

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION**

**CASE NO: 9:19CV81672**

HARVEY ROTH AND ALISON ROTH,

Plaintiffs

vs.

USAA CASUALTY INSURANCE  
COMPANY,

Defendant.

\_\_\_\_\_ /

**DEFENDANT’S ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFFS’  
COMPLAINT**

The Defendant, USAA CASUALTY INSURANCE COMPANY (“USAA CIC”), by and through undersigned counsel, hereby files its Answer and Affirmative Defenses to Plaintiffs’ Complaint, and states as follows:

**JURISDICTION AND VENUE**

1. USAA CIC admits the amount of controversy alleged by Plaintiffs exceeds \$15,000.00, exclusive of attorneys’ fees and costs. USAA CIC denies any and all remaining allegations contained in Paragraph 1 of the Complaint.

2. USAA CIC admits only that it is a foreign corporation incorporated in the State of Texas and having its principal place of business in San Antonio, Texas, and that it is authorized to and is doing business in the State of Florida, otherwise denied.

3. USAA CIC denies the allegations contained in Paragraph 3 of the Complaint, as phrased.

4. USAA CIC admits only that it issued a homeowners policy to Harvey Roth and Alison Roth (“Insureds”) pertaining to the property located at 9593 Parkview Ave., Boca Raton, Florida, 33428 (“Property”) with effective dates of July 24, 2017 through July 24, 2018, Policy No. CIC 00768 19 18 90A (the “Policy”), pursuant to the terms, conditions, limitations and exclusions of the Policy which speak for themselves. A true and correct copy of the Policy is attached hereto as **Exhibit “A”**. USAA CIC denies any and all remaining allegations contained in Paragraph 4 of the Complaint.

5. USAA CIC admits that it issued the Policy, subject to its terms, conditions, and exclusions which speak for themselves and that it has a copy of the Policy. *See Ex. “A”*. USAA CIC denies any and all remaining allegations contained in Paragraph 5 of the Complaint.

6. Upon information and belief and to the extent relevant, USAA CIC admits the allegations in Paragraph 6 of the Complaint.

7. USAA CIC denies the allegations contained in Paragraph 7 of the Complaint.

8. USAA CIC denies the allegations contained in Paragraph 8 of the Complaint.

9. USAA CIC admits only that as part of its investigation of the reported loss, which reportedly occurred on September 12, 2017 as a result of Hurricane Irma, it assigned claim number 007681918-20. USAA CIC denies any and all remaining allegations contained in Paragraph 9 of the Complaint.

10. USAA CIC denies the allegations contained in Paragraph 10 of the Complaint.

11. USAA CIC admits only that venue is proper in the United States District Court Southern District of Florida, West Palm Beach Division, otherwise denied.

**COUNT I – BREACH OF CONTRACT**

12. USAA CIC reasserts and incorporates herein its responses to Paragraphs 1-11 above as if fully set forth herein.

13. USAA CIC denies the allegations contained in Paragraph 13 of the Complaint.

14. USAA CIC denies the allegations contained in Paragraph 14 of the Complaint.

15. USAA CIC denies the allegations contained in Paragraph 15 of the Complaint.

16. USAA CIC denies the allegations contained in Paragraph 16 of the Complaint

17. USAA CIC denies the allegations contained in Paragraph 17 of the Complaint.

18. USAA CIC denies any and all allegations contained in the Complaint not admitted or controverted herein, including any and all allegations contained in the “Wherefore” clause.

#### **FIRST AFFIRMATIVE DEFENSE**

Plaintiffs’ claims are subject to the terms, conditions, exclusions, deductible, including hurricane deductible, and limitations under the Policy and Florida law.

#### **SECOND AFFIRMATIVE DEFENSE**

Plaintiffs’ claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from wear and tear, marring, or deterioration, of the roof which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

#### **SECTION I – LOSSES WE DO NOT COVER**

#### **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION**

1. Unless otherwise stated in 3. Below we do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or

- (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
- (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to

produce the loss.

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- f. Wear and tear, marring, deterioration;

### **THIRD AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself, which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

#### **SECTION I – LOSSES WE DO NOT COVER**

#### **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION**

1. Unless otherwise stated in 3. Below we do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
  - (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to

produce the loss.

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- g. Mechanical breakdown, latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

**FOURTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from settling, cracking, shrinking, bulging or expansion of roofs or ceilings, which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

**SECTION I – LOSSES WE DO NOT COVER**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION**

1. Unless otherwise stated in 3. Below we do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
  - (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to

produce the loss.

\*\*\*

- k. Settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;

**FIFTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from Plaintiffs' neglect or failure to use all reasonable means to save and preserve property at and after the time of a loss or damage, which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

**SECTION I – LOSSES WE DO NOT COVER**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

1. We do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
  - (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to

produce the loss.

\*\*\*

- e. Neglect by or failure of any “insured” to use all reasonable means to save and preserve property at and after the time of a loss or damage or the event resulting in loss or damage.

**SIXTH AFFIRMATIVE DEFENSE**

Plaintiffs’ claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from weather conditions including rain and wind, which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

**SECTION I – LOSSES WE DO NOT COVER**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

2. We do not insure for loss caused by any of the following. However, any ensuing loss to property described in Dwelling Protection and Other Structures Protection not precluded by any other provision in this policy is covered.
  - a. Weather Conditions which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail, or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in

LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION item 1. above to produce the loss.

**SEVENTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, to the extent the claimed damage which is the subject of this lawsuit resulted from faulty, negligent, inadequate or defective planning, development, design, construction, or materials used in repair, construction, or maintenance which is not covered under the terms, conditions, exclusions and limitations of the Policy. Specifically, the Policy provides in pertinent part as follows:

**SECTION I – LOSSES WE DO NOT COVER**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

2. We do not insure for loss caused by any of the following. However, any ensuing loss to property described in Dwelling Protection and Other Structures Protection not precluded by any other provision in this policy is covered.

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- c. Faulty, negligent, inadequate or defective;
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or maintenance.

**RESERVATION OF RIGHT TO SUPPLEMENT OR AMEND**

Defendant, USAA CIC, reserves the right to supplement or amend its affirmative defenses should information obtained through discovery or other means require or support the supplementation or amendment of such defenses.

**DEMAND FOR JURY TRIAL**

USAA CIC demands trial by jury as to all issues so triable.

Dated: December 20, 2019

Respectfully submitted,

**SIMON, REED & SALAZAR, P.A.**

*/s/ Nicholas A. Reeves*  
\_\_\_\_\_  
MICHAEL SIMON  
Florida Bar No. 0062790  
NICHOLAS A. REEVES  
Florida Bar No. 0093805  
Two Datran Center  
9130 S. Dadeland Blvd., Suite 1209  
Miami, Florida 33156  
Tel.: (305) 670-0776  
Fax: (305) 670-0731  
Email: msimon@simonreedlaw.com  
reeves@simonreedlaw.com

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served electronically with the Clerk of Court using CM/ECF on December 20, 2019.

By: */s/ Nicholas A. Reeves*  
\_\_\_\_\_

**SERVICE LIST**


Max M. Messinger, Esq.  
Matthew Gottlieb, Esq.  
Kanner & Pinaluga, P.A.  
925 S. Federal Highway  
Sixth Floor  
Boca Raton, Florida 33432  
[FirstPartyEService@kpattorney.com](mailto:FirstPartyEService@kpattorney.com)  
[mgottlieb@kpattorney.com](mailto:mgottlieb@kpattorney.com)  
[lhernandez@kpattorney.com](mailto:lhernandez@kpattorney.com)



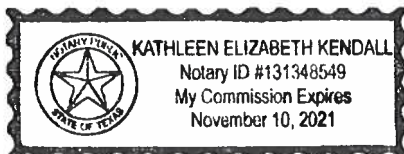
# **EXHIBIT “A”**

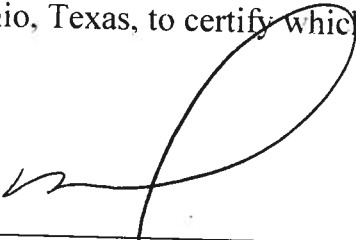
STATE OF TEXAS

Before me, the undersigned notary public for the State of Texas, on this day personally appeared Mary Ann Rice, Manager Operations Support and custodian of records of USAA Casualty Insurance Company, and after being by me duly sworn and upon her oath says that an exact duplicate of the USAA Casualty Insurance Company, 00768 19 18 90A, including any applicable endorsements and forms, issued to HARVEY C ROTH AND ALISON B ROTH, effective on September 12, 2017, has been prepared under her direction and is attached hereto.

  
\_\_\_\_\_  
Mary Ann Rice,  
Manager Operations Support

Subscribed and sworn to before me by said Mary Ann Rice, Manager Operations Support, this 2 day of December 2019 at San Antonio, Texas, to certify which witness my hand and seal at office.



  
\_\_\_\_\_  
Kathleen Elizabeth Kendall  
Notary Public  
State of Texas  
My commission expires on November 10, 2021



## HOMEOWNERS POLICY PACKET

EFFECTIVE: 07-24-17 TO: 07-24-18

DR HARVEY CRAIG ROTH  
9593 PARKVIEW AVE  
BOCA RATON FL 33428-2918

CIC 00768 19 18 90A

### IMPORTANT MESSAGES

Refer to your Declarations Page and endorsements to verify that coverages, limits, deductibles and other policy details are correct and meet your insurance needs. Required information forms are also enclosed for your review.

1) NOTICE OF CHANGE IN POLICY TERMS

We've revised your homeowners policy. Please read the enclosed NOTICE OF CHANGE IN POLICY TERMS flier for details on enhanced coverages and reductions in coverage. We recommend you also review your Declarations Page which lists your policy's coverages, deductibles and premium.

2) USAA considers many factors when determining your premium. Maintaining your property to reduce the probability of loss is one of the most important steps you can take toward reducing premium increases. A history of claim activity will affect your policy premium.

3) Go to [usaa.com](http://usaa.com) to view policy coverages and home features.

**4) IN RESPONSE TO FLORIDA LEGISLATION SB1486,  
LAW AND ORDINANCE COVERAGE IS AN IMPORTANT  
COVERAGE THAT YOU MAY WISH TO PURCHASE.  
YOU MAY ALSO NEED TO CONSIDER THE PURCHASE  
OF FLOOD INSURANCE FROM THE NATIONAL FLOOD  
INSURANCE PROGRAM. WITHOUT THIS COVERAGE,  
YOU MAY HAVE UNCOVERED LOSSES. PLEASE  
DISCUSS THESE COVERAGES WITH YOUR  
INSURANCE AGENT.**

(CONTINUED ON NEXT PAGE)

This is not a bill. Any premium charge or return for this policy will be reflected on your next regular monthly statement.

To receive this document and others electronically or view your policy summary online, go to [usaa.com](http://usaa.com).

For U.S. Calls: Policy Service (800) 531-8111. Claims (800) 531-8222.

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## HOMEOWNERS POLICY PACKET CONTINUED

- 5) Florida has passed a bill establishing an annual hurricane deductible. As a result, we will apply a calendar year hurricane deductible to all Florida homeowners and fire policies for any hurricane losses which occur after May 1, 2005. Please refer to the Florida Calendar Year Hurricane Deductible Notice for details.
  
- 6) Your policy does NOT cover loss due to flood from any source. For information about obtaining flood coverage from the National Flood Insurance Program (NFIP), call USAA at (800) 531-8722, or contact the NFIP directly.  
  
If you already have a flood policy, you should review it to make sure you have the appropriate coverage and limits. No automatic increases or adjustments are applied to your policy. Coverage for loss of household contents due to flood may be available at an additional cost. If you have questions, please call a member service representative at the phone number above.
  
- 7) Florida law allows you to make changes to your policy coverages and select new payment options. Please review the enclosed "Florida Coverage Options" information sheet for details.
  
- 8) Your attached policy includes a charge for the Florida Hurricane Catastrophe fund (FHCF) Assessment, which provides funds to pay FHCF obligations resulting from the previous hurricane seasons. The FHCF charges are reflected on your Declarations page.

## NOTICE OF CHANGE IN POLICY TERMS

### FLORIDA

We are making changes to your Homeowners policy as part of a change affecting all Homeowners policies in Florida insured through the USAA Group of companies. **Many of the changes are intended as a clarification to your current policy. However there are several changes we would like to bring to your attention.** These are provided in the table below. These changes will apply upon the effective date of the endorsed policy.

Descriptions in the table below are necessarily brief. You should review the endorsed policy for the exact terms and conditions. If you want to accept this new policy, no action is required on your part other than the payment of premiums. If you have questions, call a member service representative at 800-531-USAA (8722) or via our mobile shortcut #8722.

The table below illustrates the changes we have made to your Homeowners policy. Some of these changes may not apply to your policy if you have not purchased additional coverage.

<b>Changes to Your Homeowners Policy</b>			
Coverage	Prior Policy	New Policy	Notes
Constant or continual Seepage or Leakage.	If greater than 13 days coverage is excluded.	If greater than 13 days, coverage applies if the leak and damage is unknown to all insureds.	Applies to the basic policy, Special Personal Property Coverage and to Unit Owners Coverage A Special Coverage.
Insured location definition	Does not include newly acquired location	Newly acquired location is included as an insured location.	To properly protect your new location speak to a customer service representative as quickly as possible.
Loss Assessments	Limit of \$25,000 provided in the policy	Limit of \$50,000 provided in the policy.	
Notice of Cancellation or Nonrenewal mailing requirement.	Various requirements based on the type of notice and the time of year of the notice up to 180 days.	Standardized requirement for notices when the policy has been in force for 90 days or more to 120 days.	Please see your policy for specifics.
Sinkhole Loss Coverage	No reimbursement for making a sinkhole claim without good faith grounds.	Reimbursement requirement for costs and expenses associated with filing a sinkhole claim without good faith grounds.	

CATALOG-NUMBER

FLPRGHFLR (09-16)

131401-0916

Page 1 of 1



9500 Fredericksburg Road  
San Antonio, Texas 78258

## **New Tool Used to Estimate Your Home's Rebuilding Cost**

We've made a change that goes into effect with this policy's renewal date. We're using a new replacement cost calculation tool provided by Xactware Solutions, Inc., to estimate your home's rebuilding cost. We chose Xactware to provide a consistent experience between your selection of coverage limits and the adjustment of a claim in the event of a loss. Xactware already provides an outstanding estimating tool for our claims department.

### **Review Your Policy Documents for More Information**

We used this tool to estimate the minimum cost to rebuild your home, which may differ from prior estimates. Please review the enclosed Declarations page for changes to your coverage limits and premium.

You may also notice some differences in your home characteristics. To see your current list of characteristics, refer to Your Home Characteristics flier included in your policy packet or log on to [usaa.com](http://usaa.com) and follow these steps:

1. In the My Accounts Summary, scroll down to the Insurance section.
2. From the Insurance section, select Homeowners.
3. Select the Review Home Characteristics tab on Account Summary.

If you have questions about your coverage options, policy or updating your home characteristics, please call us at 210-531-USAA (8722), our mobile shortcut #8722 or 800-531-8722.



USAA CASUALTY INSURANCE COMPANY  
9800 Fredericksburg Road - San Antonio, Texas 78288

**HOMEOWNERS POLICY DECLARATIONS**

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR  
HURRICANE LOSSES, WHICH MAY RESULT IN HIGH  
OUT-OF-POCKET EXPENSES TO YOU.**





USAA CASUALTY INSURANCE COMPANY  
9800 Fredericksburg Road - San Antonio, Texas 78288  
RENEWAL DECLARATIONS PAGE

Named Insured and Residence Premises Policy Number  
 HARVEY C ROTH AND ALISON B ROTH CIC 00768 19 18 90A  
 9593 PARKVIEW AVE  
 BOCA RATON, PALM BEACH, FL 33428-2918

Policy Period From: 07/24/17 To: 07/24/18  
 (12:01 A.M. standard time at location of the residence premises)

<b>SECTION I - COVERAGES AND AMOUNTS OF INSURANCE</b>	
COVERAGE A - DWELLING PROTECTION	\$447,000
COVERAGE B - OTHER STRUCTURES PROTECTION	\$44,700
COVERAGE C - PERSONAL PROPERTY PROTECTION	\$335,250
COVERAGE D - LOSS OF USE PROTECTION (UP TO 24 MONTHS)	\$89,400
<b>SECTION II - COVERAGES AND LIMITS OF LIABILITY</b>	
Personal Liability - Each Occurrence	\$1,000,000
Medical Payments to Others	\$5,000
<b>DEDUCTIBLES (Applies to SECTION I Coverages ONLY)</b>	
We cover only that part of the loss over the deductible stated.	
HURRICANE	<b>2% HURRICANE = \$8,940</b>
ALL OTHER PERILS	\$2,000
<b>POLICY PREMIUM</b> for Section I and Section II Coverages Above	\$5,980.25
<b>CREDITS AND DISCOUNTS</b> (Included in policy premium above.) Details on the following page. (If applicable)	\$8,891.31 CR
<b>OTHER COVERAGES AND ENDORSEMENTS</b> Form and Endorsements are printed on the following page.	\$30.49
<b>STATE SURCHARGES AND TAXES</b> FL SURCHARGES ARE PRINTED ON THE FOLLOWING PAGE.	\$651.16
<b>PREMIUM SUMMARY</b>	
NON-HURRICANE PREMIUM	\$2,436.03
HURRICANE PREMIUM INCLUDING FHCF	\$4,179.38
<b>TOTAL POLICY PREMIUM INCLUDING SURCHARGES</b> Including Credits, Discounts, Optional Coverages, Endorsements, State Surcharges and Taxes	\$6,661.90
PREMIUM DUE AT INCEPTION. THIS IS NOT A BILL. STATEMENT TO FOLLOW.	

**FIRST MORTGAGEE:**

TD BANK NA  
 ITS SUCCESSORS AND/OR ASSIGNS, ATIMA  
 C/O MGA GROUP, INC, PO BOX 8426  
 RESTON, VA 20195

COUNTERSIGNED BY AGENT

In Witness Whereof, this policy is signed on 05/24/17

Deneen Donnley, Secretary

S. Wayne Peacock, President

REFER TO YOUR POLICY FOR OTHER COVERAGES, LIMITS AND EXCLUSIONS.  
 ATTACH THIS DECLARATION TO PREVIOUS POLICY



USAA CASUALTY INSURANCE COMPANY  
RENEWAL DECLARATIONS PAGE

CIC	Policy Number	Policy Term:	07/24/17	07/24/18
	00768 19 18 90A	Inception		Expiration

**POLICY AND ENDORSEMENTS THAT ARE PART OF YOUR CONTRACT WITH US.**

POLICY AND ENDORSEMENTS THAT ARE PART OF YOUR CONTRACT WITH US.

REMAIN IN EFFECT (Refer to prior Policy Packet(s) for documents not attached.):  
QR3CIC (07-08) QUICK REFERENCE-SPECIAL FORM

ADDED:

HO-3RFL	(09-16)	HOMEOWNERS SPECIAL FORM	
HO-FL	(08-16)	FLORIDA SPECIAL PROVISIONS	
HO-SLS3FL	(05-16)	SPECIAL LOSS SETTLEMENT	
FL271	(02-16)	HURRICANE DEDUCTIBLE ENDORSEMENT	
HO-208FL	(12-15)	WATER BACKUP OR SUMP PUMP OVERFLOW	
HO-225FL	(12-15)	BUILDING ORDINANCE OR LAW COVERAGE (25%)	
HO-728FL	(05-16)	REPLACEMENT COST COVERAGE	
219	(05-16)	BUILDING CODE CREDIT	
HO-99FL	(08-16)	SINKHOLE LOSS COVERAGE	\$30.49

YOUR PREMIUM HAS BEEN REDUCED BY THE FOLLOWING CREDITS AND DISCOUNTS:

AUTO AND HOME COMBINATION DISCOUNT	\$53.69 CR
CLAIMS FREE DISCOUNT	\$292.30 CR
PROTECTIVE DEVICE CREDIT	\$20.39 CR
BUILDING CODE ENFORCEMENT PROGRAM CREDIT	\$954.44 CR
BUILDING CODE CREDIT	\$7,570.49 CR

FOR INFORMATION ONLY:

YOUR BUILDING CODE ENFORCEMENT CREDIT GRADE IS 3. YOU HAVE RECEIVED THE MAXIMUM CREDIT ALLOWED FOR YOUR COMMUNITY. IF YOUR COMMUNITY DID NOT PARTICIPATE IN THE BUILDING CODE ENFORCEMENT PROGRAM, A SURCHARGE OF \$210.87 WOULD APPLY TO YOUR PREMIUM.

SPECIFICALLY LISTED BELOW ARE SURCHARGES.

EMERGENCY MANAGEMENT FUND	\$2.00
FL HURRICANE CATASTROPHE FUND (FHCF) PREMIUM RECOUPMENT	\$649.16



Homeowners 3R(FL)  
Special Form  
(09-16)  
HO 2008 Program

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## AGREEMENT

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In return for payment of premium and subject to all terms of this policy, we will provide the insurance described.

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## DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse when a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance. Certain words and phrases are defined and are printed in boldface and quotation marks when used.

1. **"Actual cash value"** is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **"Actual cash value"** applies to valuation of covered property regardless of whether that property has sustained partial loss, or total loss. The **"actual cash value"** of lost or damaged property may be significantly less than its replacement cost.
2. **"Aircraft"** means any conveyance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
3. **"Bodily injury"** means physical injury, sickness or disease, including required care, loss of services and death that results.  
  
**"Bodily injury"** does not include mental injuries such as: emotional distress, mental anguish, humiliation, mental distress, or any similar injury unless it arises out of physical injury to the person claiming a mental injury.
4. **"Business"** means any full or part-time activity arising out of or related to any trade, profession or occupation of any **"insured"**.
5. **"Collapse"** means:
  - a. A sudden falling or caving in;
  - b. A sudden breaking apart or deformation such that the building or part of a building is in imminent peril of falling or caving in and is not fit for its intended use.

Damage consisting solely of settling, cracking, shrinking, bulging or expansion is not covered unless it is the direct result of **"collapse"**.
6. **"Damages"** means compensatory damages the **"insured"** is legally obligated to pay as a result of **"bodily injury"** or **"property damage"** covered by this insurance, but does not include punitive, exemplary or multiple damages.
7. **"Fungus"** means any microorganism or by-product of any microorganism, including, but not limited to mold, mildew, fungi, mycotoxins and spores.
8. **"Hovercraft"** means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.

9. "Insured" means:
- a. The "member";
  - b. Spouse when a resident of the same household; and
  - c. 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.
- Under SECTION II, "insured" also means:
- d. With respect to animals, "watercraft" or "personal watercraft" to which this policy applies, any person or organization legally responsible for these animals, "watercraft" or "personal watercraft" which are owned by you or any person included in 9.a., 9.b., or 9.c. above. A person or organization using or having custody of these animals, "watercraft" or "personal watercraft" without consent of the owner is not an "insured".
  - e. With respect to any vehicle or conveyance to which this policy applies:
    - (1) "Residence Employees" while engaged in your employ or that of any person included in 9.a., 9.b. or 9.c. above; or
    - (2) Other persons using the vehicle on an "insured location" with your consent.
10. "Insured location" means:
- a. The "residence premises";
  - b. Any premises used by you in connection with 10.a. above;
  - c. Any part of a premises:
    - (1) Not owned by any "insured"; and
    - (2) Where any "insured" is temporarily residing;
  - d. Vacant land, other than farm land owned by or rented to any "insured";
  - e. Land owned by or rented to any "insured" on which a one or two family dwelling is being built as a residence for any "insured";
  - f. Individual or family cemetery plots or burial vaults of any "insured"; or
  - g. Any part of a premises occasionally rented to an "insured" for other than "business" use.
11. "Member" means the owner of the policy who is the person who meets all eligibility requirements for membership and whose membership number is shown in the Declarations of this policy.
12. "Motor vehicle(s)" means any type of motorized land vehicle or conveyance, whether or not subject to motor vehicle registration.
13. "Named peril(s)" means one or more of the perils listed under LOSSES WE COVER – PERSONAL PROPERTY PROTECTION.
14. "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".
15. "Personal watercraft" means a conveyance, used or designed to be used on water that uses a jet pump powered by an internal combustion engine as the primary source of propulsion.
16. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids,

alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

17. **"Professional services"** means any type of service to the public that requires members rendering a service to obtain an advanced degree and/or obtain a license or other legal authorization to provide the service and includes, but is not limited to services rendered by dentists, naturopaths, chiropractors, physicians and surgeons, doctors of dentistry, physical therapists, occupational therapists, podiatrists, optometrists, nurses, nurse-midwives, veterinarians, pharmacists, architects, landscape architects, engineers, accountants, land surveyors, psychologists, attorneys-at-law, therapists, counselors and social workers.

18. **"Property damage"** means physical damage to or destruction of tangible property, including loss of use of this property.

19. **"Residence employee"** means an employee of any "insured" whose primary duties are related to the maintenance or use of the "residence premises", including household or domestic service.

20. **"Residence premises"** means:

- a. The one family dwelling, other structures, and grounds; or
- b. That part of any other building;

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

**"Residence premises"** also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

21. **"Sudden and accidental"** means an abrupt, fortuitous event which is unintended from the perspective of a reasonable person.

22. **"War"** means war whether declared or undeclared; civil war; insurrection; rebellion; revolution; any warlike act by friendly or enemy forces, destruction or seizure for a military purpose.

23. **"Watercraft"** means a conveyance principally designed to be propelled on or in water by wind, current, paddles, oars, engine power or electric motor.

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### DEDUCTIBLE

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

Subject to the applicable amount of insurance that applies, we will pay only that part of the total of all loss payable under SECTION I - PROPERTY WE COVER that exceeds the deductible amount shown in the Declarations.

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### SECTION I PROPERTY WE COVER

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#### COVERAGE A - Dwelling Protection

We cover:

- 1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling;

- 2. 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"; and

- 3. Custom or permanently installed window treatments and permanently installed carpeting.

Except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Land, we do not cover land, including land on which the dwelling is located.

**COVERAGE B - Other Structures Protection**

We cover:

- 1. Other structures on the "residence premises":

- a. We cover other structures on the "residence premises":
  - (1) Set apart from the dwelling by clear space; and
  - (2) Sidewalks, driveways and fences; and
  - (3) Structures connected to the dwelling by only a fence, utility line, or similar connection.

b. We do not cover:

- (1) Land, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Land, including land on which the other structures are located;
  - (2) Structures used in whole or part for "business" unless such use consists solely of use of office space for paperwork, computer work or use of a telephone, and consists solely of activities that are:
    - (a) Duties of any "insured's" employment by another; and
    - (b) Performed solely by an "insured".
- 2. Other Structures away from the "residence premises".

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

b. We do not cover:

- (1) Other structures located away from the "residence premises":
  - (a) Being used as a dwelling; or
  - (b) Capable of being used as a dwelling; or
  - (c) Used in whole or part for "business"; or
- (2) Land, including land on which the other structure is located.

The amount of insurance for all structures will not be more than the amount of insurance shown in the Declarations for Other Structures Protection.

**COVERAGE C - Personal Property Protection**

We cover:

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

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

The amount of insurance for personal property usually located at any "insured's" residence, other than the "residence premises" is limited to 10% of the amount of insurance for Personal Property Protection, or \$1,000, whichever is greater.

Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Amounts of Insurance.** The special amounts set out below do not increase the Personal Property Protection amount of insurance. The special amount for each numbered category below is the total amount for each loss for all property in that category.

1. \$200 for money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards, smart cards and gift certificates including electronic gift certificates.
2. \$1,000 for securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, and tickets.

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

This limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

3. \$1,500 for **"watercraft"** or **"personal watercraft"**, including their trailers, furnishings, equipment and outboard motors.
4. \$1,500 for trailers not used with **"watercraft"** or **"personal watercraft"**.
5. \$10,000 for loss by theft of jewelry, watches, precious and semi-precious stones, fur garments, including any garment containing fur, which represents its principal value.
6. \$2,500 on stamps, trading cards and comic books, including any of these that are part of a collection.

7. \$10,000 for loss by theft of firearms.
8. \$10,000 for loss by theft of silverware, silver-platedware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This category includes but is not limited to flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
9. (a) \$10,000 for tangible **"business"** property at your residence.  
(b) \$1,000 for tangible **"business"** property away from your residence.
10. \$3,000 on motorized golf carts and their equipment and accessories. But if, at the time of loss, there is any other insurance covering physical loss to golf carts, then this policy does not apply.
11. \$3,000 for motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hour and for use off public roads. However, this limit does not apply to vehicles not subject to motor vehicle registration which are:
  - a. Used to service any **"insured's"** residence, or
  - b. Designed for assisting the handicapped.

#### **Property We Do Not Cover.**

1. Personal property separately described and specifically insured in this or other insurance.
2. Animals, birds or fish.
3. **"Motor vehicle(s)"**. This includes but is not limited to:
  - a. Equipment, accessories, and parts;
  - b. Any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures which is permanently installed in a

"motor vehicle". We do not cover antennas, tapes, wires, discs or other media, for use with any such device or instrument, while in or upon the "motor vehicle".

We do cover "motor vehicle(s)" or all other motorized land conveyances not subject to motor vehicle registration which are:

- a. Used to service any "insured's" residence; or
- b. Designed for assisting the handicapped.

We also cover:

- a. Motorized golf carts and their equipment and accessories; and
- b. Motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hours and for use off public roads

subject to the provisions under Special Amounts of Insurance.

4. "Aircraft" and parts.
5. "Hovercraft" and parts.
6. Personal property of roomers, roommates, boarders, or other tenants. This does not apply to property of roomers, roommates, boarders or other tenants who qualify as "insureds".
7. Personal property in an apartment regularly rented or held for rental to others by any "insured", except as provided in ADDITIONAL COVERAGES, Landlord's Furnishings.
8. Personal property rented or held for rental to others off the "residence premises".
9. "Business" data, records, recordings, images and photographs including such data stored in:
  - a. Books of account, drawings or other paper records; or,
  - b. Electronic storage media.

a. Books of account, drawings or other paper records; or,

b. Electronic storage media.

However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market.

10. Personal data, records, recordings, images, and photographs, regardless of storage media. This includes songs, movies and other audio or video media which you purchase and download onto a computer or portable electronic media player, other than as provided in ADDITIONAL COVERAGES, Electronic Media. However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market.
11. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in ADDITIONAL COVERAGES, Credit Card Coverage and Identity Fraud Expense Coverage.

#### COVERAGE D - Loss Of Use Protection

The amount of insurance for Loss of Use shown on the Declarations is the total limit for the coverages that follow.

1. **Additional Living Expense.** If a loss covered under Section - I - LOSSES WE COVER makes that part of the "residence premises" where you reside uninhabitable, we cover the reasonable and 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, in either event, not to exceed 12 months.



However, if a loss covered under Section I – LOSSES WE COVER results from an event which is assigned a Property Claims Service (PCS) catastrophe code, 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, in either event not to exceed 24 months. This extension does not increase the amount of insurance provided under Loss of Use Protection.

- 2. **Fair Rental Value.** If a loss covered under Section I – LOSSES WE COVER makes that part of the "residence premises" rented to others or held for rental by you uninhabitable, we cover the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is uninhabitable.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental, but not to exceed 12 months.

- 3. **Prohibited Use.** If a loss covered under Section I – LOSSES WE COVER results in an order from a civil authority prohibiting you from use of the "residence premises" as a result of direct damage to neighboring premises by a loss covered under Section I – LOSSES WE COVER, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1. and 2. above for not more than two weeks. A neighboring premise is defined as a premises that is adjacent to the "residence premises".

The periods of time under 1., 2., and 3. above are not limited by expiration of this policy.

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

Except as provided in ADDITIONAL COVERAGES, Fungus, or Wet or Dry Rot, the Loss of Use coverage afforded under 1., 2., and 3. above does not apply to loss caused by "fungus", or wet or dry rot.

No deductible applies to the coverage afforded under 1., 2., and 3. above.

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## ADDITIONAL COVERAGES

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Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following:

### 1. Debris Removal

- a. We will pay your reasonable expense for the removal of:
  - (1) Debris of covered property if loss to the damaged property is covered under SECTION I – LOSSES WE COVER; 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 amount of insurance that applies to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the amount of insurance for the damaged property, an additional 5% of that amount of insurance will be available to cover debris removal expense.

- b. We will also pay your reasonable expense, up to \$1,000 in the aggregate, 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 loss under "named peril(s)".

provided the tree(s)

- (3) Damage(s) a covered structure; or

- (4) Does not damage a covered structure, but:

- (a) Blocks a driveway on the "residence premises" which prevents a "motor vehicle" that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
- (b) Blocks 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 reduces the amount of insurance that applies to the covered property.

The policy deductible applies.

- 2. Reasonable Repairs.** In the event that covered property is damaged by an applicable loss under Section I – LOSSES WE COVER, we will pay the reasonable expense incurred by you, for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable loss under SECTION I – LOSSES WE COVER. This coverage reduces the amount of insurance that applies to the covered property and does not relieve you of your duties in case of a loss to covered property, as set forth in SECTION I – CONDITIONS 2.d.

The policy deductible applies.

### **3. Trees, Shrubs and Other Plants.**

We cover trees, shrubs, plants, lawns, or landscaping on the "residence premises"; for loss caused by the following Losses We Cover: Fire or Lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises", Vandalism or malicious mischief or Theft.

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

This coverage is additional insurance and does not reduce the amount of insurance.

The policy deductible applies.

### **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 loss under SECTION I – LOSSES WE COVER.

This coverage is additional insurance and does not reduce the amount of 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 loss under SECTION I – LOSSES WE COVER and for no more than 30 days after the property has been removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property.

This coverage reduces the amount of insurance that applies to the property being removed.

The policy deductible applies.

**6. Credit Card Coverage and Identity Fraud Expense Coverage.**

We will pay up to \$5,000 in the aggregate for all loss and defense costs resulting from **Credit Card Coverage and Identity Fraud Expense Coverage**.

For the purposes of **Credit Card Coverage and Identity Fraud Expense Coverage**, a series of acts committed by any one person in which any one person is concerned or implicated is considered to be one loss, even if a series of acts continues into a subsequent policy period.

a. **Credit Card Coverage** also includes, fund transfer cards, forgery and counterfeit money. Under **Credit Card Coverage**, we pay for all loss and defense costs resulting from:

- (1) The legal obligation of any "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in any "insured's" name;
- (2) Loss resulting from theft or unauthorized use of electronic fund transfer cards or access devices used for deposit, withdrawal or transfer of funds, issued to or registered in any "insured's" name;
- (3) Loss to any "insured" caused by forgery or alteration of any "insured's" check or negotiable instrument written on an "insured's" bank account. This does not include loss by the acceptance of a forged, altered or counterfeit check, or other negotiable instrument, by an "insured".
- (4) Loss to any "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

For losses covered by this additional insurance we will provide defense as follows:

- (1) We may investigate and settle any claim or suit as we deem to be appropriate. Any duty to defend a claim or suit ends when the amount we pay or tender for the loss equals the applicable amount of insurance.
- (2) If a suit is brought against any "insured" as a result of theft or unauthorized use of a credit card or fund transfer card, we will provide a defense at our expense by counsel of our choice. We have the option to defend at our expense any "insured" against any suit for the enforcement of payment under the forgery coverage.

This is additional insurance and does not reduce the amount of insurance.

No deductible applies to **Credit Card Coverage**.

b. Under **Identity Fraud Expense Coverage**, we pay for "expenses" and defense costs incurred by any "insured" as the direct result of "identity fraud".

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

"Identity Fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of any "insured" with the intent to commit, or aid or abet, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

"Expenses" means:

- (1) Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized;

- (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (3) Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies, merchandise, and/or legal counsel, or to complete fraud affidavits, not to exceed \$250 per day;
- (4) Loan application fees for re-applying for a loan or loans when original application is rejected solely because the lender received incorrect credit information resulting from "identity fraud";
- (5) Reasonable attorney fees incurred, with our prior consent, for:
  - (a) Defense of lawsuits brought against the "insured" by merchants or their collection agencies, and
  - (b) The removal of any criminal or civil judgments wrongly entered against an "insured".
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
- (7) Research fees charged by merchants, financial institutions or similar credit grantors, or credit agencies resulting from "identity fraud".

This coverage is additional insurance and does not reduce the amount of insurance.

A \$100 deductible applies to **Identity Fraud Expense Coverage**.

The following exclusions apply to **Credit Card Coverage and Identity Fraud Expense Coverage**:

- (1) We do not cover forgery, theft or use of a credit card, electronic fund transfer card or access device:
  - (a) By a resident of your household or any "insured";
  - (b) By a person who has been entrusted with the card(s) or device(s);
  - (c) If any "insured" has not complied with all terms and conditions under which the cards or devices are issued.
- (2) We do not cover loss arising out of "business" pursuits, dishonesty, fraud, or criminal activity of any "insured".

7. **Loss Assessment.** We will pay up to \$10,000 for your share of loss assessment charged against you by a corporation or association of property owners, for an event that occurs during the policy period, when the assessment is made as a result of "sudden and accidental" direct physical loss to the property, owned by all members collectively, caused by a loss under Section I – LOSSES WE COVER for **DWELLING PROTECTION COVERAGE AND OTHER STRUCTURES PROTECTION COVERAGE**, subject to all provisions of the policy

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake, or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

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

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

The limit of \$10,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is not limited by the expiration of this policy.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

8. **"Collapse"**. For an entire building or any part of a building covered by this insurance we insure for direct physical loss to covered property involving **"collapse"** of a building or any part of a building only when the **"collapse"** is caused by one or more of the following:
- "Named peril(s)"** apply to covered buildings and personal property for loss insured by this additional coverage.
  - Decay that is hidden from view, meaning damage that is unknown prior to **"collapse"** or that does not result from a failure to reasonably maintain the property;
  - Insect or vermin damage that is hidden from view, meaning damage that is unknown prior to **"collapse"** or that does not result from a failure to reasonably maintain the property;
  - Weight of contents, equipment, animals or people;
  - Weight of rain which collects on a roof; or
  - Use of defective material or methods in construction, remodeling or renovation if the **"collapse"** occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, water well, cistern flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e. and f. unless the loss is a direct result of the **"collapse"** of a building.

This coverage reduces the amount of insurance that applies to the damaged covered property.

The policy deductible applies.

9. **Lock Replacement**. When the dwelling door keys are stolen in a covered theft loss, we will pay the cost to:
- Change the combination in the lock hardware of the doors, or
  - Change the lock hardware of the doors.

The most we will pay for Lock Replacement is \$250. No deductible applies to this coverage.

10. **Refrigerated Products**. We will pay you up to \$500 for loss to the contents of a freezer or a refrigerator located on your **"residence premises"**, as a consequence of power failure or mechanical breakdown. The \$500 limit is the most we will pay in any one loss regardless of the number of freezers or refrigerators.

The Power Failure exclusion under Section I – LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION does not apply to Refrigerated Products.

This coverage does not increase the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

11. **Land**. If a loss covered under Section I – LOSSES WE COVER damages a building on the **"residence premises"** insured under Dwelling Protection or Other Structures Protection and the same loss causes the land necessary to support the building insured under Dwelling Protection or Other Structures Protection to become unstable, we will pay up to \$10,000 for the cost required to replace, rebuild, stabilize or otherwise restore such land.

This coverage is an additional insurance and does not reduce the amount of insurance.

The policy deductible applies.

**12. Glass or Safety Glazing Material.**

We cover:

- a. The breakage of glass or safety glazing material caused by a loss under Section I – LOSSES WE COVER, which is part of a covered building, storm door or storm window; and
- b. Damage to covered property by glass or safety glazing material which is part of a building storm door or storm window.

This coverage does not include loss on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. An insured dwelling being constructed is not considered vacant.

This coverage reduces the amount of insurance that applies to the damaged property.

The policy deductible applies.

**13. Landlord's Furnishings.** We will pay up to \$2,500 for your appliances, your carpeting and other household furnishings located in an apartment on the "residence premises" regularly rented or held for rental to others by any "insured", for loss caused by "named peril(s)", other than theft.

The \$2,500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishing involved in the loss.

This coverage reduces the Personal Property Protection amount of insurance.

The policy deductible applies.

**14. Building Ordinance or Law.** For loss caused by a loss under Section I – LOSSES WE COVER to buildings under Dwelling Protection and Other Structures Protection, we will pay the increased costs which are required and you actually incur to comply with any ordinance or law governing the rebuilding, repair or demolition of the damaged property.

The limit for this coverage will not be more than 5% of the Coverage A – Dwelling Protection amount of insurance.

This coverage is additional insurance and does not reduce the Dwelling Protection amount of insurance.

The policy deductible applies.

**15. Temporary Living Expenses.** We will pay up to \$2,000 for necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by earthquake, volcanic eruption, landslide, or if a civil authority prohibits your use of the "residence premises" because an earthquake, volcanic eruption or landslide has occurred.

This coverage is additional insurance and does not reduce the Loss Of Use Protection amount of insurance.

No deductible applies to this coverage.

**16. Fungus, or Wet or Dry Rot.**

1. We will pay up to a total of \$2, 500 for:

- a. The cost to treat, remove or dispose of "fungus", or wet or dry rot from covered property;
- b. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungus", or wet or dry rot; and/or

- c. The cost to test, to detect, measure or evaluate air or property to confirm the absence, presence or level of "fungus", or wet or dry rot 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 reasonable probability that there is the presence of "fungus".

which is the direct result of a loss under Section I – LOSSES WE COVER.

2. We will pay up to a \$2, 000 for the necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungus", or wet or dry rot which is the direct result of Section I – LOSSES WE COVER.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage once the policy deductible has been met.

- 17. Military Uniforms and Equipment.** We will waive your deductible for loss to uniforms and military equipment, owned by you, including but not limited to clothing, insignia, flight cases, headsets, personal body armor and GPS devices for a loss caused by "named peril(s)" while you are on active or active reserve duty.

This coverage reduces the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

- 18. War.** To the extent that coverage for "war" is provided here, item 1 f. under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION** and the "war" exclusion in any endorsement attached to this policy do not apply.

We will pay up to \$10,000 for:

- a. Direct loss or damage to your personal property caused by "war"; or
- b. Abandonment as a consequence of "war" subject to these conditions.

subject to the following conditions:

This coverage applies only:

- a. To any "insured" who is subject to government reimbursement for loss to personal property under 31 USC 3721, commonly referred to as the Military Personnel and Civilian Employees Claims Act, as amended and supplemented, or any successor or replacement act; and
- b. To loss that occurs anywhere outside the Continental United States, Alaska and Hawaii.

In addition to compliance with the other provisions of **Your Duties After Loss**, you must:

- a. Report your claim to the U.S. Government, its affiliate or agency, and comply with its requirements;
- b. Send us, within 60 days after our request, copies of all actual documents which outline the basis of the government's reimbursement for your loss including the amount paid

The **Suit Against Us** clause is changed for loss by "war" only:

No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of payment by the government.

The **Loss Settlement** clause in this policy is changed for loss by "war" only to read:

"War" loss to personal property under this policy is not payable until the U.S. Government has made its final payment to you for the loss under 31 USC 3721 as amended and supplemented, or any successor or replacement act.

Subject to all policy provisions, our payment will be the total amount of your loss minus the U.S. government payment.

We will adjust all losses with you. We will pay you unless some other person is named in this policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss, and satisfactory evidence of the amount of the U.S. Government payment, or we reach an agreement with you.

This coverage reduces the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

- 19. Electronic Media**, meaning songs, movies and other audio or video media, which you purchased and downloaded onto a computer or portable electronic media player. We will pay up to \$250 for a loss covered under "named peril(s)", provided that you maintain records to document the actual purchase of this media. This coverage does not include personal data or records.

This coverage is additional insurance and does not reduce the Personal Property Protection amount of insurance.

The policy deductible applies.

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## SECTION I - LOSSES WE COVER

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### COVERAGE A - DWELLING PROTECTION COVERAGE AND COVERAGE B - OTHER STRUCTURES PROTECTION COVERAGE

We insure against "sudden and accidental", direct, physical loss to tangible property described in PROPERTY WE COVER – Coverages A and B unless excluded in Section I – LOSSES WE DO NOT COVER.

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.

### COVERAGE C - PERSONAL PROPERTY PROTECTION

We insure against "sudden and accidental", direct physical loss to tangible property described in PROPERTY WE COVER – Coverage C caused by a peril listed below unless the loss is excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION.

This peril includes loss to the "watercraft", "personal watercraft", and their trailers, furnishings, equipment and outboard motors, only while inside a fully enclosed building.

1. Fire or lightning.

2. Windstorm or hail.

3. Explosion.

4. Riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.



6. **Vehicles**, meaning damage caused by or resulting from an impact with a **"motor vehicle"**. This does not include damage to personal property being transported by a **"motor vehicle"** unless this vehicle is itself involved in a collision.

7. **Smoke**, meaning **"sudden and accidental"** damage from smoke.

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

8. **Vandalism or malicious mischief**.

9. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. Committed by any **"insured"** or any other person regularly residing on any part of the **"insured location"** for a period in excess of thirty consecutive days, if other permanent residency is established or claimed elsewhere;
- b. In or to a dwelling under construction, or materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. From that part of a **"residence premises"** rented by any **"insured"** to a person who does not qualify as an **"insured"**.

This peril does not include loss caused by theft that occurs away from the **"residence premises"** of:

- a. Property while at any other residence owned by, rented to, or occupied by any **"insured"** unless the **"insured"** has stayed at the temporary residence at any time during the 60 days immediately before the loss;

b. **"Watercraft"**, or **"personal watercraft"** including their furnishings, equipment and outboard motors; or

c. Trailers and campers.

10. **Falling objects**.

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

11. **Weight of ice, snow or sleet**, which causes damage to property contained in a building.

12. **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. A plumbing system does not include a sump pump or sump well designed to drain subsurface water from the interior foundation area even if such overflow results from the mechanical breakdown of the sump pump.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped; or
- b. Caused by or resulting from freezing except as provided in the peril of Freezing below; or
- c. On the **"residence premises"** caused by discharge or overflow which occurs off the **"residence premises"**.

13. **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.

14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" if you have failed to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

**15. Damage from artificially generated electrical current.**

**16. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

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## SECTION I - LOSSES WE DO NOT COVER

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### LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION.

1. Unless otherwise stated in 3. below we do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
  - (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to produce the loss.
    - a. 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 exclusion does not apply if you have:
      - (1) Maintained heat in the building; or
      - (2) Shut off the water supply and drained the system and appliances of water;
    - b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
      - (1) Swimming pool, hot tub, or spa, including their filtration and circulation system; or
      - (2) Fence, pavement, patio; or
      - (3) Foundation, retaining wall or bulkhead; or
      - (4) Pier, wharf or dock.
- c. Theft in or to a dwelling under construction, or of materials and supplies for use in in the construction until the dwelling is finished and occupied;
- d. Vandalism and malicious mischief or breakage of glass and safety glazing materials, 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 180 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- e. Constant or repeated seepage or leakage of water or steam over a period of 14 days or more from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
- f. Wear and tear, marring, deterioration;

- g. Mechanical breakdown, latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;
  - h. Smog, rust, electrolysis or other corrosion;
  - i. Smoke from agricultural smudging or industrial operations;
  - j. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by "named peril(s)" of this policy.
  - k. Settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
  - l. Birds, rodents, insects;
  - m. Animals owned or kept by any "insured".
  - n. Vermin meaning animals, other than (m.) above, that access real or personal property for foraging or shelter and by their presence cause damage to such property. Vermin include, but are not limited to armadillos, bats, beavers, coyotes, ferrets, opossums, porcupines, raccoons, skunks and squirrels.
  - o. Nesting, infestation, discharge or release of waste products or secretions, by any birds, rodents, insects, vermin, or animals owned or kept by an "insured".
  - p. Pressure from, or presence or intrusion of, tree, shrub or plant roots.
2. If items 1.f. through 1.p. above cause water damage which is not otherwise excluded, we cover the resulting water damage, including the cost of tearing out and replacing any part of a building necessary to repair a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance. We do not cover loss to the system or appliance from which this water escaped
  3. If any item in 1. above directly causes a "named peril(s)" to occur, the resulting damage produced by the "named peril(s)" is covered unless otherwise excluded or excepted elsewhere in this policy.

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

1. We do not insure for damage consisting of or caused directly or indirectly by any of the following regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
- (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to produce the loss.
- a. **Ordinance or Law**, meaning the increased cost of demolition, repairs or rebuilding due to the enforcement or compliance with any ordinance or law regulating the construction, repair or demolition of a building or other structure other than as provided in ADDITIONAL COVERAGES, Building Ordinance or Law.

**b. Earth Movement** arising from or caused by or resulting from human or animal forces or any act of nature, meaning:

- (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide; mudslide or mudflow;
- (3) Subsidence, sinkhole, erosion or movement resulting from improper compaction, site selection or any other external forces;
- (4) Earth sinking, rising or shifting, expanding or contracting of earth, all whether combined with water or not;

unless direct loss by fire, theft, explosion, or breakage of glass or safety glazing material which is part of building, storm door or storm window results and then we will pay only for the resulting loss.

**c. Water Damage** arising from, caused by or resulting from human or animal forces, any act of nature, or any other source. Water damage means damage caused by or consisting of:

- (1) Flood, surface water, waves, tidal water, storm surge, tsunami, any overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- (2) Any release, overflow, escape or rising of water otherwise held, contained, controlled or diverted by a dam, levee, dike or by any type of water containment, water diversion or flood control device; or
- (3) Water or water-borne material which backs up through sewers or drains or which overflows from a sump pump, sump well or similar device designed to drain water from the foundation area; or

(4) Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps through a building, sidewalk, driveway, foundation, swimming pool or other structure;

unless direct loss by fire, explosion or theft results from water damage and then we will pay only for the resulting loss.

**d. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises" except as provided in ADDITIONAL COVERAGES, Refrigerated Products.

If damage caused by a loss insured under Section I – LOSSES WE COVER results on the "residence premises", we will pay only for that damage.

**e. Neglect**, by or failure of any "insured" to use all reasonable means to save and preserve property at and after the time of a loss or damage or the event resulting in loss or damage.

**f. "War"** and any consequence of "war", except as provided in ADDITIONAL COVERAGES, War. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

**g. Nuclear Hazard**, meaning

- (1) 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 Section I – LOSSES WE COVER.

- (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.
- h. **Intentional Loss**, meaning loss arising out of any act any "insured" commits or conspires to commit with the intent to cause a loss. Even "insureds" who did not commit or conspire to commit the act causing the loss are not entitled to coverage.
- i. **"Fungus", Wet or Dry Rot or Bacteria**, other than as provided in ADDITIONAL COVERAGES, **Fungus or Wet or Dry Rot**.
- j. **"Collapse"**, other than as provided in ADDITIONAL COVERAGES, **"Collapse"**.
- k. **Diminution in value**, meaning any reduction in value that would remain after damaged property is repaired or replaced.
2. We do not insure for loss caused by any of the following. However, any ensuing loss to property described in Dwelling Protection and Other Structures Protection not precluded by any other provision in this policy is covered.
- a. **Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail, or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION, item 1. above to produce the loss.
- b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
- c. **Faulty, negligent, inadequate or defective**;
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or maintenance
- This limitation applies to loss or damage to any property on or off the "residence premises".

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## SECTION I - CONDITIONS

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1. **Insurable Interest and Amount of Insurance.**
- Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
- a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable amount of insurance
- whichever is less.
2. **Your Duties After Loss.** In case of a loss to which this insurance may apply you must see that the following are done:
- a. Promptly notify us or our agent about the loss. This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs;
- b. Notify the police in case of loss by theft, vandalism, or any other criminal act;

- c. Notify the credit card or fund transfer card company in case of loss under ADDITIONAL COVERAGES, Credit Card Coverage and Identity Fraud Expense Coverage;
  - d. (1) Protect the property from further damage;
  - (2) Make reasonable and necessary repairs to protect the property; and
  - (3) Keep an accurate record of repair expenses;
  - e. Cooperate with us in the investigation of a claim;
  - f. At our request prepare an inventory of claimed personal property showing the quantity, description, age, replacement cost and amount of loss. Include with the inventory all bills, receipts and related documents that support the items listed and substantiate the figures shown in the inventory;
  - g. As often as we reasonably require:
    - (1) Show the damaged property;
    - (2) Provide us with records and documents we request and permit us to make copies; and
    - (3) Submit to and sign, while not in the presence of any other "insured":
      - (a) Statements, and
      - (b) Examinations under oath; and
    - (4) Produce employees, members of your household or others for examinations under oath to the extent it is within your power to do so.
  - h. Send to us, within 60 days after our request, your signed proof of loss which sets forth, to the best of your knowledge and belief:
    - (1) The time and cause of loss;
    - (2) The interest of the "insured" and all others in the property involved and all liens on the property;
    - (3) Other insurance which may cover the loss;
    - (4) Changes in title or occupancy of the property during the term of the policy;
    - (5) Specifications of damaged buildings and detailed repair estimate;
    - (6) The inventory of claimed personal property described in 2.f. above;
    - (7) Receipts for Additional Living Expenses and Temporary Living Expenses incurred and records that support the Fair Rental Value loss; and
    - (8) Evidence or affidavit stating the amount and cause of loss that supports a claim under ADDITIONAL COVERAGES, Credit Card Coverage, and receipts, bills or other records that support your claim for expenses under Identity Fraud Expense Coverage.
3. **Loss Settlement.** We will not pay more than the amount of insurance that applies to the damaged, destroyed or stolen property as stated on the Declarations page unless such amount is increased due to ADDITIONAL COVERAGES or the Home Protector Coverage. Subject to the amount of insurance covered losses are settled as follows:
- a. For the following property,
    - (1) Personal property; and
    - (2) Awnings, outdoor antennas, satellite dishes, and outdoor equipment, whether or not attached to the buildings; and
    - (3) Structures that are not buildings; and
    - (4) All covered structures whether or not they are buildings, if located away from the "residence premises".

We will pay the lesser of:

- (1) The "actual cash value"; or
  - (2) Our cost to replace the property with property of like kind, quality, age and condition; or
  - (3) Our cost to repair or our cost to restore the property to the condition it was in just before the loss.
- b. All items under Dwelling Protection and buildings on the "**residence premises**" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
- (1) When our cost to repair or replace the damaged property is less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
  - (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "actual cash value", not to exceed our cost to repair or our cost to replace the damaged part of the property.
    - (a) To receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within one year after the date of loss, unless during this period you request in writing that this time limit be extended for an additional 180 days, and notify us within 30 days after the work has been completed.
    - (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily
- spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.
4. **Loss or Damage to a Pair or Set.** In case of loss or damage to a pair or set we may elect to:
    - a. Repair or replace any part to restore the pair or set to its value before the loss; or
    - b. Pay the difference between "actual cash value" of the property before and after the loss.
  5. **Matching of Undamaged Property.** In case of damage to property, we will not pay to repair or replace undamaged property due solely to:
    - a. Mismatch of color between undamaged material and new material used to replace faded, weathered or oxidized damaged material; or
    - b. Mismatch between undamaged material and new material used to repair or replace damaged material due to outdated, obsolete or discontinued products.
  6. **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 the 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:

- a. Pay its own appraiser; and
- b. Bear the other expense of the appraisal and umpire equally.

Any fees for expert witnesses or attorneys will be paid by the party who hires them. Neither the umpire nor the appraisers will have a financial interest that is conditioned on the outcome of the specific matter for which they are called to serve.

This is not a provision providing for or requiring arbitration. The appraisers and umpire are only authorized to determine the "actual cash value", replacement cost, or cost to repair the property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined, the appraisal award is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us.

7. **Other Insurance.** Other insurance includes the coverage and any deductible required by such other insurance.

If a loss covered by this policy, other than a loss covered by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage or golf cart coverage, is also covered by other insurance, we will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss.

Coverage provided by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage is excess over other insurance that covers the same loss. This coverage is also excess over any other contractual conditions, rights or benefits that provide relief from or indemnification for your obligations to pay any amounts to any third party resulting from a loss covered by this coverage. In no event will we pay more than the applicable amount of insurance.

This policy does not apply to motorized golf carts and their equipment and accessories when any other insurance also applies.

8. **Suit Against Us.** No action can be brought against us unless you have:
  - a. Given us notice of the loss;
  - b. Complied with all other policy provisions; and
  - c. Started action
 within two years after the date of the loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your notice of loss, we may repair or replace any part of the damaged property with like property.
10. **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:
  - a. Reach an agreement with you;
  - b. There is an entry of a final judgment; or
  - c. There is a filing of an appraisal award with us.
11. **Abandonment.** You may not abandon property to us for any reason.



**12. Mortgage Clause.** The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any covered loss under Section I – LOSSES WE COVER for Dwelling Protection or Other Structures Protection 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.

If we deny your claim because you or any other "insured" has failed to comply with the terms and conditions of this policy that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Promptly notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware; and
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Sends to us, within 60 days after our request, a signed sworn proof of loss which sets forth, to the best of the mortgagee's knowledge and belief:
  - (1) The time and cause of loss;
  - (2) The interest of the mortgagee and all others in the property involved and all liens on the property;
  - (3) Other insurance which may cover the loss;
  - (4) Changes in title or occupancy of the property during the term of the policy;
  - (5) Specifications of damaged buildings and detailed repair estimates.

Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

- d. Submits to examinations under oath.

If we decide to cancel or not to renew this policy, the mortgagee will be properly notified at least 10 days before the date cancellation or nonrenewal takes effect.

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.

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

- 13. 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.

**14. Salvage and Recovered Property.**

- a. We have an interest in the salvage value of any property for which we have made a payment under the Loss Settlement Condition. At our option, property that we have paid for or replaced becomes our property.
- b. 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 may be retained by you. If you retain the property, the loss payment, or any lesser amount to which we agree, must be refunded to us.

**15. Concealment, Misrepresentation or Fraud.** If you or any other "insured", whether before or after an "occurrence" or loss under this policy has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements which, if known by us, would have caused us not to:
  - (1) Issue the policy;
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or
  - (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim, we may deny coverage or declare the entire policy void as to the interest of all "insureds" and refund the unearned premium as of the date of the conduct described in a., b., or c. above. Any unearned premium refund will be offset by any amounts paid to any "insured" under the policy after the date of the conduct described in a., b., or c. above.

We reserve all rights to seek recovery of the amount we pay from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

**16. Duties to Determine and Maintain Policy Limits.** It is your responsibility to determine and maintain adequate amounts of insurance to totally replace or repair your dwelling, other structures and personal property.

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

**18. Adjustment to Building Cost.** The amount of insurance for Section I, Dwelling Protection, shown in the Declarations of this policy, will be revised at each policy renewal to reflect the rate of change in the replacement cost of your dwelling. The resulting limit will be rounded to the next \$1,000.

Section I, Other Structures Protection, Personal Property and Loss of Use, will also be adjusted. The rules then in use by us will determine the new amounts for these coverages.

These amounts will not be reduced without your consent.

You have the right to refuse any resulting change in amount. You must do so before the effective date of such change.

We have the right to change to another replacement cost calculation tool as of any renewal date. We will give you at least 30 days prior written notice if we do this. Such change must apply to all similar policies issued by us.

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## SECTION II - LIABILITY COVERAGES

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### COVERAGE E - Personal Liability

If a claim is made or a suit is brought against any "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 the "insured" is legally liable; 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 the amount we pay for "**damages**" resulting from the "**occurrence**" equals our limit of liability. This coverage does not provide defense to any "**insured**" for criminal prosecution or proceedings.

We will not pay for punitive damages or exemplary damages, fines or penalties.

**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 expenses. 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 any "**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 any "**insured**";
  - c. Is caused by a "**residence employee**" in the course of the "**residence employee's**" employment by any "**insured**"; or
  - d. Is caused by an animal owned by or in the care of any insured.

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**SECTION II - EXCLUSIONS**

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**1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to "bodily injury" or "property damage":**

- a. Which is reasonably expected or intended by any "**insured**" even if the resulting "**bodily injury**" or "**property damage**":
  - (1) Is of a different kind, quality or degree than initially expected or intended; or
  - (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "**bodily injury**" resulting from the use of lawful reasonable force by any "**insured**" to protect persons or property.

- b. (1) Arising out of or in connection with a "**business**" engaged in by any "**insured**". This exclusion 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**".
- (2) Arising out of the rental or holding for rental of any part of any premises by any "**insured**". This exclusion does not apply to the rental or holding for rental of any "**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.
- c. Arising out of the rendering or failure to render "professional services";
- d. Arising out of a premises:
- (1) Owned by any "insured"; or
  - (2) Rented to any "insured"; or
  - (3) Rented to others by any "insured";
- that is not an "insured location";
- e. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of "motor vehicles" including trailers, owned or operated by or rented or loaned to any "insured"
  - (2) The entrustment by any "insured" of a "motor vehicle" to any person; or
  - (3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using a "motor vehicle" excluded in paragraph (1) or (2) above.
- This exclusion does not apply to the permissive use, loading or unloading of:
- (1) A trailer not towed by or carried on a "motor vehicle";
  - (2) A "motor vehicle" designed for recreational use off public roads, not subject to motor vehicle registration and:
    - (a) Not owned by an "insured"; or
    - (b) Owned by any "insured" provided the "occurrence" takes place on any "insured location"; or
    - (c) Owned by any "insured" and designed or modified to operate at speeds not to exceed 15 miles per hour.
- (3) A motorized golf cart that is 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:
- (a) A golfing facility and is parked or stored there, or being used by any "insured" to:
    - (i) Play the game of golf or for other recreational or leisure activity allowed by the facility; or
    - (ii) Travel to and from an area where "motor vehicles" or golf carts are parked or stored; or
    - (iii) Cross public roads at designated points to access other parts of the golfing facility
  - (b) 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.
- (4) A "motor vehicle" not subject to motor vehicle registration which is:
- (a) Used to service any "insured's" residence; or
  - (b) Designed for assisting the handicapped; or
  - (c) In dead storage on an "insured location".
- f. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of; or
  - (2) The entrustment by any "insured" to any person of; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using:

a **"watercraft"** or **"personal watercraft"**.

This exclusion does not apply to any **"watercraft"** owned or borrowed by, or rented to any **"insured"**:

- (1) With inboard, outboard or inboard-outdrive motor power of up to 50 horsepower; or
- (2) That is a sailing vessel, with or without auxiliary power, which is up to 35 feet in length.

This exclusion does not apply to any **"personal watercraft"** or **"watercraft"** that is being stored.

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of: or
- (2) The entrustment by any **"insured"** to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using:

an **"aircraft"** or **"hovercraft"**.

h. Caused directly or indirectly by **"war"** including any consequence of **"war"**. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

i. Arising out of the transmission of a communicable disease by any **"insured"**.

j. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s). Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does

apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

k. Arising out of the actual, alleged, or threatened discharge, dispersal, release, escape, seepage or migration of **"pollutants"** however caused and whenever occurring. This includes any loss, cost or expense arising out of any:

- (1) Request, demand or order that any **"insured"** or others test for, monitor, clean up, remove, contain, treat, detoxify, or assess the effects of **"pollutants"**; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **"pollutants"**.

l. Arising out of exposure to lead paint or other lead-based products.

m. Arising out of exposure to asbestos.

n. Arising out of or caused by the commission of, attempting to flee from, or avoiding apprehension for a criminal act for which intent is a necessary element.

o. 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 **"fungus"**, wet or dry rot or bacteria.

p. Arising out of your failure, intentionally or unintentionally, to disclose information regarding the sale or transfer of real or personal property.

q. Arising out of any actual, alleged or threatened:

- (1) Sexual misconduct; or
- (2) Sexual harassment; or
- (3) Sexual molestation.

r. Arising out of any actual, alleged or threatened physical or mental abuse.

Exclusions d., e., f., and g. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by any "insured".

2. Coverage E - Personal Liability does not apply to:

a. Liability:

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

unless excluded in (1) above or elsewhere in this policy;

- b. "Property damage" to property owned by the "insured".
- c. "Property damage" to property rented to, occupied or used by or in the care of any "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion.
- d. "Bodily injury" to any person eligible to receive any benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided, whether or not actually provided;

by any "insured" under any:

- (1) Workers' compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law.

e. "Bodily injury" or "property damage" for which any "insured" under this policy.

- (1) Is also an "insured" under a nuclear energy liability policy; or
- (2) Would be an "insured" under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

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

f. "Bodily injury" to you or any "insured" within the meaning of part a., b., or c. of "insured" as defined.

g. Punitive or exemplary damages, fines, or penalties.

3. Coverage F - Medical Payments to Others does not apply to "bodily injury":

a. To a "residence employee" if the "bodily injury":

- (1) Occurs off the "insured location"; and

- (2) Does not arise out of or in the course of the "residence employee's" employment by an "insured".
- b. To any person eligible to receive benefits:
- (1) Voluntarily provided; or
- (2) Required to be provided;
- under any:
- (1) Workers' compensation law; or
- (2) Non-occupational disability law; or
- (3) Occupational disease law.
- c. From any:
- (1) Nuclear reaction; or
- (2) Nuclear radiation; or
- (3) Radioactive contamination;
- all whether controlled or uncontrolled or however caused; or
- (4) Any consequence of any of these.
- d. To any person, other than a "residence employee" of any "insured", regularly residing on any part of the "insured location" or residing on any part of the "insured location" for a period in excess of thirty consecutive days prior to the date of loss, if other permanent residency is established or claimed elsewhere.

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## SECTION II - ADDITIONAL COVERAGES

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Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following and do not reduce the limit of liability:

1. **Claim Expenses.** We pay:
  - a. Expenses we incur and costs taxed against any "insured" in any suit we defend;
  - b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
  - c. Reasonable expenses incurred by any "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;
  - d. 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;
  - e. Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured".
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by any "insured".  
We will not pay for "property damage":

- a. To the extent of any amount recoverable under SECTION I of this policy;
- b. Caused intentionally by any "insured" who is 13 years of age or older;
- c. To property owned by any "insured";
- d. To property owned by or rented to a tenant of any "insured" or a resident in your household; or
- e. Arising out of:
- (1) A "business" engaged in by any "insured";
  - (2) Any act or omission in connection with a premises owned, rented or controlled by any "insured", other than the "insured location"; or
  - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of "aircraft", "hovercraft", "watercraft", "personal watercraft" or "motor vehicle". 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 any "insured"; and
    - (c) At the time and place 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.
4. **Loss Assessment.** We will pay up to \$10,000 for your share of loss assessment charged against you by a corporation or association of property owners, when the assessment is made as a result of:
- a. "Bodily injury" or "property damage" caused by an "occurrence" not excluded under SECTION II of this policy; or
- b. Liability for an act committed by a director, officer or trustee during the policy period in the capacity as a director, officer or trustee, provided:
- (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
- This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises".
- We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.
- Regardless of the number of assessments, the limit of \$10,000 is the most we will pay for loss arising out of:
- a. One "occurrence", including continuous or repeated exposure to substantially the same general harmful conditions; 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.
- SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

This coverage is not limited by the expiration of this policy.



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## SECTION II - CONDITIONS

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1. **Limit of Liability.** The Coverage E limit is shown in the Declarations. This is our limit for all damages from each "occurrence" 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".

The Coverage F limit is shown in the Declarations. This is our limit for all medical expenses payable for "bodily injury" to one person as the result of one accident.

2. **Severability of Insurance.** This insurance applies separately to each "insured". This condition does not increase our limit of liability for any one "occurrence".

3. **Concealment, Misrepresentation or Fraud.** If you or any other "insured", whether before or after an "occurrence" or loss under this policy has:

- a. Concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements which if known by us, would have caused us not to:
  - (1) Issue the policy;
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or
  - (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim we may deny coverage as to the interest of all "insureds".

We reserve all rights to seek recovery from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

4. **Duties After Loss.** In case of an accident or "occurrence", the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

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

- (1) The identity of the policy and "insured";
- (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
- (3) Names and addresses of any claimants and witnesses.

- b. Cooperate with us in the investigation, settlement or defense of any claim or suit.

- c. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence".

- d. At our request, help us:

- (1) To make settlement;
- (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to any "insured";
- (3) With the conduct of suits and attend hearings and trials;
- (4) To secure and give evidence and obtain the attendance of witnesses;

- e. Under Damage to Property of Others, if we request, submit to us within 60 days after notice of the loss, a sworn

statement of loss and show the damaged property, if in the "insured's" control.

- f. The "insured" will not, except at the "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".

**5. Duties of an Injured Person - Coverage F - Medical Payments to Others.** 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.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

**6. Payment of Claim - Coverage F - Medical Payment to Others.** Payment under this coverage is not an admission of liability by any "insured" or us.

**7. Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.

No one will have the right to join us as a party to any action against any "insured". Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

**8. Bankruptcy of any Insured.** Bankruptcy or insolvency of any "insured" will not relieve us of our obligations under this policy.

**9. Other Insurance - Coverage E - Personal Liability.** 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.

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## SECTIONS I AND II - CONDITIONS

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**1. Policy Period.** This policy applies only to loss in SECTION I or "bodily injury" or "property damage" in SECTION II, which occurs during the policy period.

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

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

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

**3. 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.

**4. Cancellation.**

- a. You may cancel this policy at any time. But the effective date of cancellation cannot be earlier than the date of your request.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice

may be delivered to you, mailed to you by postal mail at your mailing address shown in the Declarations or provided to you electronically if we have your consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. Electronic notice will be provided upon placing it on our website pursuant to an electronic transaction agreement, or upon directing it to an electronic mailbox or voice channel that you designate for the purpose of receiving mail.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
  - (a) Upon discovery of fraud, concealment or misrepresentation made by or with the knowledge of any "insured" in obtaining this policy, continuing the policy, or presenting a claim under this policy; or
  - (b) If the risk has changed substantially since the policy was issued;
  - (c) Upon discovery that the "insured" does not meet USAA Group membership eligibility requirements; or

(d) Any other reason allowed by law.

Cancellation can be done by notifying you at least 30 days before the date cancellation takes effect.

- (4) When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- (5) 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. Nonrenewal.** We may elect not to renew this policy. We may do so by letting you know in writing 30 days before policy termination. This nonrenewal notice may be delivered to you, mailed to you by postal mail at your mailing address shown in the Declarations or provided to you electronically if we have your consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. Electronic notice will be provided upon placing it on our website pursuant to an electronic transaction agreement, or upon directing it to an electronic mailbox or voice channel that you designate for the purpose of receiving mail.

**6. Subrogation.** Any "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 or recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must:

- a. Sign and deliver all related papers;

- b. Cooperate with us in a reasonable manner; and
- c. Do nothing after a loss to prejudice such rights.

**7. Spouse Access.** The "member" and we agree that the "member" and resident spouse are customers and applicants for purposes of state and federal privacy and insurance laws. The resident spouse will have access to the same information available to the "member" and may conduct the same transactions as the "member" including making coverage changes, signing regulatory forms, terminating the policy, and selecting delivery preferences for policy documents.

The "member" may notify us that he/she no longer wants the resident spouse to have access or transaction authority on his/her policy, and we will not permit the residence spouse to access policy information or conduct transactions on this policy.

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

**9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

a. 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;

b. For the purpose of this condition "insured" includes:

- (1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and
- (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**HURRICANE DEDUCTIBLE ENDORSEMENT  
Florida**

**DEFINITIONS**

The following definition applies only to this endorsement.

"Hurricane" means wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a storm or storm system that has been declared and defined to be a hurricane by the National Hurricane Center of the National Weather Service. The National Hurricane Center of the National Weather Service published data shall be the source used to identify if such windstorm is caused by or results from a "hurricane";

- a. Beginning at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service;
- b. Continuing for the time period during which the hurricane conditions exist anywhere in Florida; and
- c. Ending 72 hours following the termination of the last hurricane watch or warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

The following language is added to the policy:

**CALENDAR YEAR HURRICANE DEDUCTIBLE**

The "hurricane" deductible shown in the Declarations applies for direct physical loss or damage to covered property caused by "hurricane" as defined above, on a calendar year basis. In the event of a single "hurricane" loss, we will pay only that part of the total of all covered losses or damages during the calendar year that exceeds the "hurricane" deductible shown in the Declarations, subject to a. and b. below.

If there is a "hurricane" loss during the calendar year, we may apply a deductible to the subsequent "hurricane" loss that is greater of;

- a. The remaining amount of the "hurricane" deductible; or
- b. The amount of the deductible that applies to all other perils.

The remaining dollar amount of the calendar year "hurricane" deductible is determined by subtracting the actual deductible(s) applied to all previous windstorm losses caused by "hurricane" during the calendar year from the calendar year "hurricane" deductible that is in effect at the time of the loss.

The "hurricane" deductible can only be changed at the policy renewal date. If you have a "hurricane" loss during the calendar year and you lower your "hurricane" deductible after such "hurricane" loss under a new, renewal, or other policy issued by us for the same property, the lower "hurricane" deductible will not apply until January 1 of the following year.

In the event you should have any "hurricane" loss which is less than your "hurricane" deductible, you must report the loss to us so that such losses may be applied to subsequent "hurricane" claims during the same calendar year.

COVERAGE D – Loss of Use and ADDITIONAL COVERAGES to which no deductible applies are not affected by this endorsement.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

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

**FLORIDA SPECIAL PROVISIONS**

**DEFINITIONS**

5. "Collapse" is deleted and replaced by the following:

5. "Collapse" means:

- a. A sudden failing or caving in; or
- b. A sudden breaking apart or deformation such that the building or part of a building is in imminent peril of caving in and is not fit for its intended use.

7. "Fungus" is deleted and replaced by the following:

7. "Fungus" means any type or form of fungus including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungus.

9. "Insured" e. is deleted and replaced by the following:

- e. With respect to any vehicle or conveyance to which this policy applies:
  - (1) Persons while engaged in your employ or that of any other person included in 9.a., 9.b. or 9.c. above; or
  - (2) Other persons using the vehicle on an "insured location" with your consent.

The following is added to 10. "Insured location":

10. "Insured location" means:

- h. The part of other premises, other structures and grounds used by you as a residence; and

- (1) Which is shown in the Declaration; or
- (2) Which is acquired by you during the policy period for your use as a residence.

19. "Residence Employee" is deleted and replaced by the following:

19. "Residence Employee" means:

- a. An employee of any "insured" whose primary duties are related to the maintenance or use of the "residence premises", including household or domestic service; or
- b. One who performs similar duties elsewhere not related to the "business" of an "insured."

21. "Sudden and Accidental" is deleted.

**SECTION I - PROPERTY WE COVER**

**Coverage C - Personal Property Protection**

**Under Property We Do Not Cover:**

Item 1. is deleted.

Item 3. is deleted and replaced by the following:

3. "Motor vehicles(s)". This includes but is not limited to the following while in or upon a "motor vehicle":

- a. Equipment, accessories, and parts;
- b. Any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures

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which is permanently installed in a "motor vehicle". We do not cover antennas, tapes, wire, discs or other

- c. media, for use with any such device or instrument.

We do cover "motor vehicle(s)" or all other motorized land conveyances not subject to motor vehicle registration which are:

- a. Used solely to service any residence; or
- b. Designed for assisting the handicapped.

Subject to the provisions under Special Amounts of Insurance we also cover:

- a. Motorized golf carts and their equipment and accessories; and
- b. Motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hour and for use off public roads

The following is added to **Property We Do Not Cover**:

Controlled substances included on Schedule 1 as defined by 21 U.S.C.A. Section 812, at the time of loss. This exclusion does not apply to lawfully prescribed substances.

#### **COVERAGE D - Loss of Use Protection**

The lead-in paragraph is deleted and replaced by the following:

The SECTION I – LOSSES WE DO NOT COVER apply to the coverage provided under Loss of Use below. The amount of insurance for Loss of Use shown in the Declarations is the total limit for the coverages listed below.

- 1. **Additional Living Expense** is deleted and replaced by the following:

In the HO-3R:

- 1. **Additional Living Expense.** If a loss covered under SECTION I – LOSSES WE COVER makes that part of the "residence premises" where you reside uninhabitable, we cover the 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, in either event not to exceed 24 months.

In the HO-3R and HO-6R:

- 2. **Fair Rental Value** is deleted and replaced by the following:

- 2. **Fair rental Value.** If a loss under SECTION I – LOSSES WE COVER makes that part of the "residence premises" rented to others or held for rental by you uninhabitable, we cover the fair rental value of that part of the "residence premises" rented to other or held for rental by you less any expenses that do not continue while the premises is uninhabitable.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental, but not to exceed 24 months.

In HO-3R and HO-6R:

Item 3. **Prohibited Use** is deleted and replaced by the following:

- 3. **Prohibited Use.** If a loss covered under SECTION I – LOSSES WE COVER results in an order from a civil authority prohibiting you from the use of the "residence premises" as a result of direct damage to neighboring premises by a loss covered under SECTION I – LOSSES WE COVER, we cover the Additional Living Expense and/or Fair Rental Value loss as provided under 1. and 2. Above for not more than two weeks.

**ADDITIONAL COVERAGES**

The lead-in paragraph is deleted and replaced by the following:

Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following. The SECTION I -- LOSSES WE DO NOT COVER apply to these coverages unless otherwise stated.

**Under 6. Credit Card Coverage and Identity Fraud Expense Coverage, Item b., "Expenses" (3) is deleted and replaced by the following:**

- (3) Lost wages as a result of time taken off work to meet with, or talk to, law enforcement agencies, credit agencies, merchants, and/or legal counsel, or to complete fraud affidavits, not to exceed \$250 per day;

**7. Loss Assessment is deleted and replaced by the following:**

In HO-3R and HO-6R:

**7. Loss Assessment.** We will pay up to \$50,000 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 sudden and accidental direct physical loss to the property, owned by all members collectively, caused by a loss under SECTION I -- LOSSES WE COVER for **DWELLING PROTECTION COVERAGE and OTHER STRUCTURES PROTECTION COVERAGE**, subject to all provisions of the policy.

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake; or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

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

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

The limit of \$50,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

**Condition 1. Policy Period** under Section I and II -- Conditions does not apply to this coverage.

This is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

In the HO-6R the following is added to **7. Loss Assessment**:

However, the maximum amount of loss assessment coverage for any one property loss, regardless of the number of assessments, shall be an amount equal to your unit-owner's loss assessment in effect one day before the date of occurrence. Any changes to the limits of your unit-owner's coverage for loss assessments made on or after the day before the occurrence are not applicable to such loss.

In the HO-3R:

**Item 12. Glass or Safety Glazing Material** item a. is deleted and replaced by the following:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and

In the HO-6R:

**Item 11. Glass or Safety Glazing Material** item a. is deleted and replaced by the following:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and



In the HO-3R:

Item 14. **Building Ordinance or Law** is deleted and replaced by:

**14. Building Ordinance or Law.** For loss caused by a loss under Section I – LOSSES WE COVER to buildings under Dwelling Protection and Other Structures Protection, we will pay the increased costs which are required and you actually incur to comply with any ordinance or law governing the construction, repair or demolition of the damaged property, including the costs of removing debris.

The limit for this coverage will not be more than 5% of the Coverage A – Dwelling Protection amount of insurance.

This coverage is additional insurance and does not reduce the Dwelling Protection amount of insurance.

In the HO-6R.

Item 12. **Building Ordinance or Law** is deleted and replaced by:

**12. Building Ordinance or Law.** For loss caused by a loss under Section I – LOSSES WE COVER to buildings under Dwelling Protection, we will pay the increased costs which are required and you actually incur to comply with any ordinance or law governing the construction, repair or demolition of the damaged property, including the costs of removing debris.

The limit for this coverage will not be more than 5% of the Coverage A – Dwelling Protection amount of insurance.

This coverage is additional insurance and does not reduce the Dwelling Protection amount of insurance.

In the HO-6R:

Under 15. **War, the Suit Against Us Clause** is changed to the following:

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No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of payment by the government.

Item 16. **Fungus, or Wet or Dry Rot** is deleted and replaced by the following:

**16. Fungus, or Wet or Dry Rot.**

If as a direct result of a loss covered under SECTION I-LOSSES WE COVER, we will pay up to a total of \$10,000 for:

- a. The cost to treat, remove or dispose of "fungus", or wet or dry rot from covered property;
- b. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungus", wet or dry rot;
- c. The cost to test, to detect, measure or evaluate the air or property to confirm the absence, presence or level of "fungus", or wet or dry rot 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 reasonable probability that there is the presence of "fungus", or wet or dry rot; and/or
- d. The necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungus", or wet or dry rot.

The amount shown above is the most we will pay during the policy term for the total of all loss or costs payable under this Additional Coverage regardless of the.

- a. Number of locations insured; or
- b. Number of claims made.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage once the policy deductible has been met.

In the HO-3R:

Under **18. War**, item b. is deleted and replaced by the following:

- b. Abandonment as a consequence of "war";

Under **18. War**, the **Suit Against Us** clause is changed to the following:

No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of the payment by the government.

**SECTION I - LOSSES WE COVER**

In HO-3R:

**COVERAGE A - DWELLING PROTECTION  
COVERAGE AND COVERAGE B - OTHER  
STRUCTURES PROTECTION COVERAGE**

The lead-in paragraph is deleted and replaced by the following:

We insure against sudden and accidental, direct physical loss to tangible property described in PROPERTY WE COVER-COVERAGES A and B unless excluded in SECTION I - LOSSES WE DO NOT COVER.

In HO-6R:

**COVERAGE A - DWELLING PROTECTION  
COVERAGE AND COVERAGE C - PERSONAL  
PROPERTY PROTECTION**

The lead-in paragraph is deleted and replaced by the following:

We insure against sudden and accidental, direct physical loss to tangible property described in PROPERTY WE COVER-DWELLING

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PROTECTION and PERSONAL PROPERTY PROTECTION caused by a peril listed below unless excluded in SECTION I - LOSSES WE DO NOT COVER.

Item **7. Smoke** is deleted and replaced by the following:

- 7. **Smoke**, meaning sudden and accidental damage from smoke.

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

In HO-3R:

**COVERAGE C - PERSONAL PROPERTY  
PROTECTION**

The lead-in paragraph is deleted and replaced by the following:

We insure against sudden and accidental, direct physical loss to tangible property described in PROPERTY WE COVER-COVERAGE C caused by a peril listed below unless the loss is excluded in SECTION I - LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION.

Item **7. Smoke** is deleted and replaced by the following:

- 7. **Smoke**, meaning sudden and accidental damage from smoke.

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

Under **9. Theft**, item a. is deleted and replaced by the following:

- a. Committed by any "insured" or any other person regularly residing on any part of the "insured location" for a period in excess of thirty consecutive days, even if the other permanent residency is established or claimed elsewhere;

Item 14. Freezing is deleted and replaced by the following:

14. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is unoccupied if you have failed to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

HO-3R Only:

**SECTION I - LOSSES WE DO NOT COVER**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION.**

The lead in paragraph of item 1., including (i) through (iv) is deleted and replaced by the following:

- 1. Unless otherwise stated in 3. below we do not insure for damage consisting of or caused by any of the following, regardless of whether the event or damage occurs suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to produce the loss.

Item 1.a. is deleted and replaced by the following:

- a. Freezing of 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 exclusion applies only while the dwelling is vacant, unoccupied or being constructed and then, only if you have failed to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliance of water.

Item 1.e is deleted and replaced by the following:

- e. Constant or repeated seepage or leakage of water or steam over a period of 14 days or more from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance, unless such seepage or leakage of water or steam and the resulting damage is unknown to all "insureds" and is hidden within walls or beneath the floor or above the ceilings of a structure,

The following is added to paragraph 1:

- q. Involving "Collapse", other than as provided in ADDITIONAL COVERAGES, "Collapse".

Item 3. is deleted and replaced by the following:

- 3. Under item 1. above any ensuing loss to property described in Coverages A and B not otherwise excluded or excepted in this policy is covered.

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

Item 1.i. "Fungus", Wet or Dry Rot or Bacteria is deleted and replaced by the following:

- i. "Fungus", Wet or Dry Rot, other than as provided in ADDITIONAL COVERAGES. Fungus or Wet or Dry Rot.

This exclusion does not apply when "Fungus", Wet or Dry Rot result from fire or lightning.

- j. "Collapse" is deleted.

For HO-3R Only:

Item 2. a. is deleted and replaced by the following:

**2.a. Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION item 1. above to produce the loss.

### SECTION I - CONDITIONS

Under **2. Your Duties After Loss**, the lead in paragraph and item a. is deleted and replaced by the following:

**2. Your 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:

a. Promptly notify us or your agent about the loss, except for the following:

- (1) A claim, supplemental claim or reopened claim for loss or damage caused by hurricane or other windstorm must be given to us in accordance with the terms of this policy within three years after the hurricane first made landfall or a windstorm other than hurricane caused the covered damage. (Supplemental claim or reopened claim means an additional claim for recovery from us for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

This provision concerning time for submission of a claim does not affect any limitation for legal action against us as provided in this policy under the Suit Against Us Condition, including any amendment to that condition.

### 3. Loss Settlement

In the HO-3R:

Item b.(2) under 3. Loss Settlement is deleted and replaced by the following:

(2) When the cost to repair or replace the damaged property is greater than \$5,000, we will settle the loss as follows:

- (a) We will initially pay the "actual cash value" of the damaged property, minus an applicable deductible.
- (b) We will then pay the necessary amounts actually spent to repair or replace the damaged property as work is performed and expenses are incurred
- (c) If a total loss, we will pay the replacement cost amount without deduction for depreciation.

The following is added to **Loss Settlement**:

### VALUATION CLAUSE

"Total loss" means direct physical damage to a dwelling under COVERAGE A – Dwelling or any structure covered under COVERAGE B – Other Structures caused to such an extent that the remnant of the dwelling or other structure cannot be repaired back to its original condition. "Total loss" also means direct physical damage to a dwelling or other structure where, though only partly damaged, it is rendered unfit for the purpose for which it was constructed, or there is an ordinance or law prohibiting its repair. "Total loss" also means direct physical damage to a

dwelling or other structure where, though only partly damaged, the cost to repair is greater than the limit stated on the policy Declarations.

- a. If a **total loss**, caused by a covered peril, occurs to any dwelling covered under Coverage A – Dwelling Protection of this policy, we agree the loss settlement shall be the amount stated on the policy Declarations for Coverage A.
- b. If a **"total loss"**, caused by a covered peril, occurs to any structure covered under Coverage B – Other Structures Protection, the other structures are covered for the amount stated on the policy Declarations for Coverage B – Other Structures Protection.

The loss settlement amount will not apply if you have made a change increasing the risk without our consent, or if there has been a fraudulent or criminal act on the part of you or anyone acting in your behalf.

- c. Paragraphs a. and b. do not apply if a **"total loss"** is caused in part by a covered peril and a noncovered peril. When this occurs our liability shall be limited to the amount of the loss caused by the covered peril. However, if the covered peril alone would have caused the **"total loss"**, we will pay only the amount for which the property was insured as specified in the policy.

In the event you are paid benefits which are duplications in whole or in part of our payment pursuant to this section, we shall have the right to recover payments subject to the **Other Insurance** clause.

In the HO-6R:

Item b.(2) under 3. Loss Settlement is deleted and replaced by the following:

- (2) When the cost to repair or replace the damaged property is greater than \$5,000, we will settle the loss as follows:

- (a) We will initially pay the **"actual cash value"** of the damaged property, minus any applicable deductible.
- (b) We will then pay the necessary amounts actually spent to repair or replace the damaged property as work is performed and expenses are incurred.
- (c) If a **"total loss"**, we will pay the replacement cost amount without deduction for depreciation.

The following is added to item 5. **Matching of Undamaged Property:**

However, when the replaced items do not match in quality, color or size, we will make reasonable repairs or replacement of items in adjoining areas.

Item 6. **Appraisal.** is deleted and replaced by the following:

**6. Mediation or Appraisal**

If you and we:

- a. Are engaged in a dispute regarding a claim under this policy, either party may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to the application of the deductible, or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on the settlement and you have not rescinded the settlement within three business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation except when you fail to appear at a mediation. That mediation will then be rescheduled upon your payment of the total cost for the rescheduled mediation. However, if we fail to appear at a mediation without good cause, we will pay the actual cash expenses you incur in attending the mediation and also pay the total cost for the rescheduled mediation.

- b. Fail to agree on the amount of loss, either party may request an appraisal of the loss. However, both parties must agree to the appraisal. 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 and 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 the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- c. Pay its own appraiser; and
- d. Bear the other expenses of the appraisal and the umpire equally. Any fees for expert witnesses or attorneys will be paid by the party who hires them. Neither the umpire nor the appraisers will have a financial interest that is conditioned on the outcome of the specific matter for which they are called to serve.

This is not a provision providing for or requiring arbitration. The appraisers and the umpire are only authorized to determine the "actual cash value", replacement cost, or cost to repair the

property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent or other contractual issues. However, once contractual liability is admitted or determined, the appraisal award is binding upon you and us.

Item 7. **Other Insurance** is deleted and replaced by the following:

7. **Other Insurance.** Other insurance includes the coverage and any deductible required by such other insurance.

If a loss covered by this policy is also covered by other insurance, we will pay as follows:

- a. Coverage provided by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage is excess over other insurance that covers the same loss. This coverage is also excess over any other contractual conditions, rights or benefits that provide relief from or indemnification for your obligations to pay any amounts to any third party resulting from a loss covered by this coverage. In no event will we pay more than the applicable amount of insurance; or
- b. For a loss to personal property that is separately described and specifically insured by other insurance, whether or not that policy is primary or excess, we will be excess over that insurance for a loss that is also covered under this policy; or
- c. For all other coverages we will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of the insurance covering the loss; or

d. This policy does not apply to motorized golf carts and their equipment and accessories when any other insurance also applies.

8. **Suit Against Us** is deleted and replaced by the following:

8. **Suit Against Us.** No action can be brought against us unless you have:

- a. Given us notice of the loss,
- b. Complied with all other policy provisions, and
- c. Started the action

within five years from the date of loss.

9. **Our Option** provision has been deleted.

10. **Loss Payment** is deleted and replaced by the following:

10. **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 upon the earlier of the following:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss and;
  - (1) There is an entry of a final judgment; or
  - (2) There is a filing of an appraisal award with us; or
- c. We will pay or deny a claim or a portion of such claim within 90 days after we receive notice of an initial, reopened or supplemental claim from you unless the failure to pay such claim or a portion of the claim is caused by

factors beyond our control which reasonably prevent such payment.

15. **Concealment, Misrepresentation or Fraud** is deleted and replaced by the following:

15. **Concealment, Misrepresentation or Fraud.** If you or any other "insured" whether before or after an "occurrence" or loss under this policy has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made material false statements which, if known by us, would have caused us not to:
  - (1) Issue the policy;
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or
  - (4) Issue the policy for the same amount of premium or at the same rate.

We may:

- a. Declare the entire policy void as to the interest of all "insureds" and refund the premium as of the date of the conduct described in a., b., or c. occurs if the conduct is committed during the issuance of the policy. Any premium refund will be offset by any amounts paid to any "insured" under the policy after the date of the conduct described in a., b., or c. above, or
- b. We may deny coverage relating to conduct described in a. or b. above while in the presentation of a claim.

If the policy has been in effect for more than 90 days, we will not deny a claim based on credit information available in public records.

We reserve all rights to seek recovery of the amount we pay from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

Item 16. **Duties to Determine and Maintain Policy Limits** is deleted and replaced by the following:

**16. Duties to Determine and Maintain Policy Limits.** It is your responsibility to determine and maintain adequate amounts of insurance to totally replace or repair your dwelling and other structures.

The following Condition is added:

#### **Reducing The Risk Of Loss**

We may occasionally provide you with products or services that assist you in preventing or reducing the risk of loss, and may provide an incentive for your use of these items.

## **SECTION II - EXCLUSIONS**

**Under 1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others, item e.;**

This exclusion does not apply to the permissive use, loading or unloading of:

Is deleted and replaced by the following:

This exclusion does not apply to the ownership, maintenance, permissive use, loading or unloading of:

**Under 1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others, item f., the following is added under:**

This exclusion does not apply to any "watercraft" owned or borrowed by or rented to any "insured":

- (3) That is powered solely by current, paddles or oars.

**Under 1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others, item o. is deleted.**

**Under 2. Coverage E - Personal Liability, item e. is deleted and replaced by the following:**

**e. "Bodily injury" or "property damage" for which any "insured" under this policy:**

- (1) Is also an "insured" under a nuclear energy liability policy; or
- (2) Would be an "insured" under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

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

or any of their successors'.

**Under 3. Coverage F Medical Payments to Others item d. is deleted and replaced by the following:**

- d. To any person, other than a "residence employee" of any "insured", regularly residing on any part of the "insured location".

## **SECTION II - ADDITIONAL COVERAGES**

**4. Loss Assessment** is deleted and replaced by the following:

In HO-3R and HO-6R:

- 4. Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:



- a. **"Bodily injury" or "property damage"** caused an **"occurrence"** not excluded under SECTION II of this policy; or
- b. Liability for an act committed by a director, officer or trustee in the capacity as a director, officer or trustee, provided:
- (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

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

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

Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

- a. One **"occurrence"**, including continuous or repeated exposure to substantially the same general harmful conditions; 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.

SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

Condition 1. **Policy Period** under Section I and II – Conditions does not apply to this coverage.

In the HO-6R the following is added to 4. **Loss Assessment**:

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However, the maximum amount of loss assessment coverage for any one property loss, regardless of the number of assessments, shall be an amount equal to your unit-owner's loss assessment in effect one day before the date of occurrence. Any changes to the limits of your unit-owner's coverage for loss assessments made on or after the day before the occurrence are not applicable to such loss.

## SECTION II - CONDITIONS

1. **Limit of Liability** is deleted and replaced by the following:

### 1. Limit of Liability

- a. Except as modified below the Coverage E – Personal Liability limit is shown in the Declarations. Our limit for all damages resulting from any one **"occurrence"** will not be more than the limit of liability for Coverage E as shown on the Declarations. 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"**.

### b. Sublimits of Liability

- (1) Our total aggregate liability under Coverage E – Personal Liability 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 **"fungus"** or wet or dry rot will not be more than the aggregate limit of \$50,000. This is the most we will pay regardless of the:
  - (a) Number of locations insured under the policy;
  - (b) Number of persons injured;
  - (c) Number of persons whose property is damaged;
  - (d) Number of **"insured's"**;

- (e) Number of "occurrences" or claims made.

This sublimit is within, but does not increase the Coverage E – Personal Liability 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.

- (2) Subject to Paragraph a. above, our total liability under Coverage E – Personal Liability for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase the Coverage E – Personal Liability limit of liability.

- c. The limit of liability in a. above and sublimits in b. above apply regardless of the number of "insureds", claims made or persons injured.
- d. Our total liability under Coverage F – Medical Payments to Others for all medical expense payable for "bodily injury" to one person as a result of one accident will not be more than the limit of liability for Coverage F – Medical Payments as shown on the Declarations.

With respect to the Sublimits of Liability, item (1) above, **2. Severability of Insurance** is deleted and replaced by the following.

2. **Severability of Insurance.** This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of liability described in b. (1) Sublimits of Liability above. This condition will not increase the limits of liability for this coverage.
3. **Concealment, Misrepresentation or Fraud** is deleted and replaced by the following:

3. **Concealment, Misrepresentation or Fraud.** We may deny coverage as to the interest of all "insureds" if you or any other "insured", whether before or after an "occurrence" or loss under this policy, has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct relating to this insurance; or
- c. Made material false statements, which if known by us, would have caused us not to:
  - (1) Issue the policy,
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or
  - (4) Issue the policy for the same amount of premium or at the same rate

If the policy has been in effect for more than 90 days, we will not deny a claim based on credit information available in public records.

We reserve all rights to seek recovery from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

#### SECTIONS I AND II - CONDITIONS

4. **Cancellation.** Item b. is deleted and replaced by the following:
- b. When this policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.

c. We may also cancel this policy subject to the following provisions.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

However, if the "residence premises" designated in this policy is secured by a mortgage and the policy is cancelled for nonpayment of premium due to the failure of the lender to make timely payment, the policy will be reinstated retroactive to the date of cancellation if;

- (a) The premium is not more than 90 days overdue; and
- (b) Payment is received.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
- (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (b) On the basis of a single claim on a property insurance policy which was the result of water damage unless we can demonstrate that the "insured" failed to take action reasonably requested by us to prevent a future similar occurrence of the damage to the property.
- (c) On the basis of the lawful use, possession, or ownership of a firearm or ammunition.

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

- (3) When this policy has been in effect for more than 90 days, we may not cancel:
- (a) On the basis of the lawful use, possession, or ownership of a firearm or ammunition; or
- (b) On the basis of credit information available in public records.
- (4) When this policy has been in effect for more than 90 days, we may cancel:
- (a) If there has been a material misstatement;
- (b) If the risk has changed substantially since the policy was issued;
- (c) in the event of failure to comply, within 90 days after the effective date of coverage, with underwriting requirements established by us prior to the policy effective date; or
- (d) If the cancellation is for all "insureds" under the policies of this type for a given class of "insureds".

Except as provided in item b. and c.(1) above, we may do so by delivering to you or mailing to you at your address shown in the Declarations written notice at least 120 days before the effective date of the cancellation together with the specific reasons for cancellation.

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

e. If the return premium is not refunded with the notice of cancellation or when the policy is returned to us, we will refund within 15 days after the date cancellation takes place.

f. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing by postal mail will be sufficient proof of notice.

5. **Nonrenewal** is deleted and replaced by the following:

5. **Nonrenewal.** We may elect not to renew this policy.

We may do so by delivering to you or mailing to you at your address shown in the Declarations written notice at least 120 days before the effective date of the nonrenewal together with specific reasons for nonrenewal.

Proof of mailing by postal mail will be sufficient proof of notice.

However, we will not nonrenew this policy:

a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

b. On the basis of filing of claims for loss caused by sinkhole damage, unless

(1) The total of such property claim payments equals or exceeds the policy limits in effect on the date of loss for property damage to the covered building(s); or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

c. On the basis of a single claim on a property insurance policy which is the result of water damage unless we can demonstrate that the "insured" failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or

d. On the basis of the lawful use, possession, or ownership of a firearm or ammunition; or

e. On the basis of credit information available in public records.

The following change applies to the HO-6R only:

Under item 6. **Subrogation**, the first paragraph is deleted and replaced by the following:

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

Under item 6. **Subrogation**, the following is added to the HO-3R and HO-6R.

Subrogation does not apply to **SECTION II - Coverage F - Medical Payments to Others.**

Item 8. **Assignment** is deleted and replaced by the following:

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

The following conditions are added:

**Renewal Notification.** If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy;  
and
- b. The amount of the renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown on the Declarations at least 45 days before the expiration date of this policy.

**Notification To Insured Regarding Access**

If we require access to the "insured" or claimant or to the insured property that is the subject of a claim, we must provide at least 48 hours notice to the "insured" or claimant, your public adjuster or legal representative before scheduling a meeting with the "insured" or claimant, or prior to conducting an onsite inspection of the insured property. The "insured" or claimant may deny access to the property if the notice has not been provided. The "insured" or claimant may waive the 48 hour notice.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

HO-SLS3FL (05-16)

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

**SPECIAL LOSS SETTLEMENT**

**Florida**  
(HO-3R only)

**Coverage D - Loss of Use Protection, 1. Additional Living Expense** is deleted and replaced by the following:

- 1. **Additional Living Expense.** If a loss covered under SECTION I -- LOSSES WE COVER makes that part of the "residence premises" where you reside uninhabitable, we cover the reasonable and necessary increase in living expenses 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, in either event, not to exceed 24 months.

We will pay 75% of the amount of insurance for Coverage C – Personal Property Protection as shown in the Declarations, if this is your primary residence and all of your personal property is located in your dwelling located on the "residence premises" at the time of loss.

However, if part of your personal property covered by this endorsement is at another location, or in an undamaged structure on the "residence premises" at the time of the loss, payment will be 75% of the Coverage C – Personal Property Protection limit less the covered replacement cost of the personal property not destroyed.

To receive additional payment which exceeds 75% of Coverage C – Personal Property Protection limit, the provisions and terms of the REPLACEMENT COST COVERAGE – PERSONAL PROPERTY endorsement will apply.

**TOTAL LOSS - LOSS SETTLEMENT**

**Coverage C - Personal Property Protection**

In the event that your dwelling is completely destroyed solely by Fire or Windstorm to the extent that it is a "total loss" we will pay your claim under the following terms:

Items a., b. and c. of the Loss Settlement provision of the REPLACEMENT COST COVERAGE – PERSONAL PROPERTY endorsement is deleted and replaced by the following:

In no event will we pay more than the applicable coverage limits stated in the policy or endorsements.

**Liberalization Clause.**

The provisions of this endorsement will automatically apply to your insurance as of the date we implement this change in your state.

Unless specifically modified by this endorsement all other provisions of the policy to which this endorsement is attached shall apply.

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HO-SLS3FL (05-16)

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93691-0916  
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WATER BACKUP OR SUMP PUMP OVERFLOW  
FLORIDA**

**SECTION I**

This endorsement applies to **PROPERTY WE COVER - Dwelling Protection, Other Structures Protection, Personal Property Protection and Loss of Use Protection.**

The following **ADDITIONAL COVERAGE** is added:

We insure for direct, physical loss caused by:

- 1. Water or water-borne material which flows into the plumbing system of your dwelling or other structures through sewers or drains located off the "residence premises"; or
- 2. Water which overflows from a sump pump or sump well with a sump pump designed to drain subsurface water from the foundation area even if such overflow results from the mechanical breakdown of the sump pump or a disruption in power. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not apply to loss caused directly or indirectly by any of the following, regardless of whether any other causes or events act concurrently or in any sequence with the excluded event to produce the loss:

- 1. A general condition of flooding meaning a temporary condition of complete inundation of:
  - a. two or more acres of normally dry land area; or
  - b. two or more properties

that includes the inundation of the part of the "residence premises" where the "insured's" dwelling is located from:

- a. Overflow of inland or tidal waters.
- b. Unusual and rapid accumulation or runoff of surface waters from any source; or
- c. Mudflow

This exclusion applies even if there is a mechanical breakdown or a disruption of power; or

- 2. the negligence of any "insured".

**AMOUNT OF INSURANCE**

\$10,000 is the most we will pay for any one loss whether resulting from a single condition or series of related conditions.

**SECTION I - LOSSES WE DO NOT COVER**

For loss covered by this endorsement, if your policy is the:

HO-3R:

LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION, item 1.g. is deleted and replaced by the following:

- g. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

HO-6R:

If your policy includes the **Unit-Owners Coverage A - Special Dwelling Protection** endorsement, LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, item 1.g. is deleted and replaced by the following:

- g. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

Except to the extent of additional coverage provided by this endorsement, **Water Damage** is excluded as provided in HO-6R:

If the policy includes the **Special Personal Property Coverage** endorsement, under **LOSSES WE DO NOT COVER**, item r. is deleted and replaced by the following:

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND PERSONAL PROPERTY PROTECTION 1.c. Water Damage.**

- r. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

Exclusion 1.d. **Power Failure** is deleted and replaced by the following:

Except to the extent of additional coverage provided by the terms of this endorsement **Water Damage** is excluded as provided in HO-3R:

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the residence premises except as provided in **ADDITIONAL COVERAGES, Refrigerated Products and Water Backup or Sump Pump Overflow.**

**LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION 1.c. Water Damage.**

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

Exclusion 1.d. **Power Failure** is deleted and replaced by the following:

**Term Premium** NO CHARGE

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the residence premises except as provided in **ADDITIONAL COVERAGES, Refrigerated Products and Water Backup or Sump Pump Overflow.**



HO-225FL (12-15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUILDING ORDINANCE OR LAW COVERAGE**  
**Florida**

For an additional premium, for loss caused by a loss under SECTION I – LOSSES WE COVER to buildings under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection, we will pay the increased costs which are required and you actually incur to comply with any ordinance or law governing the rebuilding, repair or demolition of the damaged property, including the cost of removing debris.

If, as a result of a covered loss, the amount of insurance under Additional Coverages, Building Ordinance or Law is exhausted; then we will pay up to an additional 25% of the Coverage A – Dwelling amount of insurance.

This coverage is additional insurance.

The policy deductible applies.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

**Term Premium** INCLUDED

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HO-225FL (12-15)

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HO-728FL (05-16)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST COVERAGE - PERSONAL PROPERTY  
Florida**

We will settle losses to covered property at full replacement cost without deduction for depreciation, subject to the following:

**REPLACEMENT COST COVERAGE DEFINED**

Replacement Cost means the cost, at the time of loss, of a new item identical to the one damaged, destroyed or stolen. If an identical item is no longer manufactured or cannot be obtained, replacement cost will be the cost of a new item which is:

- a. Similar to the insured article; and
- b. Of like quality and usefulness.

**DEDUCTIBLE**

The deductible shown in the Declarations Page applies.

**PROPERTY COVERED**

- a. Personal property covered in Property We Cover – Personal Property Protection, except personal property stated in Property Not Eligible below;
- b. If covered in this policy; awnings, carpeting, and household appliances, whether or not attached to buildings.

**PROPERTY NOT ELIGIBLE**

Replacement cost coverage does not apply to:

- a. Items of rarity or antiquity that cannot be replaced;
- b. Articles whose age or history contributes substantially to their value. These include, but are not limited to, memorabilia, souvenirs and collectors' items;

- c. Motorized golf carts and their equipment and accessories,
- d. Articles not maintained in good or workable condition;
- e. Property that is either obsolete or useless to the insured at the time of loss;
- f. Property that you do not intend to repair, replace, or restore.

**LOSS SETTLEMENT**

SECTION I – CONDITIONS, Item 3.a. Loss Settlement does not apply to property covered by this endorsement. Instead the following loss settlement applies:

- a. For property that is eligible for replacement cost coverage we will pay no more than the lesser of:
  - (1) The cost to replace the property with new property of like kind and quality without deduction for depreciation, or
  - (2) Pay you the full cost to repair or restore the property to the condition it was in just before the loss.
- b. For property that is not eligible for replacement cost coverage, it is our option to pay you the lesser of:
  - (1) The "actual cash value"; or
  - (2) Replace, or to pay you our cost to replace the property with property of like kind, age, quality and condition; or
  - (3) Pay you the cost to repair or restore the property to the condition it was in just before the loss.

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c. We will not pay more than the Amount of Insurance that applies to Personal Property Protection. Nor will we pay more than any Special Amounts of Insurance that apply as stated in the policy to which this endorsement is attached.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

**Term Premium** NO CHARGE

d. When insured for replacement cost, we will make payment whether or not actual repair or replacement is complete.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SINKHOLE LOSS COVERAGE  
and CATASTROPHIC GROUND COVER COLLAPSE**

Florida  
(HO-3R)

**DEFINITIONS**

**"Catastrophic Ground Cover Collapse"** means geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. **"Structural damage"** to the **"principal building"** insured under this policy, including the foundation; and
- d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that **"principal building"**.

**"Catastrophic Ground Cover Collapse"** does not include damage consisting merely of the settling or cracking of a foundation, structure, or building.

**"Primary Structural Member"** means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

**"Primary Structural System"** means an assemblage of primary structural members.

**"Principal Building"** means the dwelling as described in COVERAGE A on the **"residence premises"** shown in the Declarations.

**"Sinkhole Loss"** means **"structural damage"** to the **"principal building"**, including the foundation, caused by **"sinkhole activity"**. Contents coverage and additional living expenses apply only if there is **"structural damage"** to the **"principal building"** caused by **"sinkhole activity"**.

**"Sinkhole Activity"** means settlement or systematic weakening of the earth supporting the covered building only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

**"Structural Damage"** means a covered building, regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the **"primary structural members"** or **"primary structural systems"** that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those **"primary structural members"** or **"primary structural systems"** exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical **"primary structural members"** to such an extent that a plumb line passing through the center of gravity

does not fall inside the middle one-third of the base as defined within the Florida Building Code;

- d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

**SECTION I - LOSSES WE COVER**

The following perils are added:

**Sinkhole Loss Coverage.** We insure for direct structural damage to property covered under Section I caused by a "sinkhole loss", including the costs incurred to, and in accordance with the recommendations of the professional engineer who verifies the presence of a "sinkhole loss" in compliance with Florida sinkhole testing standards and with notice to you:

- 1. Stabilize the land and building; and
- 2. Repair the foundation.

**Catastrophic Ground Cover Collapse Coverage.**

**SECTION I - DEDUCTIBLE**

The following deductible provision applies to any loss covered by this endorsement and, in that respect replaces any deductible provision in the policy to which this endorsement is attached:

We will pay only that part of the loss which exceeds 10% of the amount of insurance of COVERAGE A – Dwelling Protection.

HO-99FL (08-16)

This deductible will apply separately to each "Sinkhole Loss".

The policy deductible will apply separately to each "catastrophic ground cover collapse".

**SECTION I - LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**

Item 1.b. Earth Movement is deleted and replaced by the following:

- b. **Earth Movement**, arising from or caused by or resulting from human or animal forces or any act of nature, meaning:

- (1) Earthquake including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide; mudslide or mudflow;
- (3) Subsidence; erosion or movement resulting from improper compaction, site selection or any other external forces;
- (4) Earth sinking, rising or shifting, expanding or contraction of earth, all whether combined with water or not;

unless direct loss by fire, theft, explosion, or breakage of glass or safety glazing material which is part of a building, storm door or storm window results and then we will pay only for the resulting loss.

Earth Movement does not include "sinkhole loss" as defined in this endorsement or "catastrophic ground cover collapse".

**SECTION I - CONDITIONS**

Item 2. Your Duties After Loss:

The following is added:

- i. Notify us of any sinkhole claim, including, but not limited to, initial, supplemental, and reopened claims, within two years after you knew or reasonably should have known about the "sinkhole loss".

- j. As a precondition to payment for "**sinkhole loss**", you must file with the county clerk of court a copy of any sinkhole report regarding your property which was prepared on your behalf or at your request. You shall bear the cost of filing and recording the sinkhole report.

**Item 3. Loss Settlement:**

The following is added:

If a "**sinkhole loss**" is verified, we will pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the professional engineer and with notice to you, subject to the coverage and terms of the policy. We will pay for other repairs to the structure and contents in accordance with the terms of the policy.

We will pay no more than the "**actual cash value**" of the "**sinkhole loss**", which does not include underpinning or grouting or any other repair technique performed below the existing foundation of the building until you enter into a contract for the performance of building stabilization or foundation repairs, in accordance with the recommendations set forth in the professional engineer's report.

In order to prevent additional damage to the building or structure, you must enter into a contract for the performance of building stabilization and foundation repairs within 90 days after we confirm coverage for the "**sinkhole loss**" and notify you of such confirmation. This time period does not include the time between the day either you or we invoke the neutral evaluation process and 10 days after the conclusion of the neutral evaluation process.

After you enter into a contract for the performance of building stabilization and foundation repairs, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. We will not require you to advance payment for such repairs. If repairs have begun and the professional engineer selected or approved by us determines that the repair

cannot be completed within the policy limits, we must either complete the engineer's commended repair or tender the policy limits to you without a reduction for the repair expenses incurred.

The stabilization and all other repairs to the structure and contents must be completed within 12 months after entering into the contract for repairs. We will pay no actual cost of repairs incurred after this time, unless:

- a. There is a mutual agreement between us and you;
- b. The claim is involved with the neutral evaluation process;
- c. The claim is in litigation; or
- d. The claim is under appraisal or mediation.

**Item 6. Appraisal**, with respect to "**sinkhole loss**" as defined in this endorsement is deleted and replaced by the following:

6. **Neutral Evaluation.** If there is coverage available under the policy and the claim was submitted within the two year timeframe provided in 627.706(5), Florida Statutes and following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for stabilizing the land and building and foundation repairs, or if we deny your claim, either party may file a request with the Florida Department of Financial Services (the Department) for neutral evaluation in accordance with the rules established by the Department. In this event, you and we shall mutually select a neutral evaluator from a list maintained by the Department. If you and we fail to agree to a neutral evaluator within 14 business days, the Department shall appoint a neutral evaluator. The neutral evaluator shall make reasonable efforts to hold the conference within 90 days after the receipt of the request by the Department. The recommendation of the neutral evaluator will not be binding on you or us. We will pay the costs associated with the neutral evaluation.

Item 8. Suit Against Us, to the extent of any loss covered by this endorsement, is replaced by the following:

8. Suit Against Us. No action can be brought against us unless you have:

- a. Given us notice of the loss.
- b. Complied with all other policy provisions, and
- c. Started the action;

within five years from the date of loss; except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.

The following conditions are added:

19. Testing. If coverage for "sinkhole loss" is available and we have denied your claim without testing, you may demand testing by us under Section 627.7072, Florida Statutes.

- a. You must demand testing in writing to us within 60 days after you receive our denial of the claim.
- b. You shall pay 50 percent of the actual costs of the analyses and services or \$2,500, whichever is less.
- c. We will reimburse you for the costs if the engineer or geologist provides written certification that there is a "sinkhole loss".

20. Rebates. You may not accept a rebate from any person performing the repairs specified in this endorsement. If you receive a rebate, this coverage is void, and you must refund the amount of the rebate to us. As used in the paragraph, the term "rebate" means a remuneration, payment, gift, discount, or transfer of any item of value to you by or on behalf of a person performing the repairs specified in this section as an incentive or inducement to obtain repairs performed by that person.

21. Filing Claim. If we obtain written certification that there is no sinkhole loss or that the cause of the damage was not sinkhole activity, and the "insured" has submitted the sinkhole claim without good faith grounds for submitting such a claim, the "insured" shall reimburse the insurer for 50 percent of the actual costs of the analysis and services provided; however, an "insured" is not required to reimburse the insurer more than \$2,500 with respect to any claim. An "insured" is required to pay reimbursement only if the "insured" requested the analysis and services provided under Sections 627.7072 and 627.7073 and before ordering the analysis we have informed the "insured" in writing of the "insured's" potential liability for reimbursement and give you the opportunity to withdraw the claim.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

Term Premium \$30.49

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THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**WINDSTORM LOSS MITIGATION CREDIT  
(Building Code Credit)  
Florida**

For a premium credit, we acknowledge your representation of the installation of fixtures and/or the use of construction techniques designed to reduce the amount of loss in the event of a windstorm at your residence.

You agree to maintain any fixtures in working order at all times. You agree to notify us within 90 days of any and all additions to the dwelling. You also agree to notify us within 90 days of any changes made to the fixtures or construction techniques, or if the fixtures are removed. Failure to comply with any of these conditions will result in the discontinuance or readjustment of the related premium credit, in the event of such a failure.

**OTHER POLICY PROVISIONS**

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

**Total Policy Credit**      \$7,570.49

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## FLORIDA CALENDAR YEAR HURRICANE DEDUCTIBLE NOTICE

Florida law requires that the hurricane deductible for this policy be applied on an annual basis to all hurricane losses that occur during the calendar year.

### What this means to you

We will apply a calendar year hurricane deductible to all Florida homeowners and fire policies. If your property is damaged by more than one hurricane during this calendar year, we may apply a deductible to the subsequent hurricane that is the greater of:

- The remaining amount of the hurricane deductible; or
- The amount of the deductible that applies to all other perils.

### Handling hurricane damage this year

- **Report all windstorm-related damage.** We can help you keep track of the damage, which will make handling any future claims easier. Reporting this damage will not raise your insurance rates.
- **Document repairs and keep all receipts.** This will help determine when you've reach your deductible. Remember to photograph the damage before repairs begin.

For additional information, please refer to the Calendar Year Hurricane Deductible section of the Hurricane Deductible Endorsement (FL27 1).

## FLORIDA COVERAGE OPTIONS

Florida law allows you to remove certain coverage from your policy.

Explanations can be found below. Before you decide to remove coverage from your policy, we suggest you call us at 1-800-531-USAA (8722) to discuss it. USAA does not recommend that you remove these coverages.

### Windstorm and Hail Coverage

You can remove coverage for windstorm, hail, hurricane and tropical storm from your USAA policy. USAA has elected to treat windstorm and hail as a combined peril. If you elect to exclude windstorm coverage, you will also be electing to exclude hail coverage.

If you elect to remove this coverage, Florida requires we send you a request form to submit a handwritten statement that reads:

"I do not want the insurance on my (home/condominium unit) to pay for damage from windstorms or hurricanes. I will pay those costs. My insurance will not."

The request form must be signed and dated by all named insureds listed on the policy. If you want us to send you a request form, call 1-800-531-USAA (8722). If your property is financed, you must also include a letter from your mortgage company giving its permission to remove the coverage from your policy. Once the letters are received, we'll process the change as requested. This coverage can only be added or removed within 30 days after policy issuance or when your policy renews.

### Contents Coverage

You can remove coverage for your contents from your policy. This option is not available for condominium units.

If you elect to remove this coverage, Florida requires we send you a request form to submit a handwritten statement that reads:

"I do not want the insurance on my home to pay for the costs to repair or replace any contents that are damaged. I will pay those costs. My insurance will not."

The request form must be signed and dated by all named insureds listed on the policy. Once this letter is received, we'll process the change as requested. This coverage can only be added or removed within 30 days after policy issuance or when your policy renews. If you want us to send you a request form, call 1-800-531-USAA (8722).

### Sinkhole Coverage

You can reject Sinkhole Loss Coverage and carry only Catastrophic Ground Cover Collapse (CGCC) Coverage. Read "Sinkhole Coverage" (form FLSNKREJ) for descriptions of both coverage options. If you elect to reject Sinkhole Loss Coverage, your request must be in writing for changes to apply.

**CHECKLIST OF COVERAGE**  
**Policy Type: Homeowner**

The following checklist is for informational purposes only. Florida law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even generate questions. By addressing any questions now, you will be more prepared later in the event of a claim. Experience has shown that many questions tend to arise regarding the coverage of attached or detached screened pool enclosures, screened porches, and other types of enclosures. Likewise, if your policy insures a condominium unit, questions may arise regarding the coverage of certain items, such as individual heating and air conditioning units; individual water heaters; floor, wall, and ceiling coverings; built-in cabinets and counter tops; appliances; window treatments and hardware; and electrical fixtures. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

Please refer to the policy for details and any exceptions to the coverages listed in this checklist. All coverages are subject to the provisions and conditions of the policy and any endorsements. If you have questions regarding your policy, please contact your agent or company. Consumer assistance is available from the Department of Financial Services, Division of Consumer Services' Helpline at (800) 342-2762 or [www.fldfs.com](http://www.fldfs.com).

This form was adopted by the Florida Financial Services Commission.

<b>Dwelling Structure Coverage</b>		
Limit of Insurance:	\$447,000	Loss Settlement Basis: Replacement Cost
<b>Other Structures Coverage</b>		
Limit of Insurance:	\$44,700	Loss Settlement Basis: See Note Below
<b>Personal Property Coverage</b>		
Limit of Insurance:	\$335,250	Loss Settlement Basis: Replacement Cost
<b>Deductibles</b>		
Annual Hurricane:	\$8,940	All Perils (Other Than Hurricane): \$2,000

Note: Other Structures that are buildings are settled at Replacement Cost, and other structures that are not buildings are settled at Actual Cash Value.

The Limit of Insurance, Deductibles, and Loss Settlement Basis on page 1 apply to the following perils insured against:

(Items below marked Y (YES) indicate coverage IS included, those marked N (NO) indicate coverage is NOT included)

Y	Hurricane
Y	Windstorm or Hail (other than hurricane)
Y	Fire or Lightning
Y	Explosion
Y	Riot or Civil Commotion
Y	Aircraft
Y	Vehicles
Y	Smoke
Y	Vandalism or Malicious Mischief
Y	Theft
Y	Falling Objects
Y	Weight of Ice, Snow or Sleet
Y	Accidental Discharge or Overflow of Water or Steam
Y	Sudden and Accidental Tearing Apart, Cracking, Burning, or Bulging
Y	Freezing
Y	Sudden and Accidental Damage from Artificially Generated Electrical Current
Y	Volcanic Eruption
Y	Sinkhole Loss
Y	Any Other Peril Not Specifically Excluded (dwelling and other structures only)
N	Flood (including loss caused by hurricane)

Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.

Loss of Use Coverage		
Coverage	Limit of Insurance	Time Limit
(Items below marked Y (YES) indicate coverage IS included, those marked N (NO) indicate coverage is NOT included)	Total for the following coverages is listed below.	
Y Additional Living Expense	\$89,400	Up to 24 Months
Y Fair Rental Value		Up to 24 Months
Y Civil Authority Prohibits Use		Up to 2 Weeks

Property - Additional/Other Coverages				
You may have purchased additional coverage limits that are not shown here.				
(Items below marked Y (YES) indicate coverage IS included, those marked N (NO) indicate coverage is not included)		Limit of Insurance Provided in Contract	Amount of insurance is an additional Amount of Coverage or is included with the policy limit.	
			Included	Additional
Y	Debris Removal	5% of Applicable Policy Limits		X
Y	Reasonable Repairs	Up to Applicable Policy Limits	X	
Y	Property Removed	Up to Applicable Policy Limits	X	
Y	Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	\$5,000		X
Y	Loss Assessment	\$10,000		X
Y	Collapse	Up to Applicable Policy Limits	X	
Y	Glass or Safety Glazing Material	Up to Applicable Policy Limits	X	
Y	Landlord's Furnishings	\$2,500	X	
Y	Law and Ordinance	5% of Applicable Dwelling Limits		X
Y	Grave Markers	Up to Applicable Policy Limits	X	
Y	Mold	\$10,000		X

Discounts	
(Items below marked Y (YES) indicate discount IS applied, those marked N (NO) indicated discount is NOT applied)	Discount Amount
Y Multiple Policy (Auto/Homeowners Combination)	\$53.69
Y Fire Alarm / Smoke Alarm / Burglar Alarm	\$20.39
N Sprinkler	
Y Windstorm Loss Reduction (FBC)	\$7,570.49
Y Building Code Effectiveness Grading Schedule	\$954.44
N New Home (Home Age)	
Y Claim Free	\$292.30

<b>Other Coverage Options</b>	
(Items below marked <b>Y (YES)</b> indicate coverage IS included, those marked <b>N (NO)</b> indicate coverage is NOT included)	Limit of Insurance
N   Home Protector	Up to 25% of Dwelling Limits

<b>Personal Liability Coverage</b>	
Limit of Insurance:	\$1,000,000
<b>Medical Payments to Others Coverage</b>	
Limit of Insurance:	\$5,000

<b>Liability - Additional/Other Coverages</b>			
(Items below marked <b>Y (YES)</b> indicate coverage IS included, those marked <b>N (NO)</b> indicate coverage is NOT included)	Limit of Insurance	Amount of Insurance is an additional amount of coverage or is included within the policy limit.	
		Included	Additional
Y   Claim Expenses	\$1,000,000		X
Y   First Aid Expenses	\$5,000		X
Y   Damage to Property of Others	\$ 1,000		X
Y   Loss Assessment	\$ 10,000		X



**SINKHOLE LOSS COVERAGE REJECTION**

All policies include coverage for Catastrophic Ground Cover Collapse. Subject to USAA's approved underwriting guidelines you may also purchase coverage for Sinkhole Loss. Below is a description of both coverages.

**Coverage Options**

Coverage	Covers	Deductible
Sinkhole Loss	Structural damage to the covered building, including the foundation, caused by settlement or systematic weakening of the earth supporting the covered building, but only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation. If there is structural damage to the covered building, contents and additional living expenses coverage apply if there is coverage for damage to the covered building.	A 10% deductible applies to this coverage.
Catastrophic Ground Cover Collapse	Structural damage to the covered building, including the foundation, if geological activity results in the following: (1) abrupt collapse of the ground cover; (2) a depression in the ground cover clearly visible to the naked eye; and (3) condemnation of the insured structure or an order to vacate the structure by a governmental agency authorized by law to issue such an order for that structure. If there is structural damage to the covered building, contents coverage applies if there has been loss resulting from a catastrophic ground cover collapse.	The All Other Perils deductible on the policy.

New policies are issued with Catastrophic Ground Cover Collapse unless you selected Sinkhole Loss coverage at the time of issue.

Please refer to page two of your policy Declarations to determine which coverage is provided under your policy. If your policy already includes coverage for Sinkhole Loss you have the option to reject this coverage and carry only Catastrophic Ground Cover Collapse. **This will result in a reduction in premium and a reduction in coverage.** To select Catastrophic Ground Cover Collapse only, complete the information below and return this form to us. Important: Your request must be in writing for the change to apply. You may purchase Sinkhole Loss coverage in the future, subject to underwriting guidelines.

If you have any questions, please call a USAA member service representative at 1-800-531-USAA (8722).

**REJECTION NOTICE**

This rejection will apply for the duration of this policy and to all policy renewals that follow. This includes any reinstated or reissued policy for the property below that USAA or an affiliated company covers without interruption.

I want Catastrophic Ground Cover Collapse Coverage only.\*

\*Choosing this coverage constitutes rejection of Sinkhole Loss Coverage.

USAA#: 00768 19 18 POLICY #: 90A

Property Address: 9593 PARKVIEW AVE  
BOCA RATON, PALM BEACH, FL 33428-2918

Signature \_\_\_\_\_ Date \_\_\_\_\_

Mail the completed notice to: USAA  
9800 Fredericksburg Road  
San Antonio, TX 78288-0001

Or, fax it to: (800) 531-8877

If this form is sent by fax, the sender authorizes the document received by USAA as a duplicate original and the signature produced by the receiving fax machine as the sender's original signature.



## Notice of Premium Discounts for Hurricane Loss Mitigation

### \*\*\* Important Information \*\*\* About Your Personal Residential Insurance Policy

JULY 24, 2017

Dear Homeowner,

Hurricanes have caused tens of billions of dollars in insured damages and predictions of more catastrophic hurricanes making landfall in Florida have triggered increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

#### What factors are considered in establishing my premium?

Your location: The closer a home is to the coast, the more vulnerable it is to damage caused by hurricane winds. This makes the hurricane-wind premium higher than for similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a \$500, 2%, 5% or 10% deductible, depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium. However, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane-wind premium. These discounts apply only to the hurricane-wind portion of your policy.

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at [www.myfloridalicense.com](http://www.myfloridalicense.com).

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of 91%.

**How can I take advantage of the discounts?**

Homeowners will need a qualified inspector such as a general, building, or residential contractor licensed under Section 489.111, Florida Statutes, or a professional engineer licensed under Section 471.015, Florida Statutes, who has passed the appropriate equivalency test of the Building Code training program as required by Section 553.841, Florida Statutes, or a professional architect licensed under Section 481.213, Florida Statutes, or a building code inspector certified under Section 468.607, to inspect the home to identify potential mitigation measures and verify improvements. For a listing of individuals and/or inspection companies meeting these qualifications contact your insurance agent or insurance company.

The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium\* of \$3,530.22 which is part of your total annual premium of \$6,010.74. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed below are not cumulative.

\*Wind mitigation credits apply to that portion of your premium that covers the peril of wind, whether or not a hurricane exists.

**Homes built prior to the 2001 building code**

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<u>Roof Covering (i.e., shingles or tiles)</u> <ul style="list-style-type: none"> <li>• Meets the Florida Building Code.</li> <li>• Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)</li> </ul>	<p style="text-align: center;">31%</p> <p style="text-align: center;">60%</p>	<p style="text-align: center;">\$1,109.49</p> <p style="text-align: center;">\$2,118.13</p>
<u>How Your Roof is Attached</u> <ul style="list-style-type: none"> <li>• Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.</li> </ul>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">0%</p> <p style="text-align: center;">0%</p>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">\$0.00</p> <p style="text-align: center;">\$0.00</p>

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<u>Roof-to-Wall Connection</u> <ul style="list-style-type: none"> <li>• Using "Toe Nails" – defined as three nails driven at an angle through the rafter and into the top roof.</li> <li>• Using Clips – defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud.</li> <li>• Using Single Wraps – a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> <li>• Using Double Wraps – straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> </ul>	N/A	N/A
	N/A	N/A
	0%	\$0.00
	0%	\$0.00
<u>Roof Shape</u> <ul style="list-style-type: none"> <li>• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>• Other.</li> </ul>	0%	\$0.00
	0%	\$0.00
<u>Secondary Water Resistance (SWR)</u> <ul style="list-style-type: none"> <li>• SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off.</li> <li>• No SWR.</li> </ul>	14%	\$504.31
	0%	\$0.00
<u>Shutters</u> <ul style="list-style-type: none"> <li>• None.</li> <li>• Intermediate Type – shutters that are strong enough to meet half the old Miami-Dade building code standards.</li> <li>• Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>	N/A	N/A
	N/A	N/A
	0%	\$0.00

\* Estimate is based on information currently on file and the actual amount may vary.

Homes built under the 2001 building code or later

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<p>Homes built under the 2001 Florida Building Code or later edition (also including the 1994 South Florida Building Code for homes in Miami-Dade and Broward Counties) are eligible for a minimum 68% discount on the hurricane-wind portion of your premium. You may be eligible for greater discount if other mitigation features are installed on your home.</p>		
<p><u>Shutters</u></p> <ul style="list-style-type: none"> <li>• None.</li>   <li>• Intermediate Type – shutters that are strong enough to meet half the old Miami-Dade building code standards.</li>   <li>• Hurricane Protection Type – shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>		
<p><u>Roof Shape</u></p> <ul style="list-style-type: none"> <li>• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).</li>   <li>• Other.</li> </ul>		

\* Estimate is based on information currently on file and the actual amount may vary.

Alternately and regardless of the year of construction, if you meet the minimum fixture and construction requirements of the 2001 Florida Building Code you have the option to reduce your hurricane-wind deductible from 2% to 2%.

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your insurance agent or the insurance company at 1-800-531-USAA (8722).

### Outline of Your Homeowners Policy

THE FOLLOWING OUTLINE OF COVERAGE IS FOR INFORMATIONAL PURPOSES ONLY. IT IS THE EXPRESS INTENT OF S. 627.4143, FLORIDA LAW PROHIBITS THIS OUTLINE FROM CHANGING ANY OF THE PROVISIONS OF THE INSURANCE CONTRACT WHICH IS THE SUBJECT OF THIS OUTLINE. ANY ENDORSEMENTS REGARDING CHANGES IN TYPES OF COVERAGE, EXCLUSIONS, LIMITATIONS, REDUCTIONS, DEDUCTIBLES, COINSURANCE, RENEWAL PROVISIONS, CANCELLATION PROVISIONS, SURCHARGES OR CREDITS WILL BE SENT SEPARATELY.

THE INFORMATION IN THIS FORM BRIEFLY OUTLINES THE MAJOR COVERAGES, EXCLUSIONS, NON-RENEWAL AND CANCELLATION PROVISIONS. YOU SHOULD READ YOUR POLICY FOR COMPLETE DETAILS ON THE COVERAGE. THE COVERAGES AND LIMITS YOU HAVE PURCHASED AND THE PREMIUMS CHARGED ARE LISTED ON THE DECLARATIONS PAGE. IN THE EVENT OF ANY CONFLICT BETWEEN THE POLICY AND THIS OUTLINE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

#### Property coverages

- A. Covers your dwelling, including structures attached. Coverage A applies to real property owned by you.
- B. Covers private, non-business structures at your residence, detached from the dwelling, such as a garage, fence, swimming pool or guest house.
- C. Covers your personal property such as clothes and furniture. Certain special limits apply such as \$200 to money and \$10,000 for theft of jewelry. You should review these in Section I of your policy along with the kinds of property which are not covered, such as motorized vehicles and property of roomers or boarders.
- D. Additional Living Expense provides for payments to you if you temporarily cannot continue to live in your residence because of a covered loss to your dwelling.

#### Additional coverages

Debris Removal; Cost of Reasonable Repairs; Coverage for certain losses to trees, plants and shrubs; Fire Department Service Charge; Coverage for Property Removed due to a covered loss; Credit Card and Identity Fraud Expense; Loss Assessment; Collapse; Lock Replacement; Refrigerated Products, Land, Landlord's Furnishings, Building Ordinance or Law; and Temporary Living Expense, Fungus, or Wet or Dry Rot, Military Uniforms and Equipment, War, and Electronic Media.

#### Covered Losses

**Form HO-3 - Special Form.** Covers dwelling, other structures, and loss of use against all risks of physical loss, with certain exceptions.

Personal property is covered for named perils, some of which are: Fire or Lightning, or Explosion, Riot, Aircraft, Vehicles, Smoke, Vandalism and Theft.

**Form HO-6 - Unit-Owners form.** Covers personal property, unit owners building items, and loss of use against loss by the same perils as provided under the HO-3 for personal property.

**Property losses we do not cover**

The principal exclusions in your property coverage are briefly referred to here: Loss from earth movement (other than Catastrophic Ground Cover Collapse), water damage from flood and other surface or wind-driven waters, power failure, neglect, war and nuclear hazards.

**Deductible**

If the property is eligible for windstorm, hurricane and hail coverage, Florida policies contain a separate deductible for hurricane losses, which may result in high out-of-pocket expenses for you. The hurricane deductible applies only once for all hurricane-related losses that occurs for a single policy during a calendar year (January 1 through December 31).

If the property excludes coverage for windstorm, hurricane, and hail, then coverage is available through the Citizens Property Insurance Corporation (Citizens).

**Personal liability coverages**

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

**Coverage modifications**

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

**Home Protector** – this endorsement provides coverage for increased costs of construction and debris removal.

**Building ordinance or law** – this endorsement pays for the increased costs you have to pay to repair or replace damaged buildings in accordance with ordinances or laws that regulate construction, repair, or demolition.

**Renewal and cancellation provisions**

You may cancel the policy at any time for any reason. Our rights to cancel or nonrenew your policy is limited to those conditions described in your policy. If we intend to cancel or refuse renewal of your policy, we must send you a notice telling the reasons for our action and give you advance notice of the cancellation and nonrenewal date.

**Premium credits**

There are various premium credits available which may help to reduce your premium. The following is a brief list of credits for which you may qualify:

- Monitored Fire Alarm/Burglar Alarm
- Florida Building Code Credit
- Florida Building Code Effectiveness Grading Schedule
- Automobile/Homeowners Combination
- Age of Home
- Claims Free



9500 Fredericksburg Road  
San Antonio, Texas 78288

**BUILDING ORDINANCE OR LAW COVERAGE OPTIONS**

If you don't want to make changes, there is no need to return this notice. If you decide to make a change, please sign the attached selection/rejection notice and return it to us. For an additional premium, the coverage can be increased or added to your policy. If you decide not to continue this coverage, sign the attached selection/rejection notice and return it to us.

Regardless of whether you have Building Ordinance or Law coverage or not, state law requires that we periodically give you the opportunity to add, increase, or reject the coverage. A brief description appears below for your reference.

**Important: rejection must be in writing for changes to apply to this coverage.**

**DESCRIPTION OF BUILDING ORDINANCE OR LAW COVERAGE**

Building Ordinance or Law coverage pays for the increased costs you incur to repair or replace damaged buildings in accordance with ordinances or laws that regulate construction, repair or demolition. The available Building Ordinance or Law endorsement provides either 25 percent or 50 percent of the stated dwelling amount for the increase in construction cost due to Building Ordinance or Law compliance. A new policy will have a 25% limit unless you make a different selection below.

This additional coverage provides protection when in the course of repairing damage from a covered loss, you are required to upgrade or retrofit the damaged building to comply with codes or ordinances enacted between the time the building was originally constructed and the date construction begins. Coverage is also provided when laws or ordinances require the demolition of damaged buildings, including undamaged portions, prior to rebuilding.

**SELECTION/REJECTION NOTICE**

Florida law requires that we obtain your signature if you want to change your Building Ordinance or Law coverage limit, or if you want to reject the additional coverage entirely. Please indicate your choice and complete this selection/rejection notice, sign and date below, and return it to us.

- I want Building Ordinance or Law coverage of 50 percent.\*
- I want Building Ordinance or Law coverage of 25 percent.\*
- I want to reject both the 25 percent and 50 percent additional Building Ordinance or Law coverage limits entirely.

\* Choosing this percentage limit constitutes rejection of the other percentage limit available.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**If this form is sent by facsimile machine (fax), the sender adopts the document received by USAA as a duplicate original and adopts the signature produced by the receiving fax machine as the sender's original signature.**

Policy Number \_\_\_\_\_ Property Address \_\_\_\_\_

Mail the completed notice to: \_\_\_\_\_  
\_\_\_\_\_

USAA PROPERTY  
USAA  
9800 Fredericksburg Road  
San Antonio, Texas 78288-0001

CATALOG-NUMBER

23939(04) Rev. 02-16  
PS.007681918.23939.90A



23939-0916  
Page 1 of 2

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### **Your Home Characteristics**

Our mission at USAA is to help protect your financial security. One way we do this is by helping you determine if you're adequately covered in the event of a loss. We can calculate the minimum rebuilding cost of your home based on your home characteristics, but only you can decide if this is enough coverage. Our estimates are based on average construction costs and labor costs for geographic areas and may not reflect the unique features of your home or the area you live in.

On the back of this page, you'll find your home characteristics. If any of the information is incorrect, the rebuilding cost may be affected, so please revise any inaccuracies by:

- Logging on to usaa.com, selecting your policy and then Home Characteristics, or
- Calling us at 210-531-USAA (8722), our mobile shortcut #8722 or 800-531-8722.

#### **Should I adjust the coverage on my flood or wind policy?**

- If you have a separate flood or wind policy for this property, please call your agent or insurer to confirm that your coverage is adequate. For flood or wind policies serviced by the USAA Insurance Agency, please call us at the numbers listed above. Wind coverage is available in Alabama, Florida, North Carolina, South Carolina, Texas and Mississippi.

**Your Home Characteristics**

YEAR BUILT: 1998  
\*TOTAL SQUARE FOOTAGE: 2925  
NUMBER OF STORIES: 1.0  
\*Total Square Footage:  
Includes: Additions and Finished Attic Space  
Excludes: Basements and Built-in or Attached Garages  
GENERAL SHAPE AND STYLE: ABOVE AVERAGE  
EXTERIOR FINISHES & FEATURES: ABOVE AVERAGE  
INTERIOR FINISHES & FEATURES: ABOVE AVERAGE  
KITCHENS AND BATHS: ABOVE AVERAGE  
EXTERIOR WALL CONSTRUCTION: CONCRETE BLOCK  
FOUNDATION TYPE: CONCRETE SLAB  
ROOF TYPE: TILE - CLAY  
YEAR ROOF INSTALLED/REPLACED: 1998  
GARAGE OR CARPORT TYPE/STYLE: ATTACHED/BUILT-IN - 3 CAR  
FLOOR COVERING MATERIALS: TILE - CERAMIC, CARPET,  
LAMINATE  
NUMBER OF BATHROOMS: FULL 4  
FIREPLACES: NONE

**HURRICANE DEDUCTIBLE OPTIONS**

As required by Florida legislation we are notifying you of the available hurricane deductible options. Windstorm losses caused by or resulting from a hurricane will be subject to the "hurricane" deductible shown on your Declarations page.

Your "hurricane" deductible will apply to losses by windstorm anytime a storm system has been declared to be a hurricane by the National Weather Service and a hurricane watch or warning has been issued anywhere in Florida and ends 72 hours following the termination of the last hurricane watch or warning anywhere in Florida. Non-hurricane wind and hail losses will be subject to the "all other perils" deductible shown on your Declarations page.

If you had a hurricane loss under this policy or under one in our group during the same calendar year and you lower your "hurricane" deductible under a new or renewal policy, the lower "hurricane" deductible will not apply until January 1 of the following calendar year.

All current deductible options are shown below. You may increase the deductibles applicable to your policy at any time. Just write or call us to discuss the options that may fit your needs. Remember, if you select a higher deductible than the minimum, you will be given a premium credit.

Unless you have chosen one of the hurricane deductibles below, your hurricane deductible will be \$500 for dwellings under \$100,000 or 2% for dwellings \$100,000 or over. If this is a renewal your deductible will be the same as you had previously unless the amount of coverage has increased to \$100,000 or more with this renewal or you choose a different deductible. Please refer to your Declarations page for the hurricane deductible that applies.

**DEDUCTIBLE OPTIONS  
(Homeowners)**

HURRICANE DEDUCTIBLE			ALL OTHER PERILS DEDUCTIBLE
Dwelling Amount \$10,000 - \$24,999	Dwelling Amount \$25,000 - \$99,999	Dwelling Amount \$100,000 and Over	All Amounts
\$500	\$500	2%	\$500
\$1,000	\$1,000	3%	\$1,000
\$2,000	\$2,000	4%	\$2,000
5%	2%	5%	1%
10%	5%	10%	2%
	10%		

Percentage deductibles are based on the Coverage A - Dwelling amount of insurance.



USAA  
 9800 Fredericksburg Road  
 San Antonio, Texas 78288

**SPECIAL FORM - HOMEOWNERS POLICY.**

**\*\*READ YOUR POLICY CAREFULLY\*\***

This policy is a legal contract between you, the policyholder, and us, the insurer. And like other contracts, it contains certain duties and responsibilities of both parties to the contract. This contract consists of the Declarations page, the policy, and any applicable endorsements.

Your policy provides the coverages and amounts of insurance shown in the Declarations with a premium.

This cover sheet provides only a brief outline of some of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and your insurance company.

**IT IS THEREFORE IMPORTANT THAT YOU READ YOUR POLICY.**

**QUICK REFERENCE**

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This policy is issued by USAA Casualty Insurance Company ("USAA CIC"). This is a participating policy. You are entitled to dividends as may be declared by the USAA CIC Board of Directors.