

MICHAEL D. SANCHEZ
6635 KEARNEY DR
RICHMOND TX 77469



CONIFER INSURANCE COMPANY
 HOMEOWNER DECLARATION PAGE – HO3

Policy Number: CHTX000758

Type: Renewal

Name of Insured and Mailing Address:

Michael David Sanchez
 6635 Kearney Dr
 Richmond, TX 77469

Agent Name and Address:

Kaizen Insurance Group
 19901 Southwest Frwy.
 Ste. 205
 Sugarland TX 77479
 Phone: (281) 239-8469

Agency Name and Address:

Sycamore Insurance Agency, Inc.
 550 W. Merrill St.
 Suite 200
 Birmingham, MI 48009
 Phone: (248) 559-0840

Effective Date: 10/25/2021

Expiration Date: 10/25/2022

12:01 AM Standard Time at the
 Insured's residence premises.

Location Address: 6635 KEARNEY DR RICHMOND, TX 77469		
Insurance is provided only with respect to those special limits of liability applicable thereto:		
Coverages	Limit of Liability	Premium
Section I Coverages		
Coverage A - Dwelling	\$194,140	\$1,385
Coverage B - Other Structures	\$18,300	
Coverage C – Personal Property	\$91,500	
Coverage D – Loss of Use	\$36,600	
Loss Assessment Coverage	\$1,000	Included
Ordinance or Law Coverage	10%	Included
Section II Coverages		
Coverage E – Personal Liability	\$100,000	Included
Coverage F – Medical Payments to Others	\$1,000	Included
	Base Premium	\$1,385
Homeowners Deductibles:		
All Other Perils:	\$1,941.40	Inspection Fee: \$0.00
Wind and Hail:	\$3,882.80	Policy Fee: \$50.00
Earthquake:	Excluded	Agency Fee: \$99.00
		Endorsement Premium: \$406.00
		Surplus Lines Tax: \$94.09
Minimum Earned Premium:	25%	Surplus Lines Fee: \$1.46
Broker Information: Nicholas J Petcoff		Total Annual Premium: \$2,035.55
Broker Name:	Nicholas Petcoff	
Address:	550 W. Merrill Street, Suite 200	
City:	Birmingham	
State:	Michigan	
Zip:	48009	

This declaration page with policy provisions and endorsements, if any, issued from a part, thereof, completes the above numbered homeowner's policy.

This insurance is issued pursuant to the TX Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the TX Insurance Guaranty



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Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.

Policy Number: CHTX000758 Effective Date: 10/25/2021

Homeowners Rating Information:		
Territory:11	County: Fort Bend	Year Built:1995
Protection Class: 2	Occupancy: Owner	Construction:MasonryVener

Schedule of Forms and Endorsements:

Number:	Description:	Premium:
CIHOTX00031000	CIHOTX0003 (10-00) HOMEOWNERS 3 - SPECIAL FORM	\$0.00
CIHOTX01420411	CIHOTX0142 (04-11) SPECIAL PROVISIONS - TEXAS	\$0.00
CIHOTXCBOR	CBOR - CONSUMER BILL OF RIGHTS	\$0.00
CIHOTXPRIV	PRIV - PRIVACY POLICY	\$0.00
CIHOTXNOTICE	NOTICE - TX SURPLUS LINES NOTICE TO INSURED	\$0.00
CIHOTX04961000	CIHOTX0496 (10-00) NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I - PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS	\$0.00
CIHOTX00140908	CIHOTX0014 (09-08) IMPORTANT FLOOD INSURANCE NOTICE	\$0.00
CIHOTX04331104	CIHOTX0433 (11-04) LIMITED FUNGUS(I), MOLD(S), SPORE(S), WET OR DRY ROT, BACTERIA, MILDEW OR YEAST COVERAGE	\$0.00
CIHOTX09WD1014	CIHOTX09WD (10-14) WATER DAMAGE EXCLUSION	\$0.00
CIH896440705	89644 (07-05) COVERAGE TERRITORY ENDORSEMENT	\$0.00
CIDPTX001340411	CIDPTX00134 (04-11) EXCLUSIONS FOR FAILURE TO HAVE OR MAINTAIN CENTRAL STATION ALARMS OR AUTOMATIC SPRINKLER SYSTEMS	\$0.00
CIDPTX00311104	CIDPTX0031 (11-04) TRAMPOLINE EXCLUSION	\$0.00
CIDPTX00861108	CIDPTX0086 (11-08) EXCLUSION OF WOOD FRAME CONSTRUCTION FROM COVERAGE B - OTHER STRUCTURES	\$0.00
CIHOTX00010706	CIHOTX0001 (07-06) ANIMAL EXCLUSION	\$0.00
CIHOTX001441008	CIHOTX00144 (10-08) FARM OPERATIONS EXCLUSION	\$0.00
CIHOTX001590309	CIHOTX00159 (03-09) OUTDOOR SWIMMING POOL OR OTHER SIMILAR BASIN - COVERAGE PROVIDED UNDER COVERAGE B AND EXCLUSION FOR FAILURE TO MAINTAIN PROPER WATER LEVEL	\$0.00
CIHOTX001670809	CIHOTX00167 (08-09) PLAYSET EXCLUSION ENDORSEMENT	\$0.00
CIHOTX001680909	CIHOTX00168 (09-09) SPECIFIC BUILDING MATERIALS EXCLUSION	\$0.00
CIHOTX001690909	CIHOTX00169 (09-09) INFLATION GUARD FOR COVERAGE A ONLY NOTICE	\$0.00
CIHOTX00320804	CIHOTX0032 (08-04) LEAKAGE OF POLLUTANTS FROM UNDERGROUND STORAGE TANKS EXCLUSION	\$0.00
CIHOTX00331104	CIHOTX0033 (11-04) SETTLING, CRACKING, BULGING, SHRINKAGE, OR EXPANSION EXCLUSION	\$0.00
CIHOTX00720505	CIHOTX0072 (05-05) SWIMMING POOL LIABILITY EXCLUSION	\$0.00
CIHOTX00770905	CIHOTX0077 (09-05) AVIATION EXCLUSION	\$0.00
CIHOTX00820406	CIHOTX0082 (04-06) MAXIMUM PAYABLE AMOUNT IF OTHER INSURANCE PROVIDES COVERAGE FOR PERIL NOT COVERED BY THIS POLICY	\$0.00
CIHOTX01031104	CIHOTX0103 (11-04) RESIDENCE PREMISES ONLY COVERAGE FOR COVERAGE E AND F	\$0.00
CIHOTX03120511	CIHOTX0312 (05-11) WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE	\$0.00
CIHOTX04351000	CIHOTX0435 (10-00) LOSS ASSESSMENT COVERAGE	\$0.00
CIHOTX05620401	CIHOTX0562 (04-01) ORDINANCE OR LAW COVERAGE	\$0.00
CIHOTX04062017	CIHOTX0406 (20-17) NON-STRUCTURAL HAIL LOSS	\$0.00



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CIHOTX09LWD0519	LIMITATION ENDORSEMENT	
28 TAC §1.601(a)(2)(B)	CIHOTX09LWD (05-19) LIMITED WATER DAMAGE COVERAGE	\$-14.00
	28 TAC §1.601(a)(2)(B) TEXAS COMPLAINT NOTICE	\$0.00

First Mortgagee:

Nationstar Mortgage LLC ISAOA
P.O. Box 7729
Springfield OH 45501-7729
Loan Number :

Second Mortgagee:

Houston Federal Credit Union
16320 Kensington Drive
Sugar Land TX 77479
Loan Number : 621288490

Countersigned Date: 10/25/2021
Countersigned at: Birmingham, MI
Date Issued: 10/25/2021

Authorized Representative:

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85% Surplus Lines Tax and .075% Texas Stamping Fee percent tax on gross premium.



CONIFER INSURANCE COMPANY
HOMEOWNER DECLARATION PAGE – HO3

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
 - a.** Liability for "bodily injury" or "property damage" arising out of the:
 - (1)** Ownership of such vehicle or craft by an "insured";
 - (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - (3)** Entrustment of such vehicle or craft by an "insured" to any person;
 - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
 - b.** For the purpose of this definition:
 - (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
 - (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
 - (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
 - (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.
 - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 - 3.** "Business" means:
 - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b.** Any other activity engaged in for money or other compensation, except the following:
 - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4)** The rendering of home day care services to a relative of an "insured".
 - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
 - 5.** "Insured" means:
 - a.** You and residents of your household who are:
 - (1)** Your relatives; or
 - (2)** Other persons under the age of 21 and in the care of any person named above;
 - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1)** 24 and your relative; or
 - (2)** 21 and in your care or the care of a person described in **a.(1)** above; or

c. Under Section II:

- (1)** With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2)** With respect to a "motor vehicle" to which this policy applies:
 - (a)** Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (b)** Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

- a.** The "residence premises";
- b.** The part of other premises, other structures and grounds used by you as a residence; and
 - (1)** Which is shown in the Declarations; or
 - (2)** Which is acquired by you during the policy period for your use as a residence;
- c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d.** Any part of a premises:
 - (1)** Not owned by an "insured"; and
 - (2)** Where an "insured" is temporarily residing;
- e.** Vacant land, other than farm land, owned by or rented to an "insured";
- f.** Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
- g.** Individual or family cemetery plots or burial vaults of an "insured"; or

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

7. "Motor vehicle" means:

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

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

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

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

10. "Residence employee" means:

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

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

11. "Residence premises" means:

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

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

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

DEDUCTIBLE

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

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

3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories **j.** and **k.** below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **j.**
- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **k.**

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;

- b. Animals, birds or fish;
- c. "Motor vehicles".
 - (1) This includes:
 - (a) Their accessories, equipment and parts; or
 - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.
The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".
 - (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service an "insured's" residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.10.** Landlord's Furnishings under Section **I** – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.
We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under **Section I – Property Coverages**; or

k. Water or steam.

D. Coverage D – Loss Of Use

The limit of liability for Coverage **D** is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** below.

1. Additional Living Expense

If a loss covered under **Section I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under **Section I** makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1. Additional Living Expense** and **2. Fair Rental Value** above for no more than two weeks.

4. Loss Or Expense Not Covered

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

The periods of time under **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** above are not limited by expiration of this policy.

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage **C**;
provided the tree(s):
- (3) Damage(s) a covered structure; or
- (4) Does not damage a covered structure, but:

(a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

(b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in **B.4.** under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or
 - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in **a.** above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under **a.(1)** or **(2)** above, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under **a.(3)** above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage **A**, other than:

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

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph **P**. Policy Period under Section **I** – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. With respect to this Additional Coverage:
- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
 - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
 - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

- (1) The Perils Insured Against named under Coverage **C**;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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

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

9. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage **C**, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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

11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

12. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage **C**.

This coverage does not increase the limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

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

- 1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**.
- 2. We do not insure, however, for loss:
 - a. Excluded under Section **I** – Exclusions;
 - b. Involving collapse, except as provided in **E.8.** Collapse under Section **I** – Property Coverages; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or

- (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or

- (6) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, vermin, rodents, or insects; or
 - (h) Animals owned or kept by an "insured".

Exception To c.(6)

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

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

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

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

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion **A.3. Water Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under **c.(5)** and **(6)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage **C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

9. Theft

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

(4) That occurs off the "residence premises" of:

(a) Trailers, semitrailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
 - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.11. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion A.1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion **A.2.** does not apply to loss by theft.

3. Water Damage

Water Damage means:

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

caused by or resulting from human or animal forces or any act of nature.

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

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

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

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

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **M. Nuclear Hazard Clause** under Section **I – Conditions**.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A, B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

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

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

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

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

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

B. Duties After Loss

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

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

In this Condition **C.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law** under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **C. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

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

Each party will:

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

F. Other Insurance And Service Agreement

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

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

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this policy and the action is started within two years after the date of loss.

H. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

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

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I** – Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. No Benefit To Bailee

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

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. Recovered Property

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

O. Volcanic Eruption Period

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

P. Policy Period

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

Q. Concealment Or Fraud

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

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

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

R. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B. 6.a., b., d., e. or h.**; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

- (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
- (c) Cross public roads at designated points to access other parts of the golfing facility; or
- (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion B.1. does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

- (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

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

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

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

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

2. "Business"

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

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

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

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

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

3. Professional Services

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

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

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

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

5. War

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

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

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

6. Communicable Disease

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

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

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

8. Controlled Substance

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

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

F. Coverage E – Personal Liability

Coverage **E** does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;

- b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
- a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;
 or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definitions **5.a.** or **b.**

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

- a. To repay; or
- b. Share damages with;

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

G. Coverage F – Medical Payments To Others

Coverage **F** does not apply to "bodily injury":

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

all whether controlled or uncontrolled or however caused; or
 - d. Any consequence of any of these; or
- 4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

A. Claim Expenses

We pay:

- 1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage **E** limit of liability. We need not apply for or furnish any bond;
- 3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
- 4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

- 1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section **I**;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion **e.(3)** does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

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

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** limit of liability shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

C. Duties After "Occurrence"

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

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

- c. With the conduct of suits and attend hearings and trials; and
- d. To secure and give evidence and obtain the attendance of witnesses;

- 5. With respect to **C. Damage To Property Of Others** under **Section II – Additional Coverages**, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
- 6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

- 1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
- 2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage F – Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

- 1. No action can be brought against us unless there has been full compliance with all of the terms under this **Section II**.
- 2. No one will have the right to join us as a party to any action against an "insured".
- 3. Also, no action with respect to **Coverage E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

H. Other Insurance

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

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

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

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

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

C. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(2) If the risk has changed substantially since the policy was issued.

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

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

E. Assignment

Assignment of this policy will not be valid unless we give our written consent.

F. Subrogation

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

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

Subrogation does not apply to Coverage **F** or Paragraph **C**. Damage To Property Of Others under Section **II** – Additional Coverages.

G. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and

2. "Insured" includes:

a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and

b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Under SECTION I – CONDITIONS

C. Loss Settlement. Covered property losses are settled as follows:

The following paragraphs are added:

Non-Structural Hail Loss to Home or Other Structures (Excluding Roofing System)

3. When damage from **Hail** consists of dents, scratches, impressions, indentations, marks, or nicks on the exterior surface of the home or other structures that do not compromise the structural integrity of your **Home or Other Structure(s)** we will pay the lowest of the following amounts:
- (1) The cost of repairing or replacing the damaged portion of the property; or
 - (2) 2% of the amount of insurance provided under Coverage A (Dwelling).

Non-Structural Hail Loss to Roofing System

4. We do not provide coverage for dents, scratches, impressions, indentations, marks, nicks, or granule loss to the roofing system of the **Home** or the **Roofing System(s)** of **Other Structure(s)** caused by **Hail** unless the **Hail** compromises the structural integrity of the **Roofing System(s)** and result in “immediate **Roofing System** failure”.

Endorsement Definitions

For purposes of this endorsement, **Roofing System** is defined as the exterior surface and its supporting structures on the top of a building. **Roofing System** also includes the following:

1. Chimney flashing and flue liners;
2. Roof vents;
3. Heating, Ventilation, and Air Conditioning units;
4. Fascia;
5. Eaves;
6. Gutters, gutter screens, and downspouts

For purposes of this endorsement, “immediate **Roofing System** failure” is defined as an immediate reduction in the **Roofing Systems’** water shedding capacity due to the peril of **Hail** that allows water to enter the interior of the **Home or Other Structure(s)** through an opening in the **Roofing System**.

Roofing Systems that are 15 years or older damaged by **Hail** as defined under this endorsement during the policy period, will be settled on an ACV basis.

We do not provide coverage for **Hail** damage as described herein unless all of the following conditions precedents are met:

- a. The **Hail** damage occurs within the policy period applicable to this policy;
- b. The **Hail** damage is reported to us within one year of the occurrence that caused the **Home or Other Structure(s)/Roofing System** damage;
- c. We are provided the opportunity to inspect the hail damage before any permanent repairs to the **Home/Other Structure(s)** or **Roofing System** are effectuated;
- d. Upon our request, you submit proof of **Hail** damage that compromises the structural integrity of the **Roofing Systems(s)** resulting in “immediate **Roofing System** failure”. Specifically, we would require documentation supporting this assertion from a certified roofing engineer licensed in the state of the loss location.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – TEXAS

The following provisions supersede any contrary provisions of the Homeowners 3 - Special Form, Homeowners 4 - Contents Broad Form and Homeowners 6 - Unit Owners Form where permitted by law:

DEDUCTIBLE CLAUSE – is deleted and replaced with the following:

DEDUCTIBLE

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I – Property Coverages that exceed the applicable deductible amount or percentage shown in the Declarations. Under no circumstance shall the applicable deductible be less than the All Other Peril (AOP) deductible shown in the Declarations.

SECTION I – PROPERTY COVERAGES

B. COVERAGE B – Other Structures. Subparagraph 3. of Paragraph B. in Form **HO 00 03** is deleted and replaced by the following:

3. The limit of liability for this coverage shall not exceed the amount shown in the Declarations.

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures Subparagraph 2.c.(1) of Paragraph A. in Form **HO 00 03** is deleted and replaced by the following:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

A. Coverage A – Dwelling And Coverage B – Other Structures Subparagraph 2.d. is added to Paragraph A. as follows:

- d. Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

SECTION I – EXCLUSIONS

Subparagraph 10., **Settling, Cracking, Bulging, Shrinkage, or Expansion** is added to Paragraph A. in Form **HO 00 03** (Paragraph 10., **Settling, Cracking, Bulging, Shrinkage, or Expansion** is added to **SECTION I – EXCLUSIONS** in Forms **HO 00 04** & **HO 00 06**) as follows:

10. Settling, Cracking, Bulging, Shrinkage, or Expansion

Settling, Cracking, Bulging, Shrinkage, or Expansion means any loss arising out of, caused by, or resulting from the settling, cracking, bulging, shrinkage, or expansion of cement foundations including slab foundations, walls, floors, ceilings, roof structures, walkways, driveways, curbs, fences, retaining

walls, or swimming pools. In addition, we do not cover loss, including loss of use, arising out of, caused by, or resulting from broken or leaking pipes (including the pipes themselves) partially or fully within slab foundations, or below slab foundations whether or not such loss arises out of, is caused by, or results from settling, cracking, bulging, shrinkage, or expansion.

Subparagraph 11., **Act of Terrorism** is added to Paragraph A. in Form **HO 00 03** (Paragraph 11., **Act of Terrorism** is added to **SECTION I – EXCLUSIONS** in Forms **HO 00 04 & HO 00 06**) as follows:

11. Act of Terrorism

Act of Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

It is hereby understood and agreed, that notwithstanding any provision to the contrary, it is agreed that this policy excludes, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with biological, chemical, or nuclear pollution or contamination arising out of any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

The policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any biological, chemical, or nuclear pollution or contamination arising out of an act of terrorism.

Nothing in this exclusion shall be construed to exclude loss, damage or cost or expense of whatsoever nature arising out of fire following any nuclear incident.

SECTION I - CONDITIONS

Subparagraph 2.f. is added to Paragraph C., **Loss Settlement** in Form **HO 00 03** (Subparagraph 1. in **HO 00 04**; Subparagraph 2.c. in **HO 00 06**) as follows:

- f. If, at the time of loss, the building(s) under Coverage A or B are being repaired, renovated, rebuilt or under construction, the maximum amount of insurance on the damaged building will be the proportion of the value of the building that the actual cash value of the building, on that date, bears to the value when completed. You and we agree that, for insurance purposes only, the value of the building is the amount shown on the Declarations.

Paragraph Q., **Concealment Or Fraud** in Form **HO 00 03 & HO 00 06** (Paragraph P. in Form **HO 00 04**) is deleted and replaced with the following:

Q. Concealment Or Fraud

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

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

relating to this insurance. In addition to not providing coverage, we at our option may choose to void the entire policy.

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability and Coverage F – Medical Payments To Others Subparagraph 1. of Paragraph E. is deleted and replaced with following:

Coverages E and F do not apply to the following:

1. **Expected or Intended Injury**

"Bodily injury" or "property damage" which is reasonably expected or intended from the standpoint of the "insured" even if the resulting "bodily injury" or "property damage":

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

The reasonable person standard applies even if the "insured" lacked the mental capacity to formulate an intent or expectation.

- E. Coverage E – Personal Liability and Coverage F – Medical Payments To Others** Subparagraph 6. of Paragraph E. is deleted and replaced with following:

Coverages E and F do not apply to the following:

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by one or more "insured" persons or by any other person for whom the "insured" is legally responsible. In addition, we shall have no duty to defend any claim or suit seeking "bodily injury" or "property damage".;

- E. Coverage E – Personal Liability and Coverage F – Medical Payments To Others** Subparagraph 9. is added to Paragraph E. as follows:

Coverages E and F do not apply to the following:

9. Punitive or Exemplary Damages

Punitive or exemplary damages alleged in any claim or suit nor do we have any obligation to pay any costs, interests, or damages attributable to such punitive or exemplary damages.

SECTION II – CONDITIONS

Paragraph J., **Concealment Or Fraud** is deleted and replaced with the following:

J. Concealment Or Fraud

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

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

relating to this insurance. In addition to not providing coverage, we at our option may choose to void the entire policy.

SECTION I AND II – CONDITIONS

Paragraph C., **Cancellation** and Paragraph D., **Nonrenewal** are deleted and replaced with the following new paragraphs:

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(2) If the risk has changed substantially since the policy was issued.

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

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. If this policy is canceled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the earned premium will be calculated on a pro rata basis subject to the Minimum Earned Premium shown in the Declarations.

Your failure to make timely payment of premium shall be considered a request by you for us to cancel this policy on your behalf. In the event of such cancellation for non-payment of premium, the Minimum Earned Premium shall be due and payable, provided, however, such cancellation shall be rescinded if you remit and we receive the full policy premium within 10 days after the date of issuance of the cancellation notice.

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

5. The cancellation will be effective even if we have not made or offered a refund.

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

The following section, **SECTION I AND II- EXCLUSIONS** is added to the policy and the provisions contained therein applies to all coverages and all coverage parts forming part of this policy.

SECTION I AND II- EXCLUSIONS

This insurance does not apply to:

1. Animal Exclusion

“Bodily injury” or “property damage”, or any other loss, cost or expense, caused directly or indirectly, in whole or in part by an animal owned by or in the care, custody or control of an “insured”.

Consumer Bill of Rights

A VISO: Este document es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compania y pedir una copia de estos derechos en espanol.

What is the Bill of Rights?

This Bill of Rights is a summary of you rights and does not become part of your policy. The Texas Department of Insurance (TDI) adopted the Bill of Rights and requires insurance companies to provide you a copy when they issue your policy.

Texas law gives you certain rights regarding your homeowners, dwelling and renters insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all your rights. Also, some exceptions to the rights are not listed here. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact TDI Consumer Protection at 1-800-252-3439 (463-6515 in Austin) (111-1A), P.O. Box 149091, Austin, TX 78714-9091. For a list of the specific law(s) and/or rule(s) summarized in each item of this Bill of Rights, or if you have questions or comments contact the Office of Public Insurance Counsel at 333 Guadalupe, Suite 3-120, Austin, TX 78701 (512-322-4143) or <http://www.opic.state.tx.us>.

This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights.

Getting information from the Department of Insurance

And Your Insurance Company

1. *INFORMATION FROM TDI.* You have the right to call TDI free of charge at 1-800-252-3439 or 463-6515 in Austin to learn more about:

- Your rights as an insurance consumer;
- The financial condition of an insurance company;
- The compliant ratio and type of consumer complaints filed against an insurance company;
- Use of credit information by insurance companies, including which insurance companies use it and access to each company's credit scoring model;
- An insurance company's rates filed with the state;
- An insurance company's underwriting guidelines (subject to exemptions in the Public Information Act, also known as the Open Records Act);

- The Texas FAIR Plan, designed to help consumers who have been denied coverage by at least two insurance companies;
- Helpinsure.com, a service to help Texans shop for homeowners insurance;
- The Market Assistance Program (MAP) at 1-888-799-MAPP (6277), designed to help those in underserved areas obtain insurance; and
- Other consumer concerns.

You can also find some of this information on the TDI website at <http://www.tdi.state.tx.us>.

2. *INFORMATION FROM YOUR INSURANCE COMPANY.* You have the right to a toll-free number to call your insurance company free of charge with questions or complaints. You can find this number on a notice accompanying your policy. This requirement does not apply to small insurance companies.

What you should know before you buy insurance

3. *PROHIBITED STATEMENTS.* Your insurance company or agent is prohibited from making false, misleading, or deceptive statements to you relating to insurance.
4. *LENDER-REQUIRED INSURANCE.* A lender cannot require you to purchase insurance on your property in an amount that exceeds the replacement cost of the dwelling and its contents as a condition of financing a residential mortgage or providing other financing arrangements for the property, regardless of the amount of the mortgage or other financing arrangements. In determining the replacement cost of the dwelling, a lender cannot include the fair market value off the land on which a dwelling is located.
5. *CREDIT INFORMATION.* An insurance company cannot deny you insurance solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to offer coverage.(For additional information see the section of this Bill of Rights entitled What you should know about insurance companies' use of credit information.)
6. *APPLIANCE RELATED WATER DAMAGE CLAIMS.* An insurance company cannot deny you insurance or increase your premium based on a prior appliance-related water damage claim if:
 - The claim has been properly repaired or remediated; and
 - The repair or remediation was inspected and certified unless three such claims have been filed and paid in a three-year period.

NOTE: A claim includes a claim filed by you or a claim filed on your property.

7. **WATER CLAIMS/MOLD DAMAGE OR CLAIMS.** *An insurance company cannot deny you insurance based:*
- *Solely on a single prior water damage claim.*
 - *On prior mold damage or a mold claim if:*
 - *The damage or claim was properly repaired or remediated; and*
 - *The repair of remediation was inspected and certified.*

NOTE: *A claim includes a claim filed by you or a claim filed on your property.*

8. **PROPERTY CONDITION.** *Voluntary Inspection Program: You have the right to have an independent inspection of your property by any person authorized by the Commissioner of Insurance to perform inspections. Once the inspector determines that your property meets certain minimum requirements and issues you an inspection certificate, no insurer may deny coverage based on property conditions without reinspecting your property. If an insurer then denies coverage, the insurer must identify, in writing, the specific problem(s) that makes your property uninsurable. You can find a list of available inspectors on the TDI website at www.tdi.state.tx.us/consumer/vipcommosh.html or you can contact TDI for the list directly at (512) 322-2259.*
9. **SAFETY NET.** *You have the right to buy basic homeowners insurance through the Texas Fair Access to Insurance Requirements Plan, also known as the Texas FAIR Plan, if you have been denied coverage by two insurance companies. Your property must meet certain requirements, and eligibility for FAIR Plan coverage must be re-established every two years. You can access a list of insurance agents who are authorized to sell this coverage on the Texas Fair Plan Association website at www.texasfairplan.org or by calling 1-800-466-6680.*
10. **WINDSTORM COVERAGE.** *For property located in areas designated by the Commissioner in certain counties on or near the coast, you have the right to buy windstorm and hail coverage from the Texas Windstorm Insurance Association. Your property must meet certain requirements, and the basic coverage is limited to a maximum amount set each year by the Commissioner of Insurance. This right applies whether or not you buy other insurance for your house. In all other counties your homeowners or dwelling policy includes this coverage. You may be able to purchase additional coverage from an Association.*
11. **ELECTRONIC PAYMENTS.** *If you authorize your insurer to withdraw your premium payments directly from your financial institution, including your escrow account, your insurer cannot increase the amount withdrawn unless:*

- *The insurer notifies you of the premium increase at least 30 days prior to its effective date and provides a postage paid form you can use to object to the increase; and*
- *You do not notify the insurer or financial institution that you object to the increase at least 5 days prior to the increase.*

This does not apply to premium increases specifically scheduled in the original policy, to increases based on policy changes you request, or to an increase that is less than \$10 or 10% of the previous month's payment.

12. NOTICE OF REDUCED COVERAGE. If an insured uses an endorsement to reduce the amount of coverage provided by your policy, the insurer must give you a written explanation of the change made by endorsement. The insurer must provide the explanation before the effective date of the new or renewal policy. An insurance company cannot reduce coverage during the policy period unless you request the change. If you request the change, the company is not required to provide notice.

13. NOTICE OF PREMIUM INCREASE. If your insurer intends to increase your premium by 10% or more upon renewal, the insurer must send you notice of the rate increase at least 30 days before your renewal date.

14. EXPLANATION OF DENIAL. Upon request, you have the right to be told in writing why you have been denied coverage. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

NOTE: The obligation to provide a written explanation applies to insurance companies directly. An independent agent does not have specific duty to quote the lowest possible rate to a consumer or to provide a written statement explaining why the agent did not offer the consumer the lowest possible level.

*15. **RATE DIFFERENTIAL WITHIN A COUNTY.** If an insurer subdivides a county for the purposes of charging different rates for each subdivision, the difference between the lowest and the highest rate cannot exceed 15% unless actuarially justified.*

16. RIGHT TO PRIVACY. You have the right to prevent an insurance company, agent, adjuster or financial institution from disclosing your personal financial information. Some examples are income, social security number, credit history and premium payment history.

If you apply for a policy, the insurance company or financial institution must notify you if it intends to share financial information about you and give you at least 30 days to refuse. This refusal is called “opting out”. If you buy a policy, the insurance company or financial institution must tell you what information it collects about you and whether it intends to share any of the information, and give you at least 30 days to opt out. Agents and adjusters who intend to share your information with anyone other than the insurance company or financial institution must give you similar notices.

You can opt out at any time. Your decision to opt out remains in effect unless you revoke it.

These protections do not apply to information:

- *Publicly available elsewhere;*
- *Insurance companies or financial institutions are required by law to disclose; or*
- *Insurance companies or financial institutions must share in order to conduct ordinary business activities.*

What you should know about cancellation and nonrenewal

Cancellation means that before the end of the policy period the insurance company:

- *Terminates the policy;*
- *Reduces or restricts coverage under the policy; or*
- *Refuses to provide additional coverage to which you are entitled under the policy*

Refusal to renew and non-renewal mean the policy terminates at the end of the policy period.

The policy period is shown on the declarations page at the front of your policy.

17. LIMITATION ON CANCELLATION FOR HOMEOWNERS AND RENTERS POLICIES. *After your initial homeowners or renters policy with your company has been in effect for 60 days or more, that insurance company cannot cancel your policy unless:*

- *You don't pay your premium when due;*
- *You file a fraudulent claim;*
- *There is an increase in the hazard covered by the policy that is within your control and results in an increase in the policy premium; or*
- *TDI determines continuation of the policy would result in violation of insurance laws.*

If your policy has been in effect for less than 60 days, your insurance company cannot cancel your policy unless:

- *One of the reasons listed above applies;*
- *The insurance company identifies a condition that:*
- *Creates an increase in hazard;*
- *Was not disclosed on your application; and*
- *Is not the subject of a prior claim; or*
- *The insurance company rejects a required inspection report within 10 days after receiving the report. The report must be completed by a licensed or authorized inspector and cannot be more than 90 days old.*

18. *LIMITATION ON CANCELLATION FOR DWELLING POLICIES. After our initial dwelling policy with your company has been in effect for 90 days, that insurance company cannot cancel your policy unless:*

- *You don't pay your premium when due;*
- *You file a fraudulent claim;*
- *There is an increase in the hazard covered by the policy that is within your control and results in an increase in the policy premium; or*
- *TDI determines continuation of the policy would result in violation of insurance laws.*

19. *NOTICE OF CANCELLATION. To cancel your policy, your insurance company must mail notice at least 10 days prior to cancellation. Your policy may provide for an even greater notice.*

20. *POLICY HOLDER'S RIGHT TO CANCEL. You have the right to cancel your policy at any time and receive a refund of the remaining premium.*

21. *CHANGE IN MARITAL STATUS. If your marital status changes, you have the right to continue insurance coverage. You have a right to a new policy in your name that has coverages which most nearly approximate the coverages of your prior policy, including the same expiration date. The insurance company cannot date the new policy so that a gap in coverage occurs.*

22. *USE OF CLAIMS HISTORY TO NONRENEW. Your insurance company cannot use claims you filed as a basis to non-renew your policy unless:*

- *You file three or more claims in any 3-year period; and*
- *Your insurer notified you in writing after the second claim that filing a third claim could result in non-renewal of you policy.*

In determining the number of claims filed, your insurance company cannot include:

- *Claims for damage from natural causes, including weather-related damage;*

- *Appliance-related water damage claims where the repairs have been inspected and certified; or*
- *Claims filed but not paid or payable under the policy*

NOTE: an insurance company can count appliance-related claims if 3 or more such claims are filed and paid within a 3-yr period.

23. USE OF CREDIT INFORMATION TO NONRENEW. An insurance company cannot refuse to renew your policy solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to renew coverage (For additional information see the section of this Bill of Rights entitled “What you should know about insurance companies’ use of credit information”).

24. NOTICE OF CHANGE IN POLICY FORM. Your insurer must notify you in writing of any difference between your current policy and each policy offered to you when the policy renews.

25. NOTICE OF NONRENEWAL. If the insurance company does not mail you notice of nonrenewal at least 30 days before your policy expires, you have the right to require the insurance company to renew your policy.

26. EXPLANATION OF CANCELLATION OF NONRENEWAL. Upon request, you have the right to a written explanation of an insurance company’s decision to cancel or non-renew your policy. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualify you. It must also state the sources of information used.

What you should know when you file a claim

27. FAIR TREATMENT. You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call the Department of Insurance at 1-800-252-3439 (63-6515 in Austin) or download a complaint form from TDI at <http://www.tdi.state.tx.us>. You can complete a complaint form on-line via the Internet or fax it to TDI at (512) 475-1771.

28. SETTLEMENT OFFER. You have the right to reject any⁶ settlement amount, including any unfair valuation, offered by the insurance company. You have the right to have your home repaired by the repair person of your choice,

29. EXPLANATION OF CLAIM DENIAL. Your Insurance company must tell you in writing why your claim or part of your claim was denied.

30. TIMEFRAMES FOR CLAIMS PROCESSING AND PAYMENT. *When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18% annual interest and attorney's fees in addition to your claim amount.*

Generally within 15 calendar days, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within 15 business days (30 days if the company reasonably suspects arson) after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to 45 days if it notifies you that more time is needed and tells you why.

After notifying you that your claim is approved, your insurance company must pay the claim within 5 business days.

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, your insurance company may take 45 additional days to approve or deny your claim and 15 additional days to pay your claim.

31. RELEASE OF CLAIM FUNDS. *Often an insurance company will make a claim check payable to you and our mortgage company or other lender and will send it to the lender. In that case, the lender must notify you within 10 days of the receipt of the check and tell you what you must do to get the funds released to you.*

Once you request the funds from the lender, within 10 days the lender must:

- *Release the money to you; or*
- *Tell you in specific detail what you must do to get the money released.*

If the lender does not provide the notices mentioned above or pay the money to you after all requirements have been met, the lender must pay you interest on the money at 10% per year from the time the payment or the notices were due/

32. NOTICE OF LIABILITY CLAIM SETTLEMENT. *Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of settlement.*

33. INFORMATION NOT REQUIRED FOR CLAIM PROCESSING. *You have the right to refuse to provide your insurance company with information that does not relate to your claim. In*

addition, you may refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

What you should know about prohibited discrimination

34. PROTECTED CLASSES. An insurance company cannot discriminate against you by refusing to insure you; limiting the amount, extent or kind of coverage available to you; charging you a different rate for the same coverage; or refusing to renew your policy:

Because of race, color, religion, gender, marital status, disability or partial disability, or national origin; or

Unless justified by actual or anticipated loss experience, because of age or geographic location.

35. AGE OF HOUSE. An insurance company cannot refuse to insure your property based on the age of your house. However, an insurance company may refuse to sell you insurance coverage based on the condition of your property, including the condition of your plumbing, heating, air conditioning, wiring and roof.

36. VALUE OF PROPERTY. An insurance company cannot refuse to insure your property because the value is too low or because the company has established minimum coverage amounts.

37. UNDERWRITING GUIDELINES. Underwriting guidelines may not be unfairly discriminatory and must be based on sound actuarial principles.

38. EQUAL TREATMENT. Unless based on sound actuarial principles, an insurance company may not treat you differently from other individuals of the same class and essentially the same hazard. If you sustain economic damages as a result of such unfair discrimination, you have the right to sue that insurance company in Travis County District Court.

If your suit prevails, you may recover economic damages, court costs and attorney and necessary expert witness fees. If the court finds the insurance company knowingly violated your rights, it may award up to an additional \$25,000 per claimant.

You must bring the suit on or before the second anniversary of the date you were denied insurance or the unfair act occurred or the date you reasonably should have discovered the occurrence of the unfair act. If the court determines your suit was groundless and you brought the lawsuit in bad faith, or brought it for the purposes of harassment, you will be required to pay the insurance company's court costs and attorney fees.

What you should know about insurance companies' use of credit information

39. **REQUIRED DISCLOSURE.** *If an insurance company uses credit information to make underwriting or rating decisions, the company must provide you a disclosure statement within 10 days after receiving your completed application for insurance.*

The disclosure indicates whether the insurer will obtain and use your credit information and lists your specific legal rights, including:

- *Credit information insurance companies cannot use against you;*
- *How you can get reasonable exceptions that your insurer is required to make to its use of credit information if certain life events, such as divorce, death of a close family member or identity theft, hurt your credit;*
- *The notice* an insurer must send you when making a credit-based decision that harms your ability to get or keep insurance or requires you to pay a higher premium; and*
- *How you can dispute credit information and require an insurer to re-rate your policy if the rate was increased because of inaccurate or unverifiable credit information.*

**The notice must include a description of up to four primary factors that influenced the action taken by the insurer. Generalized terms such as “poor credit rating” are not sufficient.*

Insurers must use the disclosure form (CD-1) adopted by the Commissioner or an equivalent disclosure form filed prior to use with TDI. The CD-1 is available at www.tdi.state.tx.us/company/pccrdtds.html or by calling 1-800-252-3439. Additional information regarding insurers’ use of credit information is available at www.tdi.state.tx.us/commish/credit.html.

What you should know about enforcing your rights

40. **FILING COMPLAINTS.** *You have the right to complain to TDI about any insurance company and/or insurance matter and to receive a prompt investigation and response to your complaint. To do so, you should:*

- *Call TDI’s Consumer Helpline at 1-800-252-3439, in Austin 463-6515 for service in both English and Spanish;*
- *Write to the Texas Department of Insurance, Consumer Protection (111-1A), P.O. Box 149091, Austin, Texas 787714-9091;*
- *Email TDI at ConsumerProtection@tdi.state.tx.us;*
- *Fax your complaint to (512) 475 – 1771;*

Download or complete a complaint form online from the TDI website at <http://www.tdi.state.tx.us>; or

- *Call the TDI Publications/Complaint Form order line (24 hours) at 1-800-599-SHOP (7467), in Austin 305-7211.*

NOTE: TDI offers interpreter services and publications in alternate formats. Persons needing more information in alternate layouts or languages can call the TDI Consumer Help Line listed above.

41. RIGHT TO SUE. If an insurance company violates your rights, you may be able to sue that company in court, including small claims court, with or without an attorney.

42. BURDEN OF PROOF. If you sue to recover under your insurance policy, the insurance company has the burden of proof as to any application of exclusion in the policy and any exception to or other avoidance of coverage claimed by the insurer.

43. REQUESTING NEW RULES. You have the right to ask in writing that TDI make or change rules on any residential property insurance issue that concerns you. Send your written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O. Box 149104, Austin, TX 78714-9104.

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Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Conifer Insurance

To get information or file a complaint with your insurance company or HMO:

Call: Rochelle Kaplan-Rudolph, Regulatory Counsel at 1-248-559-0840

Toll-free: 1-866-412-2424

Email: consumercomplaints@cnfrh.com

Mail: P.O. BOX 3003

Birmingham, MI 48012

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Conifer Insurance

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Rochelle Kaplan-Rudolph, Regulatory Counsel

1-248-559-0840

Teléfono gratuito: 1-866-412-2424

Correo electrónico: consumercomplaints@cnfrh.com

Dirección postal: P.O. Box 3003

Birmingham, MI 48012

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico:

ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

Conifer Holdings, Inc. and its subsidiaries Privacy Policy

This is our “**privacy notice**” to you. You have probably received similar notices from other insurance companies, banks and credit card companies. You receive these sorts of notices because Federal and state laws require your financial institutions to explain to you how they handle your “nonpublic personal information.”

“Nonpublic personal information” is personal information about you or your finances that you provide to us or we obtain when we do business with you. This information is generally private and unavailable to the general public.

When we refer to “we” or “us” we mean Conifer Holdings, Inc. and its parent, subsidiaries.

Conifer does not sell your information to anyone, we do not share your information with anyone but our own Affiliates and the persons who provide services to us when we work for you and within our Company, we communicate the need to protect your information to those who may have access to it, and we’ve established physical, electronic, and procedural safeguards to protect your information. We even protect your information after you are no longer our customer.

We may share information about you that is not publicly available. We may share this information now or in the future. We do this for several reasons: to serve you, to identify you as our customer or our former customer, to process your policy and requests quickly, to pay your claim and to develop products we believe you will want and use. The information about you that we collect and where it comes from varies depending on how we are serving you.

Information from you – when submitting your application or requesting an insurance quote, you may give us information such as your name, address, telephone number, birth date, driver’s license number, and social security number.

Information about your transactions – we may keep information about our transactions with us, such as the products you purchase from us, the amount you paid for insurance, your account balances, or payment history.

From other outside sources – we may also collect other information. This may include information from consumer reporting agencies such as your credit history, credit scores, driving record, employment, or we may ask a doctor for more information about our medical history.

We share your information with service providers who help us to help you

Sometimes we may share your information with a company or business that is not officially connected to us but who may do work on our behalf. These service providers need access to your information to provide these operational or other support services. Examples of the sorts of services that these companies may do are printing payment coupons, preparing or mailing account statements, processing customer transactions or software programming, claims adjusting or helping us market our own products. To make sure that your information stays confidential and secure, these service providers must agree to safeguard your information the same way we do.

We also share your information for other legal and routine business reasons

The privacy laws permit us to disclose information we have about you in other situations. We can disclose your information: If you say we can or tell us to, to protect against insurance fraud or unauthorized transactions, to control the risk of our insurance transactions, to resolve a dispute between us or answer your questions, to persons who hold some legal or beneficial interest relating to you, to persons who are acting in a fiduciary or representative on your behalf, to industry and professional organizations that ask us for customer information in order to conduct research studies that never identify individuals, to State guaranty funds or agencies, and our examiners, attorneys, accountants, and auditors, to a consumer reporting agency, or from a consumer report from a consumer reporting agency, to an actual or potential buyer or investor in some or all of this company, to comply with federal, state, or local laws, rules, and other applicable legal requirements, to comply with a civil, criminal, or regulatory investigation, subpoena, or summons by a governmental authority, to respond to a subpoena or to our regulators and/or if otherwise required by law.

Finally, if we do provide your information to any party outside our company we require them to abide by the same privacy standards as indicated here.

We do not share your information with anyone else

The insurance companies, banks and credit card companies with which you deal sometimes share your information with other banks, motor vehicle manufacturers or dealers, health clubs, travel agencies, car rental agencies, hotels, airlines, or publishers, so they can offer you their own financial or non-financial products and services.

We do not share your information with any such outside companies.

If you have any questions concerning this notice, please contact the Conifer Holdings, Inc., Conifer Insurance Company, White Pine Insurance Company, American Colonial Insurance Company, Red Cedar Insurance Company, Sycamore Insurance Company, Inc., American Colonial Insurance Services, at 550 West Merrill Street, Suite 200, Birmingham, MI 48009 or visit our website at www.coniferinsurance.com.

NOTICE:

THIS INSURANCE CONTRACT IS WITH AN INSURER NOT LICENSED TO TRANSACT INSURANCE IN THIS STATE AND IS ISSUED AND DELIVERED AS SURPLUS LINE COVERAGE UNDER THE TEXAS INSURANCE STATUTES. THE TEXAS DEPARTMENT OF INSURANCE DOES NOT AUDIT THE FINANCES OR REVIEW THE SOLVENCY OF THE SURPLUS LINES INSURER PROVIDING THIS COVERAGE, AND THE INSURER IS NOT A MEMBER OF THE PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION CREATED UNDER ARTICLE 21.28-C, INSURANCE CODE. SECTION 12, ARTICLE 1.14-2, INSURANCE CODE, REQUIRES PAYMENT OF A 0.0015 PERCENT TAX ON GROSS PREMIUM.

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THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

**NO SECTION II – LIABILITY COVERAGES FOR
HOME DAY CARE BUSINESS
LIMITED SECTION I – PROPERTY COVERAGES FOR
HOME DAY CARE BUSINESS**

- A.** "Business", as defined in the policy, means:
1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
 2. Any other activity engaged in for money or other compensation, except the following:
 - a. One or more activities:
 - (1) Not described in **b.** through **d.** below; and
 - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
 - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - d. The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
1. That an "insured" engages in for money or other compensation; and
 2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
1. Described in **A.2.** above, and
 2. Engaged in for money by a single "insured";
- may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
1. Does not provide:
 - a. Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** – Exclusions;
 - b. Coverage, under Section **I**, for other structures from which any "business" is conducted; and
 2. Limits Section **I** coverage, under Coverage **C** – Special Limits of Liability, for "business" property:
 - a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (e. in Form HO **00 08**) imposes that limit on "business" property on the "residence premises";
 - b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (f. in Form HO **00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (g. and h. respectively in Form HO **00 08**).

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IMPORTANT FLOOD INSURANCE NOTICE

Your homeowners or dwelling policy does NOT provide coverage for loss caused by flood or mudslide, which is defined, in part, by the National Flood Insurance Program as:

A general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source.

If you are required by your mortgage lender to have flood insurance on your property, or if you feel that your property is susceptible to flood damage, insurance covering damage from flood is available on most buildings and contents in participating communities through the National Flood Insurance Program.

Information about flood insurance and whether your community participates in the program can be obtained from your insurance company, from your insurance agent/broker, or directly from the National Flood Insurance Program by calling 1-800-638-6620 or via their website at <http://www.floodsmart.gov>.

If you purchase the maximum limits available through the National Flood Insurance Program, and require additional limits, contact your agent/broker for information.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGUS(I), MOLD(S), SPORE(S), WET OR DRY ROT, BACTERIA, MILDEW OR YEAST COVERAGE

SCHEDULE*

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Mold Related Items"	\$ 5,000
2.	Section II – Coverage E Aggregate Sublimit Of Liability for "Mold Related Items"	\$ 5,000
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

DEFINITIONS

The following definitions are added:

1. "Mold Related Items" include the following definitions for "Fungus(i)", "Mold(s)", "Spore(s)", but also includes, Wet or Dry Rot, Bacteria, Mildew or Yeast.
 - a. "Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts, mushrooms, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
 - b. "Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.
 - c. "Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

- (2) The cost to remove "mold related items" from property covered under Section I – Property Coverages;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "mold related items"; and
 - (4) The cost of testing of air or property to confirm the absence, presence or level of "mold related items" whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "mold related items".
- b. The coverage described in 13.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
 - c. The amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:
 - (1) Number of locations insured under this endorsement; or
 - (2) Number of claims made.

SECTION I – PROPERTY COVERAGES

The following Additional Coverage is added:

13. "Mold Related Items"

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable under Section I – Property Coverages caused by "mold related items";

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "mold related items", loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "mold related items" causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Endorsement.

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

SECTION I – PERILS INSURED AGAINST

If this endorsement is attached to HO 00 03 without CON 15 31 or HO 00 03 with CON 15 31:

Paragraph A.2.c.(6)(c) or 1.b.(5)(c) (if CON 15 31 is attached) is deleted and replaced by the following:

(c) or (c) Smog, rust or other corrosion;

Paragraph A.2.c.(6)(i) or 1.b.(5)(i) (if CON 15 31 is attached) is added:

(i) or (i) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form HO 00 06 with CON 17 32:

For Coverage A:

Paragraph 2.c.(5) is deleted and replaced with the following:

(5) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Paragraph 2.c.(6)(c) is deleted and replaced by the following:

(c) Smog, rust or other corrosion;

SECTION I – EXCLUSIONS

Exclusion A.10.) is added.

10. "Mold Related Items"

"Mold Related Items" means the presence, growth, proliferation, spread or any activity of "mold related items".

This Exclusion does not apply:

- a. When "Mold Related Items" results from fire or lightning; or
- b. To the extent coverage is provided for in the "Mold Related Items" Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "Mold Related Items" is covered.

SECTION I – CONDITIONS

Condition P. Policy Period is deleted and replaced by the following:

P. Policy Period

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

SECTION II – CONDITIONS

Condition A. Limit Of Liability is deleted and replaced by the following:

A. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "Mold Related Items" will not be more than the Section **II** – Coverage **E** Aggregate Sublimit Of Liability for "Mold Related Items". That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

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

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

With respect to damages arising out of "Mold Related Items" described in **A. Limit Of Liability** of this endorsement, Condition **B. Severability Of Insurance** is deleted and replaced by the following:

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – Conditions **1.**, Limit Of Liability. This condition will not increase the limit of liability for this coverage.

All other terms and conditions of the policy remain the same.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
LIMITED WATER DAMAGE COVERAGE

This endorsement modifies coverage under the following:

HOMEOWNERS 3 – SPECIAL FORM

Your policy is amended as follows:

Sudden and accidental direct physical loss to covered property by discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

LIMIT OF LIABILITY

The limit for liability for all covered property provided by this endorsement is \$10000 per occurrence. This coverage does not increase the limit of liability that applies to the damaged covered property.

All other provisions of your policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
WATER DAMAGE EXCLUSION

For a premium credit, your policy is amended as follows:

SECTION I - EXCLUSIONS

Homeowners 3 Special Form **HO-3, SECTION I — EXCLUSIONS 3. Water Damage**; is replaced by the following:

Water Damage, meaning:

- a. Flood, surface water, waves, tidal waves, tsunamis, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind; including storm surge; or
- b. Water, water-borne material, sewage or any other substance which backs up through sewers or drains; or
- c. Water, water-borne material, sewage or any other substance that overflows from a sump pump, sump pump well or any other system designed for the removal of subsurface water which is drained from a foundation area of a structure; or
- d. Water, water-borne material, sewage or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- e. Escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system; or
- f. Discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance; or
- g. Water penetration through the roof system or exterior walls or windows unless water penetration is a direct result of damage caused by a Peril Insured Against other than water and not otherwise excluded in this policy;

Water damage resulting from rain that enters the insured dwelling through an opening that is a direct result of physical damage from either Windstorm or Hail is covered provided the peril of Windstorm or Hail that results in the physical damage is not excluded in your policy and is subject to the Windstorm or Hail Percentage deductible stated in your policy declarations or by endorsement.

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

All other provisions of your policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 10/25/2021 12:01 A.M. forms a part of

Policy No. CHTX000758 Issued to Michael David Sanchez by Conifer Insurance Company.

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws and regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

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ENDORSEMENT # CIDPTX 00 134 04 11

**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: Conifer Insurance Company**

**EXCLUSIONS FOR FAILURE TO HAVE OR MAINTAIN
CENTRAL STATION ALARMS OR AUTOMATIC SPRINKLER SYSTEMS**

This endorsement modifies insurance provided by the policy:

Provisions A or B or both apply to this policy, depending upon the application submitted to us.

A. If your application states that you have:

1. a central station alarm system for smoke, temperature, or fire, and/or
2. an automatic sprinkler system,

then you must take all reasonable steps necessary to maintain such system(s) in working order and to keep such system(s) operable including, but not limited to, making timely payments to the central station alarm company, if applicable. We will not pay for any loss, cost, damage, or expense under **Coverage A – Dwelling, Coverage C – Personal Property, Coverage D – Fair Rental Value and/or Coverage E – Additional Living Expense (COVERAGES)** caused by, arising out of, or resulting from a fire, or any other cause of loss occurring concurrently or in any sequence with such fire, if you fail to maintain such system(s) in working order, fail to keep such system(s) operable, or fail to have such system(s) in place at the time of the loss.

B. If your application states that you have a central station alarm system for burglary then you must take all reasonable steps necessary to maintain such system in working order and to keep such system operable, including, but not limited to, making timely payments to the central station alarm company, if applicable. We will not pay for any loss, cost, damage, or expense under **Coverage A – Dwelling, Coverage C – Personal Property, Coverage D – Fair Rental Value and/or Coverage E – Additional Living Expense (COVERAGES)** caused by, arising out of, or resulting from theft or attempted theft, or any other cause of loss occurring concurrently or in any sequence with such theft or attempted theft, if you fail to maintain such system in working order, fail to keep such system operable, or fail to have such system in place at the time of the loss.

All other terms and conditions of the policy remain the same.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRAMPOLINE EXCLUSION

It is hereby understood and agreed, this insurance does not apply to “bodily injury”, “property damage”, or any other loss, cost or expense, caused directly or indirectly, in whole or in part by a trampoline owned by or in the care, custody or control of an “insured”.

This endorsement applies to all coverages, and coverage parts, that form part of this policy.

All other terms, conditions and exclusions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

EXCLUSION OF WOOD FRAME CONSTRUCTION FROM COVERAGE B – OTHER STRUCTURES

This endorsement modifies insurance provided under the following:

DWELLING PROPERTY 3 – SPECIAL FORM

Subparagraph 2. of Paragraph B. **Coverage B – Other Structures (COVERAGES)** is deleted and replaced with the following:

2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure;
 - d. Gravemarkers, including mausoleums; or
 - e. Wood frame construction of any type.

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

ANIMAL EXCLUSION

This endorsement modifies insurance provided by the policy:

This insurance does not apply to "bodily injury", "property damage" or any loss, cost, damage, expense, injury, claim or "suit", arising out of, resulting from, or caused, directly or indirectly, in whole or in part, by any animal owned by or in the care, custody or control of an "insured" or any tenant of an "insured".

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

FARM OPERATIONS EXCLUSION

This endorsement modifies insurance provided by the policy:

This insurance does not apply to "bodily injury", "property damage" or any other loss, cost, damage, expense, injury, claim or suit, caused by, arising out of, or resulting directly or indirectly, in whole or in part from "farm operations" and/or acreage owned or co-owned by the "insured".

This endorsement applies to all coverages, coverage parts and exclusions that form part of this policy.

As used herein, "farm operations" means any farm operations including, but not limited to, the use or operation of farm equipment or farm machinery.

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

**(1) OUTDOOR SWIMMING POOL OR OTHER SIMILAR BASIN – COVERAGE PROVIDED UNDER COVERAGE B ONLY AND
(2) EXCLUSION FOR FAILURE TO MAINTAIN PROPER WATER LEVEL IN A SWIMMING POOL ENDORSEMENT**

This endorsement modifies insurance provided by the policy:

Notwithstanding any other provision of this policy to the contrary, an “outdoor swimming pool, spa, hot tub, or any other similar basin” shall only be covered under Coverage B – Other Structures.

As used herein, “outdoor swimming pool, spa, hot tub, or any other similar basin” means a swimming pool, spa, hot tub, or any other similar basin which is not entirely contained within the outer, solid, weight-bearing frame of your dwelling, including the basement.

Paragraph **10.** is added to **SECTION I – EXCLUSIONS** as follows:

10. Failure to Maintain Proper Water Level in a Swimming Pool

The insured’s failure or any other person’s failure while acting on the insured’s behalf, to maintain the proper water level in your swimming pool in accordance with maintenance guidelines governing the care of such swimming pool.

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

PLAYSET EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the policy.

This insurance does not apply to “bodily injury”, “property damage”, or any other loss, cost or expense, arising directly or indirectly, in whole or in part from a “playset” owned by or in the care, custody or control of you or an “insured”.

For the purposes of this “Playset Exclusion Endorsement”, the term “playset” means a framework or combination of frameworks for the purpose of outdoor play which may include but is not limited to swings, slides, carousels, and monkey bars.

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

SPECIFIC BUILDING MATERIALS EXCLUSION

This endorsement modifies insurance provided by the policy:

- I. With respect to **Coverage A – Dwelling, Coverage B – Other Structures, Coverage C – Personal Property**, and **Coverage D – Loss of Use**, we do not cover direct or indirect loss or damage, loss of use, or any ensuing loss or resulting damage arising out of or caused by: (i) any material in or the composition of the “specific building material(s)”, (ii) the deterioration of “specific building material(s)” or (iii) the presence, existence, discharge, dispersal, seepage, migration, release, or escape of any solid, liquid, or gaseous material from “specific building material(s)” which results in loss or damage to such “specific building material(s)” or any dwelling, other structures, personal property, or property of others.
- II. **Coverage E – Personal Liability** and **Coverage F – Medical Payments to Others** do not apply to “bodily injury”, “property damage” or any other loss, cost, damage, expense, injury, claim or “suit”, caused by, arising out of, or resulting directly or indirectly, in whole or in part from: (i) any material in or the composition of the “specific building material(s)”, (ii) the deterioration of “specific building material(s)” or (iii) the presence, existence, discharge, dispersal, seepage, migration, release, or escape of any solid, liquid, or gaseous material from “specific building material(s)”.

In addition, we will not pay any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the presence, existence, discharge, dispersal, seepage, migration, release, or escape of any solid, liquid, or gaseous material from “specific building material(s)”.

As used herein, “specific building material(s)” means drywall, plasterboard, wallboard, gypsum board, sheetrock, blue board, or greenboard and includes the outer paper or other covering which forms a part of such aforementioned building materials.

If any provision contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without invalidating the remainder of such provision.

All other terms and conditions of the policy remain the same.

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This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY

INFLATION GUARD FOR COVERAGE A ONLY NOTICE

NOTICE: The Coverage A limit of liability as shown on the Declarations applies to the entire policy period. If you renew this policy, such Coverage A limit of liability will be automatically increased by **3%** unless a higher Coverage A limit of liability is requested.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

LEAKAGE OF POLLUTANTS FROM UNDERGROUND STORAGE TANKS EXCLUSION

This endorsement modifies insurance provided by the policy:

The following exclusion is added to Paragraph 1. of **SECTION II – EXCLUSIONS** as follows:

Coverage E – Personal Liability and **Coverage F – Medical Payments to Others** do not apply to “bodily injury” or “property damage”:

Caused by, arising out of, or resulting from the leakage of “pollutants” from underground storage tanks at the “insured location” including all loss, costs, and expenses resulting therefrom. Such “bodily injury” or “property damage” is excluded regardless of any other cause or event contributing concurrently or in any sequence to the “bodily injury” or “property damage”.

As used in this endorsement, “pollutants” means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

All other terms and conditions the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

SETTLING, CRACKING, BULGING, SHRINKAGE, OR EXPANSION EXCLUSION

This endorsement modifies insurance provided by the policy.

The following new subparagraph is added to Paragraph 1. of **SECTION I – EXCLUSIONS**:

Settling, Cracking, Bulging, Shrinkage, or Expansion meaning any loss arising out of, caused by, or resulting from the settling, cracking, bulging, shrinkage, or expansion of cement foundations including slab foundations, walls, floors, ceilings, roof structures, walkways, driveways, curbs, fences, retaining walls, or swimming pools. In addition, we do not cover loss, including loss of use, arising out of, caused by, or resulting from broken or leaking pipes (including the pipes themselves) partially or fully within slab foundations, or below slab foundations whether or not such loss arises out of, is caused by, or results from settling, cracking, bulging, shrinkage, or expansion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SWIMMING POOL LIABILITY EXCLUSION

This endorsement modifies insurance provided by the policy:

This insurance does not apply to any loss, cost, damage, expense, injury, "bodily injury", or "property damage" which occurs:

- a.** in, at, or around a swimming pool, including, but not limited to, a diving board or slide, or
- b.** on or upon a swimming pool patio or deck.

All other terms and conditions of the policy remain the same.

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**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

AVIATION EXCLUSION

This endorsement modifies insurance provided by the policy:

We will not pay for any loss or damage to property covered under Coverage A – Dwelling, Coverage B – Other Structures, or Coverage C – Personal Property (SECTION I – PROPERTY COVERAGES) resulting from, arising out of, or caused directly or indirectly, in whole or in part by an aircraft owned by or in the care, custody or control of any “insured”.

All other terms and conditions of the policy remain the same.

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This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY

MAXIMUM PAYABLE AMOUNT IF OTHER INSURANCE PROVIDES COVERAGE FOR A PERIL NOT COVERED BY THIS POLICY

This endorsement modifies insurance provided by the policy:

Paragraph **S.** is added to **SECTION I – CONDITIONS** as follows:

S. Maximum Payable Amount if Other Insurance Provides Coverage for a Peril Not Covered by this Policy

1. If a dwelling is a “total loss” and the loss or damage to the dwelling is attributable to two perils, one of which is covered under this policy and another of which is covered by another policy or policies of insurance, then:
 - a. the most we will pay under Coverage A – Dwelling is the limit of liability for Coverage A shown in the Declarations minus the amount paid or payable under such other insurance policy or policies for the dwelling, and
 - b. the most we will pay under Coverage C – Personal Property is the limit of liability for Coverage C shown in the Declarations minus the amount paid or payable under such other insurance policy or policies for the personal property (or if a special limit of liability applies to your personal property, then the most we will pay under Coverage C – Personal Property for such personal property is the special limit shown in the policy minus the amount paid or payable under such other insurance policy or policies for such personal property).

However, we might pay less than the aforementioned maximum amount(s) under subparagraphs **a.** or **b.** above if the loss or damage to the dwelling or personal property, as applicable, attributable to the covered peril is less than the applicable maximum amount(s).

2. If an other structure covered under this policy is a “total loss” and the loss or damage to such other structure is attributable to two perils, one of which is covered under this policy and another of which is covered by another policy or policies of insurance, then the most we will pay under Coverage B – Other Structures is the limit of liability for Coverage B shown in the Declarations minus the amount paid or payable under such other insurance policy or policies for the other structure. However, we might pay less than the aforementioned maximum amount if the loss or damage to the other structure attributable to the covered peril is less than the applicable maximum amount.

As used in herein, “total loss” means that:

1. the dwelling or other structure, as applicable, is completely destroyed regardless of whether any damage is done to the foundation or slab, or
2. the dwelling or other structure, as applicable, is in such condition after the loss that the standard method of rebuilding or repairing the dwelling or other structure, as applicable, is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether the structure is actually rebuilt or not.

All other terms and conditions of the policy remain the same.

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ENDORSEMENT # CIHOTX 01 03 11 04

**This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY**

**RESIDENCE PREMISES ONLY COVERAGE FOR COVERAGE E AND F
FOR USE WITH FORM HO 00 03 AND HO 00 06**

This endorsement modifies insurance provided by the policy:

SECTION II – LIABILITY COVERAGES

Paragraph A., **Coverage E – Personal Liability** of **SECTION II – LIABILITY COVERAGES** is deleted and replaced with the following:

A. Coverage E – Personal Liability

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" at the "residence premises" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

SECTION II – LIABILITY COVERAGES

Paragraph B., **Coverage F. – Medical Payments to Others** of **SECTION II – LIABILITY COVERAGES** is deleted and replaced with the following:

B. Coverage F. – Medical Payments to Others

We will pay at your direction only, the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident on the "residence premises" causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only to a person on the "residence premises" with the permission of an "insured".

All other terms and conditions of the policy remain the same.

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This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.: CHTX000758
Issued to: Michael David Sanchez
By: CONIFER INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

SCHEDULE

Windstorm Or Hail Deductible Percentage Amount: 2%

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

SECTION I – CONDITIONS

B. Deductible

The following special deductible is added to the policy:

With respect to the peril of Windstorm Or Hail, for any one loss, we will pay only that part of the total of all loss payable that exceeds the windstorm or hail percentage deductible.

The dollar amount of the windstorm or hail deductible is determined by multiplying the Coverage **A** Limit Of Liability shown in the Declarations by the deductible percentage amount shown in the Schedule above.

No other deductible in the policy applies to loss caused by windstorm or hail.

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ASSESSMENT COVERAGE

SCHEDULE*

<p>A. "Residence Premises" – Additional Amount Of Insurance: \$0</p>
<p>B. Additional Locations Location Of Unit And Limit Of Liability 6635 KEARNEY DR RICHMOND, TX 77469 , \$1,000</p>
<p>*Entries may be left blank if shown elsewhere in this policy for this coverage.</p>

1. Additional Insurance – Residence Premises

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

- a.** Section I Additional Coverage **E.7.** Loss Assessment (This is Additional Coverage **C.7.** in Form **HO 00 04** and **D.7.** in Form **HO 00 06.**);
- b.** Section II – Additional Coverage **D.** Loss Assessment; or
- c.** Both Section I and Section II.

2. Additional Locations

We will pay, up to the limit of liability shown in **B.** in the Schedule, your share of covered loss assessments as described in Section I Additional Coverage **E.7.** and Section II – Additional Coverage **D.** of the policy, arising out of the premises listed above. This is the most we will pay for one or more assessments arising out of a single loss covered under:

- a.** Either Section I Additional Coverage **E.7.** Loss Assessment or Section II – Additional Coverage **D.** Loss Assessment; or
- b.** Both Section I and Section II.

3. Special Limit

We will not pay more than \$1,000 of your assessment per unit that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.

4. Section II – Exclusion

Section II – Exclusion **F.1.a.** does not apply to this coverage.

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

SCHEDULE*

Ordinance Or Law Percentage Amount: 10%

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

- A.** We will pay for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - 1. The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - 2. The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - 3. The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- B.** You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in Paragraph **A.**, above.
- C.** Our limit of liability for this coverage will not be more than the amount determined in Paragraph **D.**, below.
- D.** The ordinance or law limit of liability is determined by multiplying:
 - 1. For Forms **HO 00 02, HO 00 03, HO 00 05** and **HO 00 06**, the Coverage **A** – Dwelling Limit of Liability shown in the Declarations by the Ordinance Or Law Percentage Amount shown in this endorsement; or
 - 2. For Form **HO 00 04**, the Building Additions And Alterations Limit of Liability shown in the Declarations by the Ordinance Or Law Percentage Amount shown in this endorsement.
- E.** We do not cover:
 - 1. The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - 2. The costs to comply with any ordinance or law which requires any “insured” or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.
All other provisions of this policy apply.

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