (a) while living in the same household:
 - (1) your Partner (as defined);
 - (2) the relatives of you or your Partner;
 - (3) any person under twenty-one (21) years of age in your care;
 - (4) any domestic employees;
 - (b) the parents of you or your Partner while residing in a nursing home or residential care facility; and
 - (c) any students who are enrolled in and attending schools, colleges or universities and who are dependent on you or your Partner for support and maintenance.

Throughout this Policy the words “you” and “your” refer to any Insured, or collectively, to all Insureds.

- 2.20 **Insurer** means the insurance company underwriting this Policy (as defined) and named on your Policy Declaration (as defined).
- 2.21 **Jewelry and Watches** means objects designed for the adornment of the body, and includes necklaces, bracelets, rings, earrings, watches, and precious or semi-precious stones.
- 2.22 **Landlord's Property** means Personal Property (as defined) owned by you for use by your tenants on-site at the Premises (as defined), including tools, appliances and furniture.
- 2.23 **Landscaping and Fences** means trees, shrubs, lawns, fences, retaining walls, rockeries, permanent ornamental landscaping structures and other property used to improve the appearance of your Premises (as defined).
- 2.24 **Limited Depreciation** means Replacement Cost (as defined), minus a deduction of no more than fifty (50) percent for depreciation and obsolescence, which takes into consideration the condition of the property immediately before the loss, its normal life expectancy, and its resale value.
- 2.25 **Living Expenses** means the cost of accommodations, food and residential utilities, which are ordinary to your occupancy of the Premises (as defined) as your primary residence.
- 2.26 **Medical Equipment** means medical devices that are designed and intended for home use, and includes hearing aids, wheelchairs, scooters, artificial limbs, sleep apnea sensors, blood glucose and blood pressure machines, and walkers.
- 2.27 **Military Property** means military orders, decorations or medals issued by the United States government and awarded to, or inherited by an Insured.
- 2.28 **Motor Vehicle** means a self-propelled vehicle and its equipment, including trailers and camper units, but does not include:
- (a) Gardening Equipment (as defined);
 - (b) motorized wheelchairs or motorized scooters specifically designed for use by people with physical disabilities;
 - (c) golf carts; or
 - (d) Power-Assisted Bicycles (as defined).
- 2.29 **Musical Instruments** means devices created or adapted for the purpose of making musical sounds.
- 2.30 **Named Insured** means the person(s) appearing under the heading "Named insured" on the Policy Declaration (as defined).
- 2.31 **Occurrence** means a single unintended or unexpected accident or event that causes loss or damage to insured property, Bodily Injury (as defined) or Property Damage (as defined) insured under this Policy (as defined).
- 2.32 **Oriental Rugs** means a hand-woven or hand-knotted one-piece rug or carpet made in Asia.
- 2.33 **Partner** means your spouse, or the person (regardless of gender) with whom you are permanently cohabiting in a marriage-like relationship.
- 2.34 **Personal Injury** means damage to a person resulting from libel, slander, defamation, invasion of privacy, mental anguish or injury, false arrest or imprisonment, wrongful detention, wrongful entry or eviction, malicious prosecution or humiliation.
- 2.35 **Personal Property** means tangible, moveable property that you own, including all household appliances and Military Property (as defined). For the purpose of this Policy (as defined), Personal Property does not include the following types of property (each as defined) for which additional insurance can be purchased: Bicycles, Sporting Equipment and Firearms; Business Property; China, Silverware and Furs; Fine Arts, Collectibles and Oriental Rugs; Jewelry and Watches; Landlord's Property; Landscaping, Fences and Gardening Equipment; Musical Instruments; and Watercraft.
- 2.36 **Policy** means the application for insurance, the Policy Declaration (as defined), these Policy Wordings, and any special conditions and endorsements, which together form your complete insurance Policy.
- 2.37 **Policy Declaration** means the document containing policy information, applicable coverages, limits and deductibles, special conditions and the application for insurance.

- 2.38 **Pollutants** means any solid, liquid, airborne, gaseous or thermal irritant or contaminant, and includes vapour, soot, fumes, acids, alkalis, asbestos, chemicals and waste.
- 2.39 **Power-Assisted Bicycles** means bicycles that are regulated by pedalling, with electric motors totaling no more than 500 W that assist riders' efforts when pedalling, to speeds of no greater than 20mph on level ground.
- 2.40 **Premises** means the land and all structures contained within the lot lines of the insured location on the Policy Declaration (as defined) reserved for your or your tenants' exclusive use or occupancy.
- 2.41 **Property Damage** means physical damage to, destruction of, or loss of use of tangible property.
- 2.42 **Replacement Cost** means the actual cost to repair, replace or rebuild, whichever is less, with like kind and quality.
- 2.43 **Sewer Backup** means the backing up or escape of freshwater or wastewater from a sewer, storm drain, drain, sump or septic tank.
- 2.44 **Terrorism** means an ideologically motivated unlawful act or acts, including the use of violence or force or threat of violence or force, committed by or on behalf of any individual(s), group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public.
- 2.45 **Under Construction** means the period during which the Building insured under this Policy is undergoing construction, commencing from the time the foundation is laid and lasting until construction is complete or the Building is occupied, whichever comes first.
- 2.46 **Under Renovation** means the period during which the Building insured under this Policy is unoccupied and undergoing renovation.
- 2.47 **Vacant** means all occupants have left the home with no intention of returning and no new occupants have moved in to it. In the case of a newly constructed house, Vacant means occupants have not yet moved in to the home. In the case of a newly acquired home, Vacant means occupants have not moved in to the home within seven (7) days of your possession of it.
- 2.48 **Watercraft** means a commercially manufactured device, with seats, used to transport person(s) across a body of water.
- 2.49 **Watercraft-Related Property** means accessories, equipment and trailers for Watercraft (as defined).

3 Property Coverages

This section describes the insurance on your home, personal property, and specialty property for loss or damage insured under this Policy. The insurance provided under each property coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

3.1 Building

3.1.1 Property insured.

This coverage insures your Building and:

- (a) all Fixtures and attached structures;
- (b) any outdoor equipment permanently installed on your Premises;
- (c) any swimming pools, hot tubs, and related equipment on your Premises; and
- (d) any materials and supplies located on your Premises intended to be used in building, altering, or repairing your Building.

3.1.2 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy:

- (a) all types of direct physical loss or damage to your Building;

- (b) reasonable expenses incurred for a licensed tradesperson to determine if loss or damage to your Building is covered under this Policy. These expenses only include the costs to investigate and determine the cause of the loss in order to confirm if the loss or damage is covered under this Policy, and specifically do not include the cost of any repairs;
- (c) reasonable expenses incurred as a result of loss or damage to your Building insured under this Policy to:
 - (1) remove debris from your Premises; and
 - (2) remove or tear apart any walls, ceilings, or other parts of your Building;
- (d) reasonable expenses incurred to remove trees which have fallen onto your Premises from an adjacent property that you do not own, to a maximum payment of \$5,000 per occurrence;
- (e) up to an additional ten percent (10%) of the limit specified on your Policy Declaration for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) the construction, demolition, remodeling, renovation or repair of that part of your Building damaged by a peril insured against;
 - (2) the demolition and reconstruction of the undamaged part of your Building, when that Building must be totally demolished because of damage by a peril insured against to another part of your Building; or
 - (3) the remodeling, removal or replacement of the portion of the undamaged part of your Building necessary to complete the remodeling, repair or replacement of that part of your Building damaged by a peril insured against; and
- (f) up to \$1,000 for your share of a loss assessment resulting from a loss insured by this Policy, charged against you, as owner of the Premises by a homeowner's association of which you are a member.

3.1.3 Loss or damage not insured.

This coverage does not insure:

- (a) loss or damage excluded in Section 6;
- (b) the loss in value to any Building due to the requirements of any ordinance or law; or
- (c) the costs to comply with any ordinance or law which requires an Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, Pollutants in or on any Building.

3.1.4 Basis of loss payment.

- (a) If you repair or rebuild on the same site within one year, then payment will be made on a Replacement Cost basis, to a maximum of one-hundred and fifty percent (150%) of the limit specified on your Policy Declaration. This basis of loss payment will apply provided you have advised us within thirty (30) days of any alterations to your Building of more than \$25,000.
- (b) If you have not advised us of alterations to your Building as stipulated above, then this coverage will pay on a Replacement Cost basis up to the limit specified on your Policy Declaration.
- (c) If you do not repair or rebuild on the same site, then payment will be made on a Limited Depreciation basis for direct physical loss or damage up to the limit specified on your Policy Declaration.

3.2 Detached Structures

3.2.1 Property insured.

This coverage insures your Detached Structures and any materials and supplies located on your Premises intended to be used in building, altering, or repairing your Detached Structures.

3.2.2 Property not insured.

This coverage does not insure Landscaping, Fences and Gardening Equipment.

3.2.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy:

- (a) all types of direct physical loss or damage to your Detached Structures;
- (b) reasonable expenses incurred as a result of loss or damage to your Detached Structures insured under this Policy to:
 - (1) remove debris from your Premises;
 - (2) remove or tear apart any walls, ceilings, or other parts of your Detached Structures required to repair your Detached Structures; and
- (c) up to an additional ten percent (10%) of the limit specified on your Policy Declaration for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) the construction, demolition, remodeling, renovation or repair of that part of your Detached Structure damaged by a peril insured against;
 - (2) the demolition and reconstruction of the undamaged part of your Detached Structure, when that Detached Structure must be totally demolished because of damage by a peril insured against to another part of your Detached Structure; or
 - (3) the remodeling, removal or replacement of the portion of the undamaged part of your Detached Structure necessary to complete the remodeling, repair or replacement of that part of your Detached Structure damaged by a peril insured against.

3.2.4 Loss or damage not insured.

This coverage does not insure:

- (a) loss or damage excluded in Section 6;
- (b) the loss in value to any Detached Structures due to the requirements of any ordinance or law; or
- (c) the costs to comply with any ordinance or law which requires an Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any Detached Structure.

3.2.5 Basis of loss payment.

- (a) If you repair or rebuild on the same site within one year, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration.
- (b) If you do not repair or rebuild on the same site, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.

3.3 Personal Property

3.3.1 Property insured.

This coverage insures:

- (a) your Personal Property at your Premises or while temporarily away from your Premises;
- (b) the Personal Property of an Insured while residing in a nursing home or residential care facility;
- (c) the Personal Property of an Insured while attending a school, college or university;
- (d) at your option, the Personal Property of others in your care or possession or while temporarily on that portion of the Premises you occupy;
- (e) at your option, Medical Equipment of others in your care or possession; and
- (f) grave markers located within Canada and the United States.

3.3.2 Property not insured.

This coverage does not insure:

- (a) Personal Property or Medical Equipment of tenants, roomers or boarders who are not related to you;
- (b) Personal Property or Medical Equipment illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) Personal Property or Medical Equipment undergoing a process or while being worked on, where the loss or damage results from the process or work;
- (d) cash, bullion, securities, negotiable instruments, or stored-value cards;
- (e) books of account and evidences of debt or title;
- (f) Electronic Data;
- (g) Motor Vehicles; or
- (h) aircraft or their parts or equipment.

3.3.3 Property not insured unless additional coverage has been purchased.

This coverage does not insure the types of property listed below. Insurance for these types of property may be available under other coverages offered by this Policy.

- (a) Bicycles, Sporting Equipment and Firearms;
- (b) Business Property;
- (c) China, Silverware and Furs;
- (d) Fine Arts, Collectibles and Oriental Rugs;
- (e) Jewelry and Watches;
- (f) Landlord's Property;
- (g) Landscaping, Fences and Gardening Equipment;
- (h) Musical Instruments; and
- (i) Watercraft.

3.3.4 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy:

- (a) all types of direct physical loss or damage to your Personal Property;
- (b) reasonable expenses incurred:
 - (1) to protect your Personal Property from further damage following a loss;
 - (2) to remove your Personal Property from your Premises to protect it from further damage following a loss;
 - (3) to replace or re-key the locks to your Premises if your keys are lost or stolen; and
 - (4) for charges resulting from a fire department attending your Premises.

3.3.5 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.3.6 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.

- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.4 Bicycles, Sporting Equipment and Firearms

3.4.1 Property insured.

This coverage insures your Bicycles, Sporting Equipment, Firearms, and Power-Assisted Bicycles, at your Premises or while temporarily away from your Premises.

3.4.2 Property not insured.

This coverage does not insure Bicycles, Sporting Equipment and Firearms:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work; or
- (d) used for Business.

3.4.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions in this Policy, all types of direct physical loss or damage.

3.4.4 Loss or damage not insured.

This coverage does not insure loss or damage:

- (a) excluded in Section 6; or
- (b) caused by the use of your Bicycles, Sporting Equipment and Firearms.

3.4.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any item or set of items not specifically described on your Policy Declaration, the maximum payable for any single item or set is \$3,000.

3.5 Business Property

3.5.1 Property insured.

This coverage insures your Business Property at your Premises or while temporarily away from your Premises and, at your option, the Business Property of others in your care or possession.

3.5.2 Property not insured.

This coverage does not insure:

- (a) Business Property of tenants, roomers or boarders who are not related to you;

- (b) Business Property illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) Business Property undergoing a process or while being worked on, where the loss or damage results from the process or work;
- (d) books of account and evidences of debt or title; or
- (e) Electronic Data.

3.5.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.5.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.5.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any items not specifically described on your Policy Declaration, the maximum payable for any single item is \$3,000.

3.6 China, Silverware and Furs

3.6.1 Property insured.

This coverage insures your China, Silverware and Furs at your Premises or while temporarily away from your Premises.

3.6.2 Property not insured.

This coverage does not insure China, Silverware or Furs:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work; or
- (d) used for Business.

3.6.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.6.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.6.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any item or set of items not specifically described on your Policy Declaration, the maximum payable for any single item or set is \$6,000.

3.7 Fine Arts, Collectibles and Oriental Rugs

3.7.1 Property insured.

This coverage insures your Fine Arts, Collectibles and Oriental Rugs at your Premises or while temporarily away from your Premises.

3.7.2 Property not insured.

This coverage does not insure Fine Arts, Collectibles or Oriental Rugs:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work;
- (d) on exhibit or in transit to or from their exhibition; or
- (e) used for Business.

3.7.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.7.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.7.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If it is not possible to repair or replace due to age, history or rarity, then payment will be made on a market value basis up to the limit specified on your Policy Declaration.
- (c) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any item or set of items not specifically described on your Policy Declaration, the maximum payable for any single item or set is \$3,000.

3.8 Jewelry and Watches

3.8.1 Property insured.

This coverage insures your Jewelry and Watches at your Premises or while temporarily away from your Premises.

3.8.2 Property not insured.

This coverage does not insure:

- (a) raw precious stones;
- (b) Jewelry and Watches of tenants, roomers or boarders who are not related to you;
- (c) Jewelry and Watches illegally acquired, kept, stored, transported, or the proceeds of crime;
- (d) Jewelry and Watches undergoing a process or while being worked on, where the loss or damage results from the process or work;
- (e) Jewelry and Watches while on exhibit or in transit to or from their exhibition; or
- (f) Jewelry and Watches used for Business.

3.8.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.8.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.8.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a) or (b) . of the pair or set.
- (d) For any item or set of items not specifically described on your Policy Declaration, the maximum payable for any single item or set is \$6,000.

3.9 Landlord's Property

3.9.1 Property insured.

This coverage insures your Landlord's Property at your Premises.

3.9.2 Property not insured.

This coverage does not insure Landlord's Property:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime; or
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work.

3.9.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy:

- (a) all types of direct physical loss or damage to your Landlord's Property;
- (b) reasonable expenses incurred:
 - (1) to protect your Landlord's Property from further damage following a loss;

- (2) to remove your Landlord's Property from your Premises to protect it from further damage;
- (3) to replace or re-key the locks to your Premises if your keys are lost or stolen; and
- (4) for charges resulting from a fire department attending your Premises.

3.9.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.9.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.10 Landscaping, Fences and Gardening Equipment

3.10.1 Property insured.

This coverage insures your Landscaping and Fences and your Gardening Equipment at your Premises or while temporarily away from your Premises.

3.10.2 Property not insured.

This coverage does not insure Landscaping, Fences and Gardening Equipment:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work; or
- (d) used for Business.

3.10.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy:

- (a) all types of direct physical loss or damage to your Landscaping, Fences and Gardening Equipment; and
- (b) reasonable expenses incurred as a result of loss or damage to your Landscaping and Fences insured under this policy to remove debris from your Premises.

3.10.4 Loss or damage not insured.

This coverage does not insure:

- (a) your Landscaping and Gardening Equipment for loss or damage excluded in Section 6; or
- (b) your trees, shrubs, plants or lawns for loss or damage due to disease, drought, water, wind, hail, or weight of ice or snow.

3.10.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.

- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.

3.11 Musical Instruments

3.11.1 Property insured.

This coverage insures your Musical Instruments at your Premises or while temporarily away from your Premises and, at your option, Musical Instruments of others in your care or possession.

3.11.2 Property not insured.

This coverage does not insure Musical Instruments:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work; or
- (d) used for Business.

3.11.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.11.4 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

3.11.5 Basis of loss payment.

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any item or set of items not specifically described on your Policy Declaration, the maximum payable for any single item or set is \$3,000.

3.12 Watercraft

3.12.1 Property insured.

This coverage insures:

- (a) your Watercraft of no more than twenty (20) feet in length equipped with:
 - (1) motors of no more than 25 horsepower in total; or

- (2) no motor; and
- (b) your Watercraft-Related Property.

3.12.2 Property not insured.

This coverage does not insure Watercraft and Watercraft-Related Property:

- (a) of tenants, roomers or boarders who are not related to you;
- (b) illegally acquired, kept, stored, transported, or the proceeds of crime;
- (c) undergoing a process or while being worked on, where the loss or damage results from the process or work;
- (d) while used for Business;
- (e) while used in any race or any speed test;
- (f) while used in any illicit or prohibited trade or transportation; or
- (g) while being repaired or upgraded.

3.12.3 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy, all types of direct physical loss or damage.

3.12.4 Loss or damage not insured.

This coverage does not insure loss or damage:

- (a) excluded in Section 6;
- (b) caused by deterioration, including deterioration caused by marine life, rust, corrosion, wet or dry rot or mold, freezing, extremes of temperature, marring or scratching;
- (c) caused by electrical or mechanical breakdown; or
- (d) caused by latent or structural defect.

3.12.5 Basis of loss payment

- (a) If you repair or replace within 180 days of the loss or damage, then payment will be made on a Replacement Cost basis up to the limit specified on your Policy Declaration. The Insurer has the right to determine whether to repair or replace.
- (b) If you do not repair or replace within 180 days of the loss or damage, then payment will be made on a Limited Depreciation basis up to the limit specified on your Policy Declaration.
- (c) If an item was not in good and workable condition prior to the loss, then payment for that item will be made on an Actual Cash Value basis up to the limit specified on your Policy Declaration.
- (d) If an item is part of a pair or set, then payment for that item will be made based on the proportion of the Replacement Cost, Limited Depreciation or Actual Cash Value, as determined by (a), (b) or (c), of the pair or set.
- (e) For any items not specifically described on your Policy Declaration, the maximum payable for any single item is \$10,000.

3.13 Service Line Coverage

The definitions, terms, conditions and exclusions applicable to this insurance are described in the attached **Endorsement 510: Service Line Coverage**.

3.14 Equipment Breakdown Coverage

The definitions, terms, conditions and exclusions applicable to this insurance are described in the attached **Endorsement 500: Equipment Breakdown Coverage**.

3.15 Identity Theft Resolution and Expense Reimbursement Services

Identity Theft Resolution and Expense Reimbursement Services coverage is provided by Cyberscout. The definitions, terms, conditions and exclusions applicable to this insurance are described in the attached **Endorsement 300: Identity Theft Resolution and Expense Reimbursement Services**.

4 Loss of Use Coverages

This section describes the insurance available to you if the Premises becomes uninhabitable as a result of loss or damage insured under this Policy. The insurance provided under each loss of use coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

4.1 Additional Living Expenses

4.1.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and:

- (a) up to the limit specified on your Policy Declaration, for reasonable and necessary increases in Living Expenses and, if required, moving expenses if your Premises becomes uninhabitable as a result of direct physical loss or damage insured under this Policy; or
- (b) up to \$10,000, for reasonable and necessary increases in Living Expenses and, if required, moving expenses and emergency personal toiletries if you are prohibited by a Civil Authority from inhabiting your Premises as a result of:
 - (1) direct physical loss or damage insured under this Policy to neighboring premises; or
 - (2) a mass evacuation order given by a Civil Authority as a result of direct physical loss or damage insured under this Policy.

4.1.2 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6.

4.2 Rental Income

4.2.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and up to the limit specified on your Policy Declaration, the rental income to the portion of your Premises that is rented to others that:

- (a) becomes unfit for occupancy as a result of direct physical loss or damage insured under this Policy; or
- (b) your tenant is prohibited by a Civil Authority from inhabiting as a result of direct physical loss or damage insured under this Policy to neighboring premises.

4.2.2 Loss or damage not insured.

This coverage does not insure:

- (a) lost rental income due to loss or damage excluded in Section 6;
- (b) from roomers or boarders sharing your living unit; or
- (c) expenses due to cancellation of a lease or agreement.

4.2.3 Basis of loss payment.

- (a) Payment will be for the reasonable time required to repair or rebuild that portion of the Premises rented.
- (b) Payment for rental income from long-term rentals will be limited to the fair market value of the rental unit.
- (c) Payment for rental income from short-term rentals will be limited to the lesser of the:

- (1) Actual income earned during the same time period of the prior year; and
- (2) Projected income based on the average income earned during the past six (6) months.
- (d) Payment will only include expenses that continue while that portion of the Premises rented is unfit for occupancy.

5 Liability Coverages

This section describes the insurance for unintentional Bodily Injury to, or Property Damage of, others arising from your personal actions or ownership or use of your Premises. The insurance provided under each liability coverage, subject to the limits and deductibles specified on your Policy Declaration, is described below.

5.1 Personal Liability

5.1.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and:

- (a) up to the limits specified on your Policy Declaration, sums that you become legally liable to pay as compensatory damages because of Personal Injury, unintentional Bodily Injury or unintentional Property Damage arising out of an Occurrence anywhere in the world;
- (b) beyond the limit specified on your Policy Declaration:
 - (1) expenses directly related to defending you against any lawsuit insured under this coverage alleging Personal Injury, Bodily Injury or Property Damage and seeking damages, even if the lawsuit is groundless, false or fraudulent;
 - (2) costs taxed or assessed against you directly related to a lawsuit insured under this coverage;
 - (3) interest accruing after judgment, as determined by the courts, on the portion of the judgment directly related to a lawsuit insured under this coverage;
 - (4) expenses that you have incurred for emergency medical or surgical treatment to others following an Occurrence insured by this coverage; and
 - (5) reasonable expenses, including loss of wages up to \$250 a day to a total of \$10,000, which you incur at the request of the Insurer directly related to a lawsuit insured under this coverage.

5.1.2 Loss or damage not insured.

This coverage does not insure:

- (a) loss, damage or liability:
 - (1) arising from your ownership, use or occupancy of your Premises;
 - (1) arising from Business activity;
 - (2) resulting from your use or operation of any Motor Vehicle; that is:
 - (i) subject to motor vehicle registration;
 - (ii) meant for use on public roads; or
 - (iii) owned by you.
 - (3) as a result of your use or operation of any Watercraft you own that is more than twenty (20) feet in length or equipped with motors of more than 100 horsepower in total;
 - (4) as a result of your use or operation of any Motor Vehicle or Watercraft, whether owned by you or not, when:
 - (i) used for carrying passengers for compensation;

- (ii) used for Business;
- (iii) used in any race or speed test;
- (iv) rented to others; or
- (v) being used without the owner's consent if you are not the owner;
- (5) excluded in Section 6;
- (b) Property Damage to:
 - (1) property you own;
 - (2) property you use, occupy, lease or rent or in your care, custody or control, except for unintentional damage resulting from fire, explosion, smoke or water damage insured under this Policy; or,
 - (3) Motor Vehicles or Watercraft resulting from your operation of that Motor Vehicle or Watercraft;
- (c) Bodily Injury to you or to any person residing in your household, other than a domestic employee; or,
- (d) any fines, penalties, punitive damages or exemplary damages over and above actual compensatory damages.

5.2 Premises Liability

5.2.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Policy and:

- (a) up to the limit specified on your Policy Declaration, sums that you become legally liable to pay as compensatory damages because of unintentional Bodily Injury or Property Damage arising out of your ownership, use or occupancy of your Premises;
- (b) beyond the limit specified on your Policy Declaration:
 - (1) expenses directly related to defending you against any lawsuit insured under this coverage alleging Bodily Injury or Property Damage and seeking damages, even if the lawsuit is groundless, false or fraudulent;
 - (2) costs taxed or assessed against you directly related to a lawsuit insured under this coverage;
 - (3) interest accruing after judgment, as determined by the courts, on the portion of the judgment directly related to a lawsuit insured under this coverage;
 - (4) expenses that you have incurred for emergency medical or surgical treatment to others following an Occurrence insured by this coverage; and
 - (5) reasonable expenses, including loss of wages up to \$250 a day to a total of \$10,000, which you incur at the request of the Insurer directly related to a lawsuit insured under this coverage.

5.2.2 Loss or damage not insured.

This coverage does not insure:

- (a) loss, damage or liability:
 - (1) arising out of your personal actions anywhere in the world;
 - (2) arising from Business activity; or
 - (3) excluded in Section 6;
- (b) Property Damage to:
 - (1) property you own; or
 - (2) property you use, occupy, lease or rent or in your care, custody or control;
- (c) Bodily Injury to you or to any person residing in your household, other than a domestic employee; or

- (d) any fines, penalties, punitive damages, exemplary damages or any other sum over and above actual compensatory damages.

6 Exclusions

This section describes loss, damage or liability that is excluded and, therefore, not insured under this Policy. Where an exclusion applies, this Policy does not insure for such loss, damage or liability regardless of the cause of the excluded Occurrence, or whether other causes acted concurrently or in any sequence with the excluded Occurrence to produce the loss, damage or liability.

6.1 Policy Exclusions

The following exclusions apply to all Property, Loss of Use and Liability Coverages (as described in Sections 3, 4 and 5) of this Policy.

6.1.1 General exclusions.

Your Policy does not insure loss, damage or liability directly or indirectly as a result of:

- (a) the intentional acts of you, your tenants, or any other person at your or your tenant's direction;
- (b) the fraudulent or criminal acts of you, your tenants, or any other person at your or your tenant's direction;
- (c) the failure to act of you, your tenants, or any other person at your or your tenant's direction;
- (d) the act of willful negligence by you, your tenants, or any other person at your or your tenant's direction;
- (e) any illegal activity on your part, your tenants' part or your domestic employees' part arising directly or indirectly from the growing, cultivating, harvesting, processing, manufacturing, distributing or selling of any drug, including cannabis, or any controlled substance or illegal substance or items of any kind, whether or not you have any knowledge of, or are unable to control, such activity; or
- (f) war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power.

6.2 Property and Loss of Use Exclusions

These additional exclusions apply to all Property and Loss of Use Coverages (as described in Sections 3 and 4) of this Policy.

6.2.1 General exclusions.

Your Policy does not insure loss or damage directly or indirectly:

- (a) resulting from conducting a Business;
- (b) occurring after your Premises:
 - (1) has been Vacant for more than 30 consecutive days unless the occupancy noted on your Policy Declaration states "Vacant";
 - (2) is Under Construction or Under Renovation unless the occupancy noted on your Policy Declaration states "Under Construction" or "Under Renovation";
- (c) resulting from lawful seizure or confiscation;
- (d) caused by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism, except for ensuing loss or damage which results directly from fire or explosion of natural, coal, or manufactured gas;
- (e) caused by a nuclear incident insured under the Price-Anderson Act, or under a nuclear energy liability policy issued by the American Nuclear Insurers, the Nuclear Energy Liability Insurance Association, the

Mutual Atomic Energy Liability Underwriters, the Nuclear Insurance Association of Canada, or any other group or pool of insurers;

- (f) caused by contamination from radioactive material;
- (g) arising out of the actual or threatened discharge, dispersal, release or escape of Pollutants, including the actual or threatened discharge of fuel oil used to heat the Premises, whether above or below ground;
- (h) caused by wear and tear, deterioration, defect or mechanical breakdown, rust or corrosion, extremes of temperature, wet or dry rot, fungi, spores, bacteria or mold, condensation, acid rain, smog or contamination;
- (i) caused by volcanic activity, earthquake, snowslide, landslide, subsidence or other earth movement;
- (j) due to settling, sinking, expansion, contraction, moving, bulging, buckling or cracking of any Building or Detached Structures;
- (k) to make good faulty design, material or workmanship;
- (l) caused by birds, bats, vermin, racoons, skunks, rodents or insects; or,
- (m) caused by, resulting from or consisting of the:
 - (1) electrical or electronic breakdown; or,
 - (2) rupture, bursting, bulging, implosion or steam explosion;of any boilers, fired or unfired pressure vessels, vacuum vessels, pressure piping, mechanical equipment, electrical equipment, electronic equipment or fiber optic equipment.

6.2.2 Water damage exclusions.

Your Policy does not insure loss or damage directly or indirectly:

- (a) caused in whole or part by Flood, regardless of any other cause or event that contributes to the loss or damage;
- (b) caused by ground water or rising of the water table;
- (c) caused by gradual, continuous or repeated seepage, condensation, or leakage of water or steam over a period of time;
- (d) caused by water that occurs when your Premises is Vacant, even if you have advised the Insurer that it is Vacant;
- (e) caused by freezing of a plumbing, heating or cooling system or an appliance that uses or holds water unless:
 - (1) the loss or damage occurs within a heated portion of a Building or Detached Structure insured under this Policy; and
 - (2) while you or your tenants are away from the Premises for more than seven (7) consecutive days for any reason other than receiving emergency medical treatment, you or your tenant:
 - (i) shut off the water supply and drain both the plumbing system and any appliances that use or hold water; or
 - (ii) make arrangements to ensure the heat is maintained at an acceptable level; or
- (f) caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to fence, pavement, patio, swimming pool and equipment, foundation, retaining wall, bulkhead, pier, wharf, dock, bridge or Watercraft; or
- (g) caused by waterborne objects, whether driven by wind or not, unless the loss or damage occurs to Watercraft.

6.3 Liability Exclusions

These additional exclusions apply to all Liability Coverages (as described in Section 5) of this Policy.

6.3.1 General exclusions.

Your Policy does not insure loss, damage or liability directly or indirectly resulting from:

- (a) or in any way involving a swimming pool diving board, slide, or similar structure, regardless of cause;
- (b) or in any way involving a trampoline, regardless of cause;
- (c) or caused by the actions of any animal or the negligent supervision of any animal by an Insured;
- (d) Terrorism or any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism;
- (e) a nuclear incident insured under the Price-Anderson Act, or under a nuclear energy liability policy issued by the American Nuclear Insurers, the Nuclear Energy Liability Insurance Association, the Mutual Atomic Energy Liability Underwriters, the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
- (f) your assumption by contract unless your legal liability would have applied if no contract had been in force;
- (g) the ownership, use or operation of any aircraft or premises used as an airport or landing facility, and all activities related to either;
- (h) your transmission of any communicable disease;
- (i) sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment, by you, at your direction, or with your knowledge;
- (j) your failure to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
- (k) the transmission of Electronic Data;
- (l) libel, slander, defamation, invasion of privacy, mental anguish or injury, false arrest or imprisonment, wrongful detention, wrongful entry or eviction, malicious prosecution or humiliation;
- (m) the discharge, dispersal, release or escape of Pollutants;
- (n) any governmental direction or request that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants; or
- (o) fungi, spores, bacteria or mold.

7 Policy Deductibles

This section describes how deductibles apply to loss or damage insured under this Policy. It is important to note that each Occurrence is subject to one of the deductibles described below. The deductible amounts are specified on your Policy Declaration. Payment for loss or damage insured under your Policy will be reduced by the applicable deductible amount. Deductibles do not apply to coverage provided under Section 5 of your Policy.

7.1 Standard Deductible

For loss or damage insured under this Policy due to loss types not described elsewhere in this Section, the Standard Deductible as specified on your Policy Declaration applies per Occurrence.

7.2 Sewer Backup Deductible

For loss or damage directly or indirectly resulting from Sewer Backup insured under this Policy, the Sewer Backup Deductible as specified on your Policy Declaration applies per Occurrence.

7.3 Wind and Hail Deductible

For loss or damage directly or indirectly resulting from wind and hail insured under this Policy, the Wind and Hail Deductible as specified on your Policy Declaration applies per Occurrence.

8 Additional Conditions

This section describes the Policy Conditions, Liability Conditions, Special Conditions (required by the Arizona Department of Insurance), and the Lender's Loss Payable Endorsement (if applicable) that apply to this Policy.

8.1 Policy Conditions

The following conditions apply to all sections of this Policy.

8.1.1 Your duties to maintain policy limits.

It is your sole responsibility to propose and then maintain adequate amounts of insurance on your Building, Detached Structures and all other policy coverages. We will provide and adjust annually, either up or down, an estimate of the Replacement Cost based upon general factors for your area supplied to us by appraisal agencies. We do not guarantee that the limits quoted, offered, selected or adjusted annually will be sufficient to rebuild your Building, Detached Structures, or other insured property. The estimate we provide may not reflect unique features of your Building, Detached Structures, or other insured property. Alterations to your property may result in significant changes in Replacement Cost. Rebuilding costs may rise substantially in the event of regional mass disasters. In the event that you do not agree with the limits or annual adjustments we suggest, you may obtain an appraisal or contractor estimate which we will consider, but are not obligated to accept. Higher coverage amounts to which we agree will result in higher premiums.

You will be notified with each renewal of your policy of the new amount of coverage. Payment of your renewal is all that is necessary to indicate your acceptance of the new amount.

8.1.2 Policy period.

- (a) This Policy applies only to loss which occurs during the Policy period.
- (b) The effective time of this Policy is the later of:
 - (1) 12:01 A.M. Standard Time at the Premises; or
 - (2) at the time this Policy was purchased.

8.1.3 Insurable interest and limit of liability.

Each Insured is a separate Insured but this does not increase the limits of insurance under this Policy for any one Occurrence regardless of the number of Insureds affected.

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- (a) to an Insured for more than the amount of such Insured's interest at the time of loss; or
- (b) for more than the applicable limit of liability.

8.1.4 Duties after loss.

In case of a loss to covered property, we have no duty to provide coverage under this policy if you fail to comply with the following duties and your failure to comply is prejudicial to us. You, an Insured seeking coverage, or a representative of either must perform the following duties:

- (a) Give prompt notice to Square One Insurance Inc. and/or the Insurer;
- (b) File a police report if the cause of loss is theft, burglary, robbery vandalism, or malicious mischief, including a list of all property stolen or damaged;
- (c) Protect the property from further damage. If repairs to the property are required, you must:
 - (1) make reasonable and necessary repairs to protect the property; and

- (2) keep an accurate record of repair expenses;
- (d) Cooperate with us in the investigation of a claim;
- (e) Prepare an inventory of damaged personal property showing the quantity, description, Actual Cash Value and amount of loss. Attach all bills, receipts, and related documents that justify the figures in the inventory;
- (f) As often as we reasonably require:
 - (1) show the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examinations under oath and subscribe the same. We may examine an Insured separately and apart from the presence of any other Insured.
- (g) Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) the interests of all Insureds and all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the Policy;
 - (5) specifications of damaged Buildings and detailed repair estimates;
 - (6) the inventory of damaged personal property described in (e) above; and
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.

8.1.5 Subrogation.

An Insured may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an Insured must sign and deliver all related papers and cooperate with us.

8.1.6 Policy administration.

- (a) Policy changes.
 - (1) The insurer reserves the right to make changes to the terms of your insurance coverage by advising you thirty (30) days in advance of your policy's annual anniversary date. Such changes may include, but are not limited to, the coverages, limits, deductibles, rates, terms, exclusions, and/or conditions under this Policy. Any adjustment to premiums will be automatically reflected on your billing plan once the changes take effect and a new Policy, which replaces this Policy, will be issued. Payment of the premium billed by us for the replacement Policy will be your acceptance of any changes.
 - (2) You may request changes to this Policy at any time. Such changes are subject to the Insurer's prior approval.
 - (3) This policy contains all agreements between You and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of the change.

- (b) Policy renewal.

This policy is continuous until cancelled or replaced in accordance with Section 8.1.6(a).

8.1.7 Policy cancellation.

- (a) You may request to cancel this Policy at any time. The First Named Insured on the Policy Declaration must authorize cancellation. Square One Insurance Inc. and/or the Insurer may require this authorization to be provided in writing.
- (b) We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you at the email address you have

provided to us, or mailed to you at your mailing address shown in the Policy Declaration. Proof of delivery or mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 20 days before the date cancellation takes effect.
- (3) When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - i. if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue the Policy; or
 - ii. if the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- (c) When this policy is canceled, a refund will be provided for the excess premium paid over the pro-rata premium for the expired time. This refund is subject to a \$75 minimum retained premium for the first policy year.
- (d) If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

8.1.8 Nonrenewal.

We may elect not to renew this Policy. We may do so by delivering to you at the email address you have provided to us, or mailing to you at your mailing address shown in the Policy Declaration, written notice of at least thirty (30) days before the annual anniversary date of this Policy. Proof of delivery or mailing will be sufficient proof of notice.

8.1.9 Other insurance and service agreement.

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

- (a) other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
- (b) a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

8.1.10 Appraisal.

If you and we fail to agree on the amount, cause or extent of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser with 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Premises is located. The appraisers will separately set the amount, cause or extent of the loss. If the appraisers submit a written report of an agreement to us, the amount, cause or extent agreed upon will be the amount, cause or extent of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount, cause or extent of the loss.

Each party will:

- (a) pay its own appraiser; and
- (b) bear the other expenses of the appraisal and umpire equally.

8.1.11 Suit against us.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within one year after the date of loss.

8.1.12 Our option.

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality. At our option, we may take all or any part of the property at the agreed or appraised value.

8.1.13 Loss payment.

We will adjust all losses with you. We will pay you unless some other person is named in the Policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- (a) reach an agreement with you;
- (b) there is an entry of a final judgment; or
- (c) there is a filing of an appraisal award with us.

8.1.14 Abandonment of property.

We need not accept any property abandoned by an Insured.

8.1.15 Mortgage clause.

- (a) If a mortgagee is named in this Policy, any loss payable under Section 3 "Property Coverages" will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
- (b) If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - (1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - (2) pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - (3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs 8.1.10 Appraisal, 8.1.11 Suit against us and 8.1.13 Loss payment under section 8.1 Policy Conditions also apply to the mortgagee.
- (c) If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
- (d) If we pay the mortgagee for any loss and deny payment to you:
 - (1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - (2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
- (e) Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

8.1.16 No benefit to bailee.

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

8.1.17 Recovered property.

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

8.1.18 Concealment or fraud.

- (a) With respect to loss caused by fire, we will cancel your policy and will not provide coverage to an Insured who has:
 - (1) intentionally concealed or misrepresented any material fact or circumstance;

- (2) engaged in fraudulent conduct; or
 - (3) made false statements;
- relating to this insurance.

(b) With respect to loss caused by a peril other than fire, we will cancel your policy and will not provide coverage to an Insured under this policy, if whether before or after a loss an Insured has:

- (1) intentionally concealed or misrepresented any material fact or circumstance;
 - (2) engaged in fraudulent conduct; or
 - (3) made false statements;
- relating to this insurance.

8.1.19 Loss payable clause.

If the Policy Declaration shows a loss payee for certain listed insured property other than the Building, the definition of Insured is changed to include that loss payee with respect to that property. If we decide to cancel or not renew this Policy, that loss payee will be notified in writing.

8.1.20 Waiver or change of Policy provisions.

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

The coverage provided and the premium charged are based upon information you have given us. You agree to cooperate with us in determining if this information is correct and complete and to inform us of any change in title, use or occupancy of the Premises.

You agree that, if within 60 days of the Policy effective date this information changes, is incorrect or incomplete, we may adjust your coverage and premium accordingly by giving you notice. This notice may be delivered to you, mailed to you at your mailing address shown in the Policy Declaration, or sent to you as an electronic communication. The notice will contain the changed, incorrect or incomplete information along with the resulting premium change.

8.1.21 Conformity to statutes.

If the provisions of this Policy conflict with the statutes of the state in which the Premises is located, the provision(s) are amended to conform to such statutes.

8.2 Liability Conditions

The following conditions apply to all Liability Coverages (as described in Section 5) of this Policy.

8.2.1 Limit of liability.

Our total liability under Section 5: Liability Coverages for all damages resulting from any one Occurrence will not be more than the Section 5 limits of liability shown in the Policy Declaration. This limit is the same regardless of the number of Insureds, claims made or persons injured. All Bodily Injury and Property Damage resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one Occurrence.

8.2.2 Severability of insurance.

This insurance applies separately to each Insured. This condition will not increase our limit of liability for any one Occurrence.

8.2.3 Duties after an Occurrence.

In case of an Occurrence, you or another Insured will perform the following duties that apply. We have no duty to provide coverage under this Policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

- (a) Give written notice to Square One Insurance Inc. and/or the Insurer as soon as is practical, which sets forth:
 - (1) the identity of the Policy and the Named Insured shown in the Policy Declaration;
 - (2) reasonably available information on the time place and circumstances of the Occurrence; and
 - (3) names and addresses of any claimants and witnesses;
- (b) Cooperate with us in the investigation, settlement or defense of any claim or suit;
- (c) Promptly forward to us every notice, demand, summons or other process relating to the Occurrence;
- (d) At our request, help us:
 - (1) to make settlement;
 - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an Insured;
 - (3) with the conduct of suits and attend hearings and trials; and
 - (4) to secure and give evidence and obtain the attendance of witnesses;
- (e) No Insured shall, except at such Insured's own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the Bodily Injury.

8.2.4 Suit against Us.

- (a) No action can be brought against us unless there has been full compliance with all of the terms under this Policy.
- (b) No one will have the right to join us as a party to any action against an Insured.
- (c) No action with respect to Personal Liability coverage or Premises Liability coverage can be brought against us until the obligation of such Insured has been determined by final judgment or agreement signed by us.
- (d) No suit or action with respect to Personal Liability coverage or Premises Liability coverage shall be sustainable in any court of law or equity unless commenced within two years following the date of an Occurrence.

8.2.5 Bankruptcy of an Insured.

Bankruptcy or insolvency of an Insured will not relieve us of our obligations under this Policy.

8.2.6 Other insurance.

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this Policy.

8.2.7 Policy period.

This Policy applies only to Bodily Injury or Property Damage which occurs during the Policy period.

8.2.8 Concealment or fraud.

We will cancel your Policy and will not provide coverage to an Insured who, whether before or after a loss, has:

- (a) intentionally concealed or misrepresented any material fact or circumstance;
 - (b) engaged in fraudulent conduct; or
 - (c) made false statements;
- relating to this insurance.

8.3 Arizona Special Provisions

Definition 2.1 is deleted and replaced by the following:

2.1 Actual Cash Value means the amount it would currently cost to repair or replace covered property with new material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

The following definition is added:

2.49 Wildfire means any wildland or brush fire that occurs on public or private land and is either:

- (a) an unplanned ignition caused by, but not limited to, lightning, volcanoes, escaped prescribed fires, and unauthorized or accidental human-caused fires; or
- (b) a planned ignition caused by, but not limited to, a hand-held mechanical or aerial device.

Sections 3.3.4(b)(4), 3.4.4(b)(4) and 3.10.3(b)(4) for charges resulting from a fire department attending Your Premises are deleted from this Policy.

Section 6.1.1(a) is deleted and replaced by the following:

6.1.1 General exclusions.

Your Policy does not insure loss, damage or liability directly or indirectly as a result of:

- (a) any loss arising out of any act the Insured commits or conspires to commit with the intent to cause a loss. However:
 - (1) This exclusion will not apply to deny an Insured's claim for an otherwise covered property loss under this policy if such loss is caused by an act of domestic violence by another Insured under this policy and the Insured making the claim:
 - (i) did not cooperate in or contribute to the creation of the loss; and
 - (ii) cooperates in any investigation relating to the loss.We may apply reasonable standards of proof for such claims.
 - (2) If we pay a claim pursuant to paragraph 8.3.3(b) above, our payment to the Insured is limited to that Insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the limit of liability.

Section 6.2.1(b)(1) is deleted and replaced by the following:

6.2.1 General exclusions.

Your Policy does not insure loss or damage directly or indirectly:

- (b) occurring after your Premises:
 - (1) has been Vacant for more than sixty (60) consecutive days unless the occupancy noted on your Policy Declaration states "Vacant", for the perils of fire, lightning, and by removal from premises endangered by fire or lightning;

The following clause is added to Section 6.2.1(b):

6.2.1 General exclusions.

Your Policy does not insure loss or damage directly or indirectly:

- (b) occurring after your Premises:
 - (3) has been Vacant for more than thirty (30) consecutive days unless the occupancy noted on your Policy Declaration states "Vacant", for all perils other than fire, lightning, and by removal from premises endangered by fire or lightning;

8.1.4(a) is deleted and replaced by the following:

8.1.4 Duties after loss.

In case of a loss to covered property, we have no duty to provide coverage under this policy if you fail to comply with the following duties and your failure to comply is prejudicial to us. You, an Insured seeking coverage, or a representative of either must perform the following duties:

- (a) Give us prompt notice.
 - (1) With respect to a loss caused by the windstorm or hail, that notice must occur no later than one year after the date of loss.
 - (2) With respect to a loss caused by smoke, soot or ash, which result from a Wildfire, that notice must occur no later than one (1) year after the date that the wildfire is officially declared extinguished. We will pay no more than \$2,500 for all damages caused by smoke, soot or ash, which result from Wildfire.

8.1.16(b) is deleted.

8.1.7(b) is deleted and replaced by the following:

8.1.7 Policy cancellation.

- (b) We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you at the email address you have provided to us, or mailed to you at your mailing address shown in the Policy Declaration. Proof of delivery or mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (i) if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;
 - (ii) if the risk has changed substantially since the policy was issued, except to the extent that the insurer should reasonably have foreseen the change or contemplated the risk in writing the policy; or
 - (ii) if you fail to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

8.1.8 is deleted and replaced by the following:

8.1.8 Nonrenewal.

We may elect not to renew this policy. We may do so by delivering to you at the email address you have provided to us, or mailing to you at your mailing address shown in the Policy Declaration, written notice at least thirty (30) days before the annual anniversary date. Proof of delivery or mailing will be sufficient proof of notice.

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

This provision will not apply and this Policy will terminate:

- (a) on the anniversary date, if you have agreed to nonrenewal; or
- (b) on the effective date of any other insurance policy, if you have accepted the other policy and it was issued as a replacement for this insurance.

8.1.5 the following paragraph is added:

8.1.5 Subrogation.

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

All other provisions of this Policy apply.

8.4 Lender's Loss Payable Endorsement

- 8.4.1 Loss or damage, if any, under this policy shall be paid to the lienholder named in the declarations, its successors and assigns, hereinafter referred to as "the Lender". The Lender will be paid in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
- 8.4.2 The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
 - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
 - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; or
 - (c) by any breach of warranty, ad, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omission of the Lender while exercising active control and management of the property.
- 8.4.3 In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, "we" agree to give written notice to the Lender of such nonpayment of premium between sixty (60) days before and one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by "us" of the failure of the insured to pay such premium shall pay or cause to be paid the premium when due within ten (10) days following receipt of "our" demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

- 8.4.4 Whenever "we" shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, "we" at "our" option, may pay the Lender the whole principal sum and interest and other indebtedness to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and "we", to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
- 8.4.5 If there be any other insurance upon the within described property, "we" shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause of Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate "us" (prorate with all other insurers contributing to said payment) to all of the Lenders rights of contribution under said other insurance.
- 8.4.6 "We" reserve the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and will then cease.
- 8.4.7 This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lenders Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
- 8.4.8 Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or agents, insurance under this policy shall continue for the term thereof to the benefit of the Lender but, in such event, any privileges stated by this Lenders Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder in respect to such property.
- 8.4.9 All notices herein provided to be given by "us" to the Lender in connection with this policy and this Lenders Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch as stated on the declaration page.
- 8.4.10 The deductible for any payment made to the Lender under the terms of this endorsement shall be \$500, regardless of the policy deductible stated on the policy declarations page. However, the deductible will not be changed in the event a special deductible for earthquake, windstorm, hurricane or hail losses is applicable to the loss or damage.

All other terms and conditions of the policy remain unchanged.

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Endorsement 300: Identity Theft Resolution and Expense Reimbursement Services

This Endorsement changes your Policy. **Please read it carefully, and contact us if you have any questions or concerns.**

1 Insuring Agreement

We have partnered with Cyberscout to provide Resolution Services (as defined) if your identity has been stolen. If you become a victim of identity theft, please contact Cyberscout at 855.880.2189 to be connected to a fraud specialist, who will guide you through the resolution process to help restore your identity.

Coverage for Identity Theft Resolution and Expense Reimbursement Services is subject to a \$25,000 limit per occurrence. The most we will pay in any one policy period is \$50,000, providing coverage for no more than two (2) Identity Theft Expense losses that are discovered during any one policy period. No deductible applies to this coverage.

2 Definitions

With respect to the provisions of this Endorsement only, the following definitions are added:

2.1 Expenses means reimbursement of expenses incurred for:

- (a) costs for:
 - (1) notarizing required fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies;
 - (2) certified mail sent to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
 - (3) long distance phone calls;
 - (4) day care and elder care; and
 - (5) loan application fees for reapplying for a loan;
- (b) lost wages as a result of time taken off work to report or address the effects of Identity Theft (as defined);
- (c) lost wages due to an Insured's wrongful incarceration arising solely from someone else having committed a crime in the Insured's name; and
- (d) reasonable attorney fees incurred for:
 - (1) the defense of lawsuits brought against the Insured by merchants or their collection agencies; or
 - (2) removal of any criminal or civil judgments wrongly entered against an Insured.

2.2 Identity Theft means the use of an Insured's name, address, social security number (SSN) or other identifying information with the Insured's knowledge, to commit fraud or other crimes that are in violation of federal law or a felony under any applicable state or local law(s).

2.3 **Resolution Services** means professional recovery services from a fraud specialist supplied by Cyberscout.

3 Identity Theft Coverages

With respect to the provisions of this Endorsement only: this section describes the insurance available to you in the event of an occurrence of Identity Theft:

3.1 Loss or damage insured.

This coverage insures, subject to the limitations and exclusions of this Endorsement:

- (a) costs for:
 - (1) notarizing required fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies;
 - (2) certified mail sent to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
 - (3) long distance phone calls;
 - (4) day care and elder care; and
 - (5) loan application fees for reapplying for a loan;
- (b) lost wages:
 - (1) as a result of time taken off work to report or address the effects of Identity Theft; and
 - (2) lost wages due to an Insured's wrongful incarceration arising solely from someone else having committed a crime in the Insured's name;up to a maximum of \$1,000 per week for a maximum period of five (5) weeks; and
- (c) reasonable attorney fees incurred for:
 - (1) the defense of lawsuits brought against the Insured by merchants or their collection agencies; and
 - (2) the removal of any criminal or civil judgments wrongly entered against an Insured.

3.2 Loss or damage not insured.

This coverage does not insure:

- (a) loss arising out of Business pursuits of any insured;
- (b) Expenses incurred due to any fraudulent, dishonest or criminal act(s) by the Insured. This also applies to any person acting in concert with the Insured, or by any authorized representative of the Insured, whether acting alone or in collusion with others;
- (c) loss other than Expenses or Resolution Services; or
- (d) lost wages for wrongful incarceration if the charges are not dropped or if any Insured is not acquitted.

3.3 Your duties after loss.

The following is added to section 8.1.4 Duties after loss:

- (h) Provide receipts, bills or other records that support your claim for Expenses under Identity Theft coverage.

Endorsement 500: Equipment Breakdown Coverage

This Endorsement changes your Policy. **Please read it carefully, and contact us if you have any questions or concerns.**

This Endorsement modifies: Section 1, Insuring Agreement; Section 2, Definitions; Section 3.1.2, Loss or damage insured; Section 3.1.3(a), Loss or damage not insured; Section 3.1.4, Basis of loss payment; Section 3.2.3, Loss or damage insured; Section 3.2.4(a), Loss or damage not insured; Section 3.2.5, Basis of loss payment; Section 3.3.3(g), Property not insured unless additional coverage has been purchased; Section 3.3.4, Loss or damage insured; Section 3.3.5, Loss or damage not insured; Section 3.3.6, Basis of loss payment; Section 4.1.2, Loss or damage not insured; Section 4.2.2(a), Loss or damage not insured and, Section 6.2.1(h), General exclusions of the attached Policy. This Endorsement adds coverage for loss or damage caused by an Equipment Breakdown.

Coverage for Equipment Breakdown is subject to a \$100,000 limit and a \$500 deductible per occurrence.

The following definitions are added to Section 2:

2.50 Equipment Breakdown means physical loss or damage, both originating within:

- (a) boilers, fired or unfired pressure vessels, vacuum vessels and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - (1) waste disposal piping;
 - (2) any piping forming part of a fire protective system; or
 - (3) any water piping other than:
 - (i) boiler feed water piping between the feed pump and the boiler;
 - (ii) boiler condensate return piping; or
 - (iii) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes; and
- (b) all mechanical, electrical, electronic or fiber optic equipment; and
- (c) physical loss or damage caused by, resulting from or consisting of:
 - (1) mechanical breakdown;
 - (2) electrical or electronic breakdown; or
 - (3) rupture, bursting, bulging, implosion or steam explosion.

Equipment Breakdown does not mean physical loss or damage caused by, resulting from or consisting of any of the following:

- (a) wear and tear;
- (b) rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
- (c) smog;
- (d) setting, cracking, shrinking or expansion;

- (e) nesting or infestation, or discharge or release of waste products or secretions by birds, rodents or other animals;
- (f) any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition; interpretation; calculation; comparison; differentiation; sequencing; or processing of data by any computer system. This includes any hardware, programs or software;
- (g) scratching and marring; or
- (h) loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of: fire; lightning; combustion explosion; windstorm or hail; weight of snow; ice or sleet; freezing; falling objects; smoke; aircraft or vehicles; riot or civil commotion; vandalism; sinkhole collapse; volcanic action; leakage from fire extinguishing equipment; water; water damage; earth movement and flood.

However, if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

2.51 Green as used herein means:

- (a) products;
- (b) materials;
- (c) methods; and
- (d) processes;

which have been certified by a Green Authority. They must conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

2.52 Green Authority as used herein means an authority on Green:

- (a) buildings;
- (b) products;
- (c) materials;
- (d) methods; or
- (e) processes;

which have been certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized Green rating system.

The following clauses are added to Section 3.1.2:

3.1 Building

3.1.2 Loss or damage insured.

- (g) Equipment Breakdown;
- (h) reasonable expenses to make temporary repairs, expedite permanent repairs or expedite permanent replacement when loss or damage caused by an Equipment Breakdown, to a maximum payment of \$10,000 per occurrence for loss covered under Building, Detached Structures and Personal Property; and
- (i) up to an additional fifty percent (50%), per occurrence for loss covered under Building, Detached Structures and Personal Property caused by an Equipment Breakdown, of what the cost would have been to repair or replace that part of your Personal Property with like kind and quality, inclusive of costs for:
 - (1) repair or replacement of the property attached to the Building that is better for the environment, safer, or more efficient than the property being repaired or replaced;
 - (2) reasonable and necessary costs incurred for an accredited professional, certified by a Green Authority, to participate in the repair or replacement of damaged property attached to the Building as Green;

- (3) reasonable and necessary costs incurred for certification or recertification of the repaired or replaced damaged property attached to the Building as Green;
- (4) reasonable and necessary costs for Green removal, disposal or recycling damaged property attached to the Building; and
- (5) the Loss of Use, if applicable, for the additional time required for repair or replacement of Green damaged property attached to the Building.

Section 3.1.3(a) is deleted and replaced with the following:

3.1.3 Loss or damage not insured.

- (a) loss or damage excluded in Section 6, except 6.2.1 General Exclusions (m) does not apply;

The following clause is added to Section 3.1.4:

3.1.4 Basis of loss payment.

- (d) For loss or damage caused by Equipment Breakdown, payment will be made on a Replacement Cost basis of the following:
 - (1) the cost, at the time of the loss, to replace the part of the damaged covered property, without deduction for depreciation;
 - (2) the cost, at the time of the loss, to repair the damaged covered property; or
 - (3) the amount you actually spend that is necessary to repair or replace the damaged covered property.

The following clauses are added to Section 3.2.3:

3.2 Detached Structures

3.2.3 Loss or damage insured.

- (d) Equipment Breakdown;
- (e) reasonable expenses to make temporary repairs, expedite permanent repairs or expedite permanent replacement when loss or damage caused by an Equipment Breakdown, to a maximum payment of \$10,000 per occurrence for loss covered under Building, Detached Structures and Personal Property; and
- (f) up to an additional fifty percent (50%), per occurrence for loss covered under Building, Detached Structures and Personal Property caused by an Equipment Breakdown, of what the cost would have been to repair or replace that part of your Personal Property with like kind and quality, inclusive of costs for:
 - (1) repair or replacement of the property attached to the Detached Structure that is better for the environment, safer, or more efficient than the property being repaired or replaced;
 - (2) reasonable and necessary costs incurred for an accredited professional, certified by a Green Authority, to participate in the repair or replacement of damaged property attached to the Detached Structure as Green;
 - (3) reasonable and necessary costs incurred for certification or recertification of the repaired or replaced damaged property attached to the Detached Structure as Green;
 - (4) reasonable and necessary costs for Green removal, disposal or recycling damaged property attached to the Detached Structure; and

- (5) the Loss of Use, if applicable, for the additional time required for repair or replacement of Green damaged property attached to the Detached Structure.

Section 3.2.4(a) is deleted and replaced with the following:

3.2.4 Loss or damage not insured.

- (a) loss or damage excluded in Section 6, except 6.2.1 General Exclusions (m) does not apply;

The following clause is added to Section 3.2.5:

3.2.5 Basis of loss payment.

- (c) For loss or damage caused by Equipment Breakdown, payment will be made on a Replacement Cost basis of the following:
 - (1) the cost, at the time of the loss, to replace the part of the damaged covered property, without deduction for depreciation;
 - (2) the cost, at the time of the loss, to repair the damaged covered property; or
 - (3) the amount you actually spend that is necessary to repair or replace the damaged covered property.

Section 3.3.3(g) is deleted and replaced with the following:

3.3 Personal Property

3.3.3 Property not insured unless additional coverage has been purchased.

- (g) Landscaping, Fences and Gardening Equipment, excluding garden type tractors, lawn mowers and snow removal equipment, which are insured for Equipment Breakdown only;

The following clauses are added to Section 3.3.4:

3.3.4 Loss or damage insured.

- (c) Equipment Breakdown;
- (d) reasonable expenses to make temporary repairs, expedite permanent repairs or expedite permanent replacement when loss or damage caused by an Equipment Breakdown, to a maximum payment of \$10,000 per occurrence for loss covered under Building, Detached Structures and Personal Property;
- (e) loss of perishable personal property due to spoilage when loss or damage caused by an Equipment Breakdown, to a maximum payment of \$10,000 per occurrence; and
- (f) up to an additional fifty percent (50%), per occurrence for loss covered under Building, Detached Structures and Personal Property caused by an Equipment Breakdown, of what the cost would have been to repair or replace that part of your Personal Property with like kind and quality, inclusive of costs for:
 - (1) repair or replacement of Personal Property that is better for the environment, safer, or more efficient than the Personal Property being repaired or replaced;
 - (2) reasonable and necessary costs incurred for an accredited professional, certified by a Green Authority, to participate in the repair or replacement of damaged Personal Property as Green;
 - (3) reasonable and necessary costs incurred for certification or recertification of the repaired or replaced Personal Property as Green;

- (4) reasonable and necessary costs for Green removal, disposal or recycling of Personal Property; and
- (5) the Loss of Use, if applicable, for the additional time required for repair or replacement of Green Personal Property.

Section 3.3.5 is deleted and replaced with the following:

3.3.5 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6, except 6.2.1 General Exclusions (m) does not apply;

The following clause is added to Section 3.3.6:

3.3.6 Basis of loss payment.

- (e) For loss or damage caused by Equipment Breakdown, payment will be made on a Replacement Cost basis of the following:
 - (1) the cost, at the time of the loss, to replace the part of the damaged covered property, without deduction for depreciation;
 - (2) the cost, at the time of the loss, to repair the damaged covered property; or
 - (3) the amount you actually spend that is necessary to repair or replace the damaged covered property.

Section 4.1.2 is deleted and replaced with the following:

4.1 Additional Living Expenses

4.1.2 Loss or damage not insured.

This coverage does not insure loss or damage excluded in Section 6, except 6.2.1 General Exclusions (m) does not apply;

Section 4.2.2(a) is deleted and replaced with the following:

4.2 Rental Income

4.2.2 Loss or damage not insured.

- (a) lost rental income due to loss or damage excluded in Section 6, except 6.2.1 General Exclusions (m) does not apply;

Section 6.2.1(h) is deleted and replaced with the following:

6.2 Property and Loss of Use Exclusions

6.2.1 General exclusions.

- (h) caused by wear and tear, deterioration, defect, rust or corrosion, extremes of temperature, wet or dry rot, fungi, spores, bacteria or mould, condensation, acid rain, smog or contamination;

Endorsement 510: Service Line Coverage

This Endorsement changes your Policy. **Please read it carefully. Contact us if you have any questions or concerns.**

This Endorsement modifies: Section 1, Insuring Agreement; Section 2, Definitions; Section 3.1.1, Property insured; Section 3.1.2, Loss or damage insured; Section 3.1.3, Loss or damage not insured; Section 3.1.4, Basis of loss payment; and, Section 6.2.1(h), General exclusions. This Endorsement adds coverage for loss or damage caused by a Service Line Occurrence (as defined).

Service Line Coverage is subject to a \$10,000 limit and a \$500 deductible per Service Line Occurrence (as defined).

The following definitions are added to Section 2:

2.50 Green as used herein means:

- (a) products;
- (b) materials;
- (c) methods; and
- (d) processes;

which have been certified by a Green Authority. They must; conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

2.51 Green Authority as used herein means an authority on Green:

- (a) buildings;
- (b) products;
- (c) materials;
- (d) methods; or
- (e) processes;

which have been certified and accepted by; Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized Green rating system.

2.52 Service Line Covered Property as used herein means any underground piping or wiring that provides the following services to the Building:

- (a) electrical power;
- (b) heating;
- (c) natural gas;
- (d) waste disposal;
- (e) compressed air;
- (f) water;
- (g) steam;

- (h) internet access;
- (i) telecommunications services;
- (j) wide area networks; or
- (k) data transmission.

Service Line Covered Property does not include any piping or wiring that is not underground.

2.53 Service Line Occurrence as used herein means loss or damage caused by:

- (a) wear and tear;
- (b) rust or other corrosion, decay, deterioration, hidden or latent defect;
- (c) collapse, but not including sinkhole or subsidence collapse;
- (d) electrical;
- (e) mechanical;
- (f) pressure systems breakdown; or
- (g) freeze.

Service Line Occurrence will only apply to those causes of loss listed.

The following clause is added to Section 3.1.1:

3.1 Building

3.1.1 Property insured.

- (e) Service Line Covered Property.

The following clauses are added to Section 3.1.2:

3.1.2 Loss or damage insured.

- (g) Service Line Occurrence;
- (h) reasonable expenses to make temporary repairs or expedite permanent repairs or replacement when loss or damage is caused by a Service Line Occurrence. Payment for these costs are part of the \$10,000 per occurrence limit;
- (i) expenses to excavate when loss or damage is caused by a Service Line Occurrence. This includes any outdoor property damaged during the excavation. Payment for these costs are part of the \$10,000 per occurrence limit; and
- (j) up to an additional fifty percent (50%) per occurrence, for loss covered under Building caused by a Service Line Occurrence, of what the cost would have been to repair or replace that part of your Service Line Covered Property with like kind and quality, inclusive of costs for:
 - (1) repair or replacement of the Service Line Covered Property that is better for the environment, safer, or more efficient than the property being repaired or replaced;
 - (2) reasonable and necessary costs incurred for an accredited professional, certified by a Green Authority, to participate in the repair or replacement of damaged Service Line Covered Property attached to the Building as Green;
 - (3) reasonable and necessary costs incurred for certification or recertification of the repaired or replaced damaged Service Line Covered Property as Green;
 - (4) reasonable and necessary costs for Green removal, disposal or recycling of the damaged Service Line Covered Property; and

- (5) the Loss of Use, if applicable, for the additional time required for repair or replacement of damaged green Service Line Covered Property.

Payment for these costs are part of the \$10,000 per occurrence limit.

Section 3.1.3(a) is deleted and replaced with the following:

3.1.3 Loss or damage not insured.

This coverage does not insure:

- (a) loss or damage excluded in Section 6, except a Service Line Occurrence;

The following clause is added to Section 3.1.4:

3.1.4 Basis of loss payment.

- (d) for loss or damage caused by a Service Line Occurrence, payment will be made on Replacement Cost basis of the following:
 - (1) the cost, at the time of the loss, to replace the part of the damaged Service Line Covered Property, without deduction for depreciation;
 - (2) the cost, at the time of the loss, to repair the damaged Service Line Covered Property; or
 - (3) the amount you actually spend that is necessary to repair or replace the damaged Service Line Covered Property.

Section 6.2.1(h) is deleted and replaced with the following:

6.2 Property and Loss of Use Exclusions

6.2.1 General exclusions.

- (h) caused by extremes of temperature, wet or dry rot, fungi, spores, bacteria or mould, condensation, acid rain, smog or contamination;