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INTRODUCTION

AGREEMENT

We will provide the insurance you have selected in return for the premium due us and compliance with all policy provisions. The enclosed declarations page shows the policy period, the premises to which this insurance applies, the vehicles insured, the coverages and limits you have chosen, and your premiums. Insurance under this policy is provided only for the coverages for which a premium is stated on the declarations page. The declarations page is part of this policy.

DEFINITIONS

Throughout this policy:

1. "We", "us", or "our" refers to the Auto Club Insurance Company of Florida.
2. "You" or "your" refers to any named insured on the declarations page. If there is only one named insured on the declarations page and that insured is a natural person, "you" or "your" includes that person's spouse if a resident of the same household.

Certain other words and phrases have a defined meaning when they are printed in **bold italic** type.

DEFINITIONS – SECTION I AND SECTION III

3. Under SECTION I – HOMEOWNERS COVERAGES and SECTION III – GENERAL PROVISIONS, we use the following definitions:

Aircraft – means any contrivance used or designed:

- a. for navigation of or flight in the air; and
- b. to carry people or cargo.

Bodily injury – means bodily harm, sickness or disease, including death therefrom.

Business – means any full or part time activity intended for economic gain. **Business** includes, but is not limited to, a commercial enterprise; a trade; a profession; an occupation or job; and the renting, leasing, or holding for rental or for lease of any part of any premises by any **insured**.

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 building, 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 structure.

Contents coverage applies if there is a loss resulting from a **catastrophic ground cover collapse**. Structural damage consisting merely of the settling or cracking of a foundation, structure, or building does not constitute a loss resulting from a **catastrophic ground cover collapse**.

Depreciation – means the lessening of the economic value of any property due to age; physical wear and tear; or obsolescence.

Drug – means any substance listed in the schedules of controlled substances in Chapter 13 of Title 21 of the United States Code.

Electronic data processing equipment – means:

- a. Computer hardware, including any:
 - (1) internal and external components;
 - (2) peripheral devices; and
 - (3) storage or recording media.
- b. Computer software, meaning computer:
 - (1) programs; and
 - (2) applications.

Hurricane – means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service. The duration of the hurricane includes the time period, in Florida:

- a. beginning at the time a hurricane watch or hurricane 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 hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

Hurricane loss – means loss or damage caused by the peril of **hurricane windstorm** during a **hurricane**. Hurricane loss includes ensuing damage to the interior of a building, or to property inside a building, caused by rain, snow, sleet, hail, sand, or dust if the direct force of the **hurricane windstorm** first damages the building, causing an opening through which rain, snow, sleet, hail, sand, or dust enters and causes damage.

Hurricane windstorm – means wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a **hurricane** which results in direct physical loss or damage to property.

Insured – means:

- a. you and the following residents of your household:
 - (1) Your relatives by blood, marriage or adoption.
 - (2) Any other person under the age of 21 who is in the care of you or any person included under a. (1) above and for whom you have assumed legal responsibility. This includes:
 - (a) a ward; or
 - (b) foster child.

Under PART II, **insured** also means:

- b. With respect to any animal or watercraft that this policy applies to:
 - (1) any person; or
 - (2) any organization;
that is legally responsible for that animal or watercraft which is owned by you or any person included in a. above.
A person or organization is not an **insured** when they use or have custody of these animals or watercraft:
 - (1) in the course of any **business**; or
 - (2) without the permission of the owner.
- c. With respect to any vehicle to which PART II applies:
 - (1) any person while engaged in the employment of any person included in a. above; or
 - (2) any other person using the vehicle on an **insured location** with your permission.

Insured location – means:

- a. The **residence premises**.
- b. Under PART II, **insured location** also means that part of any other premises, other structures and grounds you acquire during the policy period for your use as a residence.
- c. Any premises used by you in connection with any premises listed in a. or b. above.
- d. Any part of any premises not owned by any **insured** where an **insured** is temporarily residing.
- e. Vacant land, other than farmland, that is owned by, rented to, or leased to any **insured**.
- f. Land that is owned by, rented to, or leased to any **insured** on which a one or two family dwelling is being built as a residence for any **insured**.
- g. Individual or family cemetery plots or burial vaults of any **insured**.
- h. Any part of a premises occasionally rented to any **insured** for other than **business** purposes.

Occurrence – means an accident. This includes continuous or repeated injurious exposure to essentially the same conditions, which, during the policy period, results in **bodily injury** or **property damage**. Continuous or repeated injurious exposure to essentially the same conditions is considered to be one **occurrence**.

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

Property damage – means physical injury to, or destruction of tangible property. This includes any loss of use arising out of the injury to or destruction of tangible property.

Remediation – means the reasonable and necessary treatment, containment, removal, or disposal of mold, fungus, wet rot, dry rot, or bacteria.

Remediation also includes any testing done to detect, measure, or evaluate mold, fungus, wet rot, dry rot, or bacteria.

Replacement cost – means:

a. With respect to buildings, structures that are not buildings, and **screened enclosures**, the lesser of the cost, at the time of the loss, to repair or to replace covered, damaged or destroyed property:

- (1) at the **residence premises**;
- (2) for the same use; and
- (3) with materials of like or similar kind and quality.

Replacement cost does not include:

- (1) the loss to any property;
- (2) the cost of repairing, reconstructing or demolishing any property; or
- (3) the cost of removing the debris of any property;

occurring as a result of the enforcement of any building ordinance or law.

b. With respect to personal property; awnings; wall-to-wall carpeting; household appliances; outdoor equipment; and outdoor antennas, the cost, at the time of the loss, of new property:

- (1) identical to the lost or damaged property; or
- (2) of like or similar kind and quality and of comparable usefulness as the lost or damaged property if identical property is not obtainable.

Residence employee – means an employee of any **insured** who performs duties:

- a. in connection with the maintenance or use of the **residence premises** including household or domestic services; or
- b. elsewhere of a similar nature not in connection with the **business** of any **insured**.

Residence premises – means:

- a. the one or two family dwelling, other structures and grounds; or
- b. that part of any other building;

that is used by you as a residence and that is shown as the “residence premises” on the declarations page.

Screened enclosure – means structures that are enclosed by screens on more than one side, otherwise open to the weather, and not constructed and covered by the same or substantially the same materials as that of the dwelling.

Sinkhole – means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water. A sinkhole may form by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

Sinkhole activity – means settlement or systematic weakening of the earth supporting such property only when such settlement or systematic weakening results from 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.

Sinkhole loss – means structural damage to the building, including the foundation, caused by **sinkhole activity**. Contents coverage shall apply only if there is structural damage to the building caused by **sinkhole activity**.

Theft – means the unlawful taking and carrying away of property from another person with the intent to deprive the other person of that property.

Theft includes:

- a. attempted **theft**; or
- b. loss of property from a known location when it is likely that the property has been stolen.

DEFINITIONS – SECTION II AND SECTION III

4. Under SECTION II – PERSONAL AUTOMOBILE COVERAGES and SECTION III – GENERAL PROVISIONS, we use the following definitions:

Auto – means a motor vehicle:

- a. whether operable or not;
- b. designed for **use** mainly on public roads; and
- c. with the primary purpose of transporting **persons** or property.

Auto includes any equipment:

- a. permanently attached; or
- b. designed for use with an **auto** as a conveyance and in or upon the **auto**.

Auto business – means to be employed or otherwise engaged in the **business** of selling, repairing, servicing, delivering, testing, road testing, parking, or storing motor vehicles or **trailers**.

Bodily injury – means bodily harm, sickness or disease, including death therefrom.

Business – means commercial enterprise, trade, profession, or occupation.

Family member – means any of the following **persons** who **reside** with you:

- a. any **person** related to you by blood, marriage, or adoption;
- b. a ward or foster child for whom you or a **person** identified in a. above have assumed legal responsibility.

Occupying, occupied, or occupancy – means being in or upon, getting in, out, upon, or off.

Person – means a human being.

Private passenger auto – means a 4-wheel passenger, station wagon, or sport utility type auto.

Property damage – means injury to or destruction of tangible property, and includes any resulting loss of use.

Resident, reside, or residing – means actually living in the household you live in.

Trailer – means a vehicle designed to be pulled by a **private passenger auto** or **utility auto**.

Use, used, or using – means operating, maintaining, loading, or unloading.

Utility auto – means a pickup or van type auto with a rated load capacity of 2,000 pounds or less.

Your insured auto – means:

- a. Any vehicle shown on the declarations page.
- b. Any **auto** or **trailer** not owned by you while temporarily **used**:
 - (1) with the owner's permission; and
 - (2) as a substitute for any vehicle otherwise covered under this definition that is out of normal use because of its servicing, repair, breakdown, loss, or destruction.
- c. Any **private passenger auto** or **utility auto** which you newly acquire during the policy period and which is owned solely by you. Coverage applies only if at the time you take possession of the newly acquired **private passenger auto** or **utility auto**:
 - (1) it has replaced any vehicle shown on the declarations page, and title and possession of the replaced vehicle have been transferred; or
 - (2) it is in addition to any vehicle shown on the declarations page, and we insure all **private passenger autos** and **utility autos** you then own.

A replacement vehicle as defined in (1) above has the same coverage as the vehicle it replaced. An additional vehicle as defined in (2) above has the same coverage as the vehicle with the broadest coverage that is shown on the declarations page.

You must ask us for coverage within 30 days after you take possession of a newly acquired vehicle insured under this provision if you wish:

- (1) To add or continue physical damage coverage on a replacement vehicle.
- (2) To insure an additional vehicle.

If the declarations page does not show that your policy provides Other Than Collision or Collision Coverage for any described vehicle, we will provide Other Than Collision and Collision Coverage for a newly acquired **auto**, subject to a \$500 deductible. For coverage to apply, you must ask us for coverage within 7 calendar days after you take possession of a newly acquired **auto**.

A premium will be charged from the date you took possession of the newly acquired **auto**.

- d. Any **trailer** you own.

SECTION I – HOMEOWNERS COVERAGES

PART I – PROPERTY COVERAGES

COVERAGE A – DWELLING

COVERAGE B – OTHER STRUCTURES

COVERAGE C – PERSONAL PROPERTY

COVERAGE D – LOSS OF USE

WHAT PROPERTY IS COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGE A we cover:
 - a. The dwelling on the **residence premises** shown on the declarations page, used principally as a private residence, including structures attached to the dwelling. This shall not include, when attached to the dwelling, driveways; walkways; patios; awnings; fences; and external walls that are not a part of the perimeter of the dwelling and not needed for the structural integrity of the dwelling.
 - b. Materials and supplies located on or next to the **residence premises** for use in building of; altering of; or repairing of, the dwelling or other structures on the **residence premises**.
 - c. Wall-to-wall carpeting installed in the dwelling on the **residence premises**.
 - d. Outdoor antennas on the **residence premises**.
 - e. **Screened enclosures** on the **residence premises** that are attached to the dwelling.
2. Under COVERAGE B we cover:
 - a. When attached to the dwelling, driveways; walkways; patios; awnings; and fences.
 - b. External walls that:
 - (1) are attached to but not part of the perimeter of the dwelling; and
 - (2) are not needed for the structural integrity of the dwelling.
 - c. Other structures on the **residence premises**, either:
 - (1) set apart from the dwelling by clear space; or
 - (2) connected to the dwelling only by a fence, utility line or similar connection.

- d. Wall-to-wall carpeting installed in other buildings on the **residence premises**.
- e. **Screened enclosures** on the **residence premises**, either:
 - (1) set apart from the dwelling by clear space;
 - (2) connected to the dwelling only by a fence, utility line or similar connection; or
 - (3) attached to a structure covered under COVERAGE B.

WHAT PROPERTY IS NOT COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGES A and B we do not cover:
 - a. any land, including the land supporting the dwelling or other structures;
 - b. the cost to replace, rebuild, stabilize, or otherwise restore land;
 - c. the cost of any device or treatment applied to land for the purpose of adding, protecting, or restoring the stability of any structure supported by that land.
2. In addition, under COVERAGE B we do not cover structures used in whole or in part in **business**, however, this shall not apply to:
 - a. structures that are rented, leased, or held for rental or lease to any person who is a tenant of the dwelling;
 - b. garages that are rented, leased, or held for rental or lease for use as private parking garages.

WHAT PROPERTY IS COVERED – COVERAGE C

Under COVERAGE C, we cover personal property that is owned or used by any **insured** while it is anywhere in the world.

At your request, we also cover personal property:

1. owned by others, while the property is on the part of the **residence premises** occupied solely by an **insured**;

2. owned by a guest or a **residence employee** while the property is in any residence occupied by an **insured**.

Our limit of liability for personal property usually situated at a location other than the **residence premises** is 10% of the amount of the limit of liability for COVERAGE C. Personal property in a newly acquired primary residence is not subject to this limitation for the 30 days after you begin to move the property there.

WHAT PROPERTY IS COVERED SUBJECT TO INDIVIDUAL LIMITS OF LIABILITY – COVERAGE C

Individual limits of liability apply to certain categories of personal property. These limits do not increase the COVERAGE C limit of liability. The limit that is shown below for each category is the most we will pay for each loss to all property in that category. The lowest applicable limit shall apply to property that falls into more than one category.

1. \$200 on money; bank notes; bullion; gold, other than goldware; silver, other than silverware; platinum; medals; coins and coin collections; and other numismatic property.
2. \$1,000 on securities; accounts; deeds; evidences of debt; letters of credit; notes, other than bank notes; checks, other than negotiable instruments; stored value cards; manuscripts; passports; tickets; personal records; personal data; stamps, stamp collections, and other philatelic property.

This limit:

- a. Applies regardless of the type of medium on which these items are stored; such as paper, films, tapes, or discs.
 - b. Includes the cost of researching, retrieving, restoring, or replacing any lost, damaged or destroyed information in these items.
3. \$1,000 on camper bodies; slide-on campers; or camper shells, that are not permanently attached to a motor vehicle.
 4. \$1,000 on watercraft, including their trailers; furnishings; equipment; and outboard motors.

5. \$1,000 on trailers that are not used with watercraft.
6. a. \$2,500 on property used for **business** at any time during the policy period or intended for use in **business** while that property is located on the **residence premises**.
b. \$500 on property used for **business** at any time during the policy period or intended for use in **business** while that property is located away from the **residence premises**.

This category does not include:

- a. **electronic data processing equipment**,
 - b. **business** records or **business** data.
7. \$1,000 for loss by **theft** of:
 - a. jewelry and watches;
 - b. precious and semiprecious stones, including items that derive their principal value from precious or semiprecious stones;
 - c. furs, whether used for utilitarian or ornamental purposes. This includes items that derive their principal value from fur.
 8. \$2,500 for loss by **theft** of silverware, silver-plated ware, goldware, and gold-plated ware, including flatware; hollowware; tea or coffee sets; trays; trophies and similar items; and other utilitarian items made of or including silver, pewter or gold.
 9. \$2,000 for loss by **theft** of firearms.
 10. \$1,000 for loss by **theft** of rugs; carpets; tapestries; and wall hangings, other than wall-to-wall carpeting, whether used for utilitarian or ornamental purposes.
 11. a. \$5,000 for loss by **theft** of tools from the **residence premises**.
b. \$2,500 for loss by **theft** of tools while located away from the **residence premises**.
 12. a. \$2,500 on **electronic data processing equipment** whether or not used in **business**, while located on the **residence premises**.
b. \$1,000 on **electronic data processing equipment** while located away from the **residence premises**.

13. \$1,000 on:
 - a. collectibles, not intended for utilitarian purposes, that derive their value from their desirability to collectors;
 - b. Fine Arts including, but not limited to, art glass windows; glassware; statuary; figurines; marble; bric-a-brac; porcelains; bronzes; and similar articles.

WHAT PROPERTY IS NOT COVERED – COVERAGE C

Under COVERAGE C we do not cover:

1. Property that is specifically insured and that is separately described, either individually or as a class, in this or any other insurance.
2. Animals of any kind.
3. Motor vehicles or any other kind of motorized land conveyances, including:
 - a. permanently attached equipment;
 - b. equipment designed for use with a motor vehicle or other motorized land conveyance while it is located in or upon a motor vehicle or other motorized land conveyance; and
 - c. camper bodies, slide-on campers, or camper shells while located in or upon a motor vehicle.

We do cover any motor vehicle or any other motorized land conveyance that is not subject to motor vehicle registration and:

- a. is designed to assist and be used by the physically handicapped; or
 - b. is to be used exclusively to service an **insured's** residence.
4. Any devices or other instruments, which are used for the transmission; recording; reception; or reproduction of sound and/or pictures if it is permanently installed in a motor vehicle, other motorized land conveyance, trailer or watercraft. This includes:
 - a. their accessories and antennas;
 - b. tapes, cassettes, wires, records, discs, cartridges or other media for use with any such devices or instruments;
 while located in or upon the motor vehicle, other motorized land conveyance, trailer or watercraft.

5. **Aircraft** and parts.
6. Property of roomers; boarders; or other regular residents of the **residence premises**, who are not related to any **insured**.
7. Property contained in an apartment regularly:
 - a. rented;
 - b. leased; or
 - c. held for rental or lease;
 to others by any **insured**.
8. Property rented, leased or held for rental or lease to others that is away from the **residence premises**.
9. **Business** records or **business** data, regardless of the type of medium. Medium can include, but is not limited to, paper; films; tapes; or discs; on which the records or data are stored. We will pay for blank or unexposed media of the type used for the storage of the lost or damaged **business** records or **business** data.
10. Computer software that, at the time of the loss, cannot be replaced on the retail market with other of like or reasonably similar kind and quality. This includes later releases of the same software. We will pay for blank or unexposed media of the type used for the storage of computer software that cannot be replaced.
11. Credit cards or fund transfer cards, except as provided under OTHER COVERAGES – PART I, provision 8.

COVERAGE D – LOSS OF USE

1. If a loss covered under PART I to covered property, or to the building containing the property, makes the **residence premises** unfit to live in by:
 - a. rendering it unsafe for human habitation; or
 - b. by creating a condition that prevents the performance of any of the functions needed for human habitation;
 we will pay any reasonable and necessary increase in living expenses actually incurred by you while that part of the **residence premises** that you occupy is unfit to live in.

Payment shall be:

- a. for the shortest time required to repair or replace the damage; or
- b. if you permanently relocate, the shortest time required to establish your household elsewhere;

not to exceed a total of 24 months.

2. If a civil authority prohibits you from occupying the **residence premises** as a result of direct damage to neighboring premises by a cause of loss covered under PART I, we will pay any reasonable and necessary increase in living expenses as described above.

Payment shall be for a period not exceeding two weeks during which occupancy is prohibited by a civil authority.

The periods of time under 1. and 2. above are not limited by the expiration of the policy; however, the events causing the **residence premises** to become unfit to live in, or the order of civil authorities prohibiting you from occupying the **residence premises**, must occur during the policy period.

We do not cover loss of use due to the **residence premises** becoming unfit to live in because of the presence or **remediation** of mold, fungus, wet rot, dry rot, or bacteria, except as specifically covered under provision 10. of OTHER COVERAGES – PART I.

Our limit of liability for LOSS OF USE shall not exceed the amount of the limit of liability stated on the declarations page for COVERAGE D.

OTHER COVERAGES – PART I

1. REMOVAL OF FALLEN TREES

We will pay the reasonable expense actually incurred by you to remove fallen trees from the **residence premises** if:

- a. coverage is not afforded under provision 2. of OTHER COVERAGES – PART I; or
- b. the tree is not covered by this policy;

provided the tree damages property covered under PART I and a loss identified under WHAT LOSSES ARE COVERED – COVERAGE C is the cause of the tree falling.

Our limit of liability shall not exceed \$500 in the aggregate for any one loss.

This coverage is additional insurance.

2. TREES, SHRUBS AND OTHER PLANTS

We cover outdoor trees, shrubs, plants or lawns on the **residence premises** for loss by the following: 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 do not cover property grown for **business** purposes.

Our limit of liability shall not exceed:

- a. 5% of the amount of the limit of liability of COVERAGE A for all outdoor trees, shrubs, plants or lawns; or
- b. \$500 for any one outdoor tree, shrub or plant.

This coverage is additional insurance.

3. FIRE DEPARTMENT SERVICE CHARGE

We will pay up to \$500 for your liability assumed by contract or agreement for the fire department service charges actually incurred by you when the fire department is called to save or protect property covered under PART I from a covered loss.

We will not pay fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance.

4. REMOVAL OF DEBRIS

We will pay reasonable expenses actually incurred by you in the removal of:

- a. debris of covered property under PART I, provided the loss to the property is from a cause of loss identified under:

(1) WHAT LOSSES ARE COVERED – COVERAGE A AND COVERAGE B; or

(2) WHAT LOSSES ARE COVERED – COVERAGE C;

as applicable to the property;

- b. that portion of ash, dust, or particulate matter that has caused direct loss to a covered building or to covered property that is contained in a building covered under PART I.

The expense for the removal of debris and ash is included in the amount of the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for the removal of debris and ash exceeds the amount of the limit of liability for the damaged property, an additional 5% of the amount of that limit of liability will be available to cover the expense of removing debris and ash.

5. REFRIGERATED FOOD SPOILAGE

We will pay up to \$500 in the aggregate per policy period for damage to or spoilage of perishable foods owned by any **insured** and kept in a refrigerator or freezer located on the **residence premises** if the loss results from:

- a. interruption of power to the refrigerator or freezer caused by damage to or failure of the generating or transmitting equipment;
- b. mechanical breakdown of the refrigerator or freezer.

This coverage:

- a. is voided by the negligence of any **insured** in:
 - (1) maintaining:
 - (a) the refrigerator or freezer in working condition;
 - (b) the supply of electricity to the refrigerator or freezer;
 - (2) protecting food after a known loss;
- b. does not increase the limit of liability of COVERAGE C.

We will pay only that portion of the loss that exceeds \$100.

6. REASONABLE EMERGENCY MEASURES

We will pay reasonable expenses actually incurred by you for the necessary emergency measures taken solely to protect your property covered under PART I from further damage after a loss covered under PART I. If this involves repair to property other than the property to be protected, we will pay only for the repair of other property that is covered under PART I and damaged by a cause of loss covered under PART I.

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

7. PROPERTY REMOVED

We will cover property insured under PART I while being removed from premises endangered by a loss covered under PART I. We will cover that removed property for up to 30 days for direct loss from any cause.

This coverage does not increase the limit of liability applicable to the property being removed.

8. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY

We will pay up to \$500 for:

- a. the legal obligation of any **insured** to pay because of the **theft** or unauthorized use of any credit card issued to or registered in any **insured's** name;
- b. loss resulting from the **theft** or unauthorized use of any fund transfer card used for:
 - (1) deposit;
 - (2) withdrawal; or
 - (3) transfer of funds;issued to or registered in any **insured's** name;
- c. loss to any **insured** caused by the forgery or alteration of that **insured's** check or other negotiable instrument;
- d. loss to any **insured** through acceptance in good faith of counterfeit United States of America or Canadian paper money.

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

We do not cover:

- a. the **theft** or unauthorized use of any credit or fund transfer card:
 - (1) by an **insured** or any other regular resident of the **residence premises**;
 - (2) by any person who has been entrusted with the credit or fund transfer card; or
 - (3) by any person if any **insured** has not complied with all of the terms and conditions under which the credit or fund transfer card is issued;

- b. loss to any **insured** caused by the forgery or alteration of any **insured's** check or other negotiable instrument by an **insured** or any other regular resident of the **residence premises**;
- c. loss to any **insured** caused by any **insured's** acceptance of any check or other negotiable instrument that has been altered or forged, or that is not honored by the financial institution upon which it is drawn;
- d. loss arising out of the:
 - (1) **business**; or
 - (2) dishonesty;
 of any **insured**.

If a suit is brought:

- a. against any **insured** for liability under the CREDIT CARD or FUND TRANSFER CARD coverage, we will provide a defense at our expense by lawyers of our choice;
- b. for the enforcement of payment under the FORGERY coverage, we have the option to defend, at our expense:
 - (1) an **insured**; or
 - (2) an **insured's** financial institution.

We may make a settlement of any claim or lawsuit as we think appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.

This coverage is additional insurance.

9. COLLAPSE OF A BUILDING OR ANY PART OF A BUILDING

We will cover property insured under PART I against accidental direct physical loss from the collapse of a building or part of a building if it is caused by:

- a. any cause of loss identified under WHAT LOSSES ARE COVERED – COVERAGE C;
- b. weight of ice, snow, sleet, or rain which collects on a roof;
- c. hidden decay;
- d. hidden insect or vermin damage;

- e. weight of contents, equipment, people, or animals;
- f. use of defective materials or methods in the construction; repair; remodeling; or renovation, if the collapse occurs during the construction; repair; remodeling; or renovation.

Collapse means the sudden and accidental complete falling down or caving in of a building, or any part of a building, but does not include cracking, shrinking, bending, bulging, expansion, or settling, whether at a uniform or differential rate, unless it is combined with the complete falling down or caving in of a building or any part of a building.

Loss to an awning; a fence; a patio, driveway or walkway; a spa, swimming pool, or pond; an underground pipe, flue, drain, cesspool, or septic tank; a foundation or retaining wall; or a pier, bulkhead, wharf or dock; all whether or not attached to the dwelling or any other building on the **residence premises**, is not covered unless the loss is a direct result of the collapse of a building or any part of it.

This coverage does not increase the amount of the limit of liability applicable to the property damaged or destroyed by collapse.

10. MOLD, FUNGUS, WET ROT, DRY ROT, OR BACTERIA

a. We will pay:

- (1) For the **remediation** of mold, fungus, wet rot, dry rot, or bacteria, as required to repair or replace property covered under PART I, if the mold, fungus, wet rot, dry rot, or bacteria is caused by or results from a loss covered under PART I.
- (2) The reasonable and necessary increase in living expense, actually incurred by you, while that part of the **residence premises** that you occupy is unfit to live in due to the **remediation** of mold, fungus, wet rot, dry rot, or bacteria, if any of the above is caused by or results from a loss covered under PART I.

- b. Our limits of liability for the total of all loss or costs payable under provision 10., section a. above shall not exceed:

- (1) \$10,000 for any one covered loss.
(2) \$20,000 in the aggregate per policy period for all covered losses.

The limits stated in (1) and (2) above are the most we will pay regardless of the number of *insureds*, *insured locations*, or number of claims made.

This coverage does not increase the amount of the limit of liability applicable to the property damaged or destroyed.

WHAT LOSSES ARE COVERED – COVERAGE A AND COVERAGE B

Except as excluded under WHAT LOSSES ARE NOT COVERED – PART I, we cover accidental direct physical loss to the property that is described under WHAT PROPERTY IS COVERED – COVERAGE A and COVERAGE B.

WHAT LOSSES ARE COVERED – COVERAGE C

Except as excluded under WHAT LOSSES ARE NOT COVERED – PART I, we cover the following accidental direct physical losses to the personal property that is described under WHAT PROPERTY IS COVERED – COVERAGE C:

1. FIRE AND LIGHTNING.
2. WINDSTORM OR HAIL, including *hurricane windstorm*.

We do not cover loss from rain, snow, sleet, hail, sand, or dust to property contained in a building, unless the direct force of wind, hail or *hurricane windstorm* damages the building, causing an opening in a roof or wall, and the rain, snow, sleet, hail, sand, or dust enters through this opening.

We do not cover loss from windstorm or hail, including *hurricane windstorm*, to watercraft, and their trailers; furnishings; equipment; and outboard motors, while not inside a fully enclosed building.

3. EXPLOSION.
4. RIOT OR CIVIL COMMOTION.
5. AIRCRAFT, including self-propelled missiles and spacecraft.

6. VEHICLES.
7. SUDDEN AND ACCIDENTAL DAMAGE FROM SMOKE.

We do not cover loss caused by smoke from agricultural smudging or industrial operations.

8. VANDALISM OR MALICIOUS MISCHIEF.
We do not cover vandalism or malicious mischief if the dwelling has been vacant or unoccupied for more than 30 days prior to the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant or unoccupied.

9. ***THEFT***.
We do not cover loss caused by *theft*:

- a. committed by or at the direction of any *insured* or any other regular resident of the *residence premises*, except a *residence employee*;
- b. in or to a dwelling or other structure under construction, or of materials and supplies for use in the building, until the dwelling is completed and occupied;
- c. from that part of the *residence premises* rented or leased by any *insured* to any person other than an *insured*;
- d. occurring away from the *residence premises*:

- (1) of property while at any other residence owned by, rented to, leased to, or occupied by any *insured*, except while an *insured* is temporarily residing there;
- (2) of watercraft, including their trailers, furnishings, equipment, and outboard motors;
- (3) of trailers including their furnishings and equipment;
- (4) of camper bodies, slide-on campers, or camper shells not permanently attached to a motor vehicle, including their furnishings and equipment.

10. FALLING OBJECTS.
We do not cover loss to personal property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. We do not cover loss to the falling object itself.

11. WEIGHT OF ICE, SNOW, OR SLEET which causes damage to any property contained in a building.
12. SUDDEN AND ACCIDENTAL DISCHARGE OR OVERFLOW OF WATER OR STEAM from within:
 - a. a plumbing system;
 - b. a heating system;
 - c. an air conditioning system;
 - d. an automatic fire protective sprinkler system; or
 - e. a household appliance.

We do not cover loss:

- a. caused by or resulting from freezing;
- b. to the appliance from which the water or steam escaped;
- c. on the **residence premises** caused by or resulting from accidental discharge or overflow which occurs off the **residence premises**.

13. SUDDEN AND ACCIDENTAL TEARING APART, cracking, burning or bulging of:
 - a. a steam or hot water heating system;
 - b. an air conditioning system;
 - c. an automatic fire protective sprinkler system; or
 - d. an appliance for heating water.

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

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

We do not cover loss on the **residence premises**, while the dwelling is unoccupied and you have not used reasonable care:

- a. to maintain heat in the building; or
- b. to shut off the water supply and drain the system and appliances of water.

15. SUDDEN AND ACCIDENTAL changes in the electric power supply to electrical appliances, devices, fixtures and wiring.

16. FRAGMENTS OF BROKEN GLASS or safety glazing material which is a part of a building, storm door or storm window.

We do not cover loss on the **residence premises** if the dwelling has been vacant or unoccupied for more than 30 days prior to the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant or unoccupied.

17. VOLCANIC ERUPTION other than loss caused by earthquake, land shock waves or tremors. One or more volcanic eruptions occurring within a 72-hour period shall be considered one volcanic eruption.

WHAT LOSSES ARE NOT COVERED – PART I

1. We do not cover any loss to property insured under COVERAGES A, B or C that is caused by, resulting from, contributed to by, or consisting of:

- a. EARTH MOVEMENT, meaning:

- (1) earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) landslide; mudflow; subsidence; mine subsidence; **catastrophic ground cover collapse**; sinkhole; erosion; earth expanding, contracting, sinking, rising or shifting, all however caused or whether combined with water or not.

Earth movement includes events that are naturally occurring or man-made.

We do cover direct physical loss by:

- (1) fire;
- (2) explosion;
- (3) breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

resulting from earth movement.

- b. BUILDING ORDINANCE OR LAW, meaning the enforcement, whether or not in connection with a physical loss to buildings or other structures covered under PART I, of any ordinance or law:

- (1) Requiring or regulating the demolition; construction; repair; reconstruction; remodeling; renovation; placement; stabilization; or use of buildings or other structures, unless specifically covered under a Building Ordinance or Law Endorsement issued by us or specifically covered under provision 7. of CONDITIONS – PART I.

For the purposes of section b. (1), loss means:

- (a) loss or damage caused directly or indirectly by the enforcement of any building ordinance or law;
- (b) any additional cost of repair, reconstruction, demolition or debris removal incurred to comply with any building ordinance or law.

- (2) Requiring or regulating the testing for, cleanup or removal of, or other specified treatment of **pollutants**.
- (3) Requiring or regulating the **remediation** of mold, fungus, wet rot, dry rot, or bacteria, except as specifically covered under provision 10. of OTHER COVERAGES – PART I.
- (4) Resulting in a lessening of the value of any property insured under PART I.

c. WATER DAMAGE, meaning:

- (1) flood, surface water, waves, tidal water, storm surge, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) any liquid or semi-liquid material or substance from outside of the plumbing system on the **residence premises** that enters the **residence premises** through sewers or drains;
- (3) any liquid or semi-liquid material or substance which overflows or discharges from a sump, sump pump, or related equipment;
- (4) water below the surface of the ground, including water which exerts pressure on or seeps or leaks or flows through a building; sidewalk; driveway; foundation; swimming pool; spa; or other structure.

We do cover direct physical loss by fire, explosion or **theft** resulting from or occurring as a consequence of water damage.

- d. NEGLECT, meaning neglect of the **insured** to take all reasonable steps to save and preserve property at and after the time of a loss, or when the property is endangered by a cause of loss we cover.
- e. WAR, including undeclared war; civil war; insurrection; rebellion; revolution; warlike act by a military force or military personnel; destruction or seizure or use for a military purpose; including any consequence of any of the above. Discharge of a nuclear weapon shall be deemed a warlike act even if it is by accident.
- f. NUCLEAR HAZARD, including any:
 - (1) nuclear reaction;
 - (2) nuclear radiation; or
 - (3) radioactive contamination;

whether controlled or uncontrolled or however caused. This also includes any consequence of any of these. Loss by fire, explosion, or smoke caused by nuclear hazard will be considered nuclear hazard and will not be covered under PART I, except for direct loss by fire.

- g. INTENTIONAL LOSS, meaning loss arising out of any act or omission committed by or at the direction of any **insured** with the intent to cause loss, or that could reasonably be expected to cause loss.
- h. INTERRUPTION OF POWER or other utility service if that interruption takes place away from the **residence premises**, unless specifically covered under provision 5. of OTHER COVERAGES – PART I.

We do cover loss resulting from or occurring as a consequence of any power or utility service interruption if that resulting loss is covered under PART I and occurs on the **residence premises**.

- i. COLLAPSE, unless specifically covered under provision 9. of OTHER COVERAGES – PART I.
 - j. MOLD, fungus, wet rot, dry rot, or bacteria, except as specifically covered under provision 10. of OTHER COVERAGES – PART I.
2. We do not cover any loss to property insured under COVERAGES A or B that is caused by, resulting from, contributed to by, or consisting of:
- a. (1) FREEZING of a plumbing system; a heating system; an air conditioning system; an automatic fire protective sprinkler system; or a household appliance;
 - (2) leakage, discharge, or overflow from within the system or appliance caused by freezing;

while the dwelling is vacant, unoccupied, or being constructed, and you have not used reasonable care to maintain heat in the building or shut off the water supply and drain 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) fence;
 - (2) driveway, walkway, or patio;
 - (3) spa, swimming pool or pond;
 - (4) foundation, retaining wall or bulkhead;
 - (5) pier, wharf or dock.
 - c. **THEFT** in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied.
 - d. VANDALISM, malicious mischief, or breakage of glass or safety glazing materials, if the dwelling has been vacant or unoccupied for more than 30 days immediately prior to the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant or unoccupied.
 - e. Any of the following:
 - (1) WEAR AND TEAR, marring, deterioration;
 - (2) continuous or repeated seepage or leakage of water or steam over weeks, months, or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
 - (3) inherent vice, latent defect, or mechanical breakdown;
 - (4) smog, rust, corrosion, or other decay;
 - (5) smoke from agricultural smudging or industrial operations;
 - (6) presence, release, discharge or dispersal of:
 - (a) **pollutants**;
 - (b) soil corrosives, including but not limited to chemicals, compounds, elements, suspensions, gels or crystals forming in the soil;
 - (7) cracking, shrinking, sagging, bulging, bending, expansion, or settling of:
 - (a) driveways, walkways, or patios;
 - (b) foundations, floors, walls;
 - (c) roofs; or
 - (d) ceilings;
 - (8) birds, vermin, rodents, insects or domestic animals;
 - (9) growth of, or pressure from, the roots of trees, shrubs, or other plants.

If a loss excluded under e. above causes or results in sudden and accidental escape of water from a plumbing system; a heating system; an air conditioning system; an automatic fire protective sprinkler system; or a household appliance, we do cover the direct physical loss caused by the water, including the cost of tearing out and replacing any part of a building that is needed to repair the system or appliance. We do not cover a loss to the system or appliance from which this water escaped.

If a loss excluded under 2. above results in direct physical loss to property covered under PART I, we will cover that resulting loss if it is not itself excluded under PART I.

3. We do not cover any loss to property insured under COVERAGES A or B in which any of the events listed below cause or aggravate or contribute concurrently or in any sequence to a loss excluded under 1. or 2. above:

- a. WEATHER CONDITIONS.
- b. ACTS OR DECISIONS, including the failure to act or decide, whether intentional or unintentional, or whether negligent, wrongful or without fault, of any person, group, organization or governmental body, whether an **insured** or not.

This provision does not apply to an **insured's** acts or decisions, including the failure to act or decide, excluded under provision 1., sections d. and g. above.

- c. FAULTY, DEFECTIVE OR INADEQUATE:

- (1) planning; zoning; development; surveying; or siting;
- (2) establishment or enforcement of building codes or standards for construction or materials;
- (3) design; specifications; construction; renovation; remodeling; repair; grading; compaction; or workmanship;
- (4) materials, parts, or equipment used in construction; renovation; remodeling; repair; grading; or compaction;
- (5) maintenance;

of part or all of any property whether on or off the **residence premises**. This exclusion does not apply to the use of defective materials or methods for which coverage is afforded under section f. of provision 9. of OTHER COVERAGES – PART I.

- 4. We do not cover any loss to property insured under COVERAGES A, B, or C for:
 - a. any damages which occurred prior to the policy inception regardless of whether or not the damages were apparent at the time of the policy inception; or

- b. claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to the inception of this policy.

- 5. We do not cover any loss to **screened enclosures** insured under COVERAGE A or COVERAGE B that is caused by, resulting from, contributed to by, or consisting of **hurricane windstorm**.

CONDITIONS – PART I

- 1. Insurable Interest

Even if more than one person has an insurable interest in the property covered under PART I, we shall not be liable in any one loss to any **insured** for an amount that is greater than that **insured's** interest at the time of loss.

- 2. Deductible

We will pay only when the amount of a loss covered under PART I, or an expense covered under OTHER COVERAGES – PART I exceeds the amount of the deductible stated on the declarations page, and then we will pay only the amount exceeding the deductible.

The policy deductible shall apply to all losses except losses paid under COVERAGE D – LOSS OF USE and the following provisions of OTHER COVERAGES – PART I:

- 3. FIRE DEPARTMENT SERVICE CHARGE.
- 5. REFRIGERATED FOOD SPOILAGE.
- 8. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY.
- 3. **Hurricane** Deductible

We will pay only when the amount of a **hurricane loss** covered under PART I, or an expense resulting from a covered **hurricane loss** under OTHER COVERAGES – PART I, exceeds the amount of the **hurricane** deductible stated on the declarations page, and then we will pay only the amount exceeding the **hurricane** deductible.

The **hurricane** deductible stated on the declarations page applies for loss or damage to covered property caused by all **hurricane windstorms**. A **hurricane** percentage deductible is determined by applying the percentage stated on the declarations page for **hurricane** to the COVERAGE A – DWELLING limit of liability at the time of the loss, but shall not be less than \$500.

The **hurricane** deductible stated on the declarations page applies on a calendar year basis. If there are **hurricane losses** in a calendar year on more than one policy issued by us or by a member of our insurer group, the **hurricane** deductible shall be the highest amount stated in any one of the policies.

If you had a **hurricane loss** under the prior policy 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.

If there was a **hurricane loss** for a prior **hurricane windstorm** or **hurricane windstorms** during the calendar year, we may apply a deductible to the subsequent **hurricane windstorm** that is the greater of:

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

If you should have a **hurricane loss** that is less than your **hurricane** deductible, you must report the loss to us in order to apply such losses to subsequent **hurricane** claims.

4. Your Duties After Loss

After a loss:

- a. Notification must be given promptly:
 - (1) to us;
 - (2) in case of **theft**, to the police; and
 - (3) in case of loss under the CREDIT CARD or FUND TRANSFER CARD coverage, to the credit card or fund transfer card company.

- b. Any **insured** must:
 - (1) protect the property from further damage;
 - (2) take reasonable and necessary measures required to protect the property; and
 - (3) keep an accurate record of the cost of these measures.
- c. Any **insured** must prepare an inventory of damaged or destroyed personal property, which shows in detail the quantity; description; date of acquisition; acquisition cost; fair market value; **replacement cost**; and **replacement cost less depreciation**, as applicable to the property, and the amount of loss claimed. All of the bills, receipts, and related documents that prove the figures in the inventory must be attached to the inventory.
- d. Any **insured** must as often as we reasonably require:
 - (1) make the damaged property available for our inspection;
 - (2) provide us with records and documents we ask for, and permit us to make copies;
 - (3) submit to examinations under oath, not in the presence of any other **insured**, and sign and return to us the transcript of such examinations; and
 - (4) answer oral or written interrogatories.
- e. You must, within 60 days after the loss, submit to us your signed, sworn proof of loss providing us with:
 - (1) information on:
 - (a) the time and cause of loss;
 - (b) the interest of any **insured** and of all others in the property involved, and all liens on the property;
 - (c) other insurance that may cover the loss;
 - (d) changes in title; use; occupancy; location; possession of; or exposure to, the property during the term of the policy;
 - (e) specifications and plans of any damaged or destroyed building or fixture, detailed estimates for repair of the damage, and the amount of any encumbrances;

- (2) an inventory of damaged or destroyed personal property as described in c. above;
- (3) receipts for additional living expenses incurred;
- (4) evidence or sworn statements supporting a claim under the CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY coverage, stating the amount of the loss and the cause of the loss.

5. Loss Settlement and Limit of Liability

a. We will settle covered losses to the following articles of personal property:

- (1) medals; coins; coin collections; and other numismatic property;
- (2) stamps; stamp collections; and other philatelic property;
- (3) jewelry;
- (4) antiques; fine arts; paintings; and other similar rare or antique articles;
- (5) collectibles, not intended for utilitarian purposes, that derive their value from their desirability to collectors;
- (6) memorabilia; souvenirs; collectibles, other than as defined in (5) above; and similar articles whose age or history contribute to their value;
- (7) articles that are not maintained in good or workable condition;
- (8) articles that are outdated or obsolete and are stored or not being used;

for the lowest of the following at the time of the loss:

- (1) the fair market value of the lost or damaged property;
- (2) the cost to repair the damaged property;
- (3) the cost to replace the lost or damaged property with property of the same kind, of similar quality and usefulness, and in the same condition;
- (4) the limit of liability of the lost or damaged property that applies.

b. We will settle covered losses to:

- (1) personal property, other than as described under a. above;
- (2) awnings; wall-to-wall carpeting; household appliances; outdoor equipment; and outdoor antennas, whether or not it is attached or otherwise connected to buildings;

for the lowest of the following at the time of the loss:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value of the lost or damaged property;
- (2) the cost to repair the damaged property;
- (3) the cost to replace the lost or damaged property with property of the same kind, of similar quality and usefulness, and in the same condition;
- (4) the limit of liability that applies to the lost or damaged property.

c. We will settle covered losses to **screened enclosures** for the lower of:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the damaged or destroyed part of the **screened enclosure**;
- (2) the limit of liability that applies to the damaged or destroyed **screened enclosure**.

d. We will settle covered losses to structures that are not buildings and are other than **screened enclosures** for the lower of:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the damaged or destroyed part of the structure;
- (2) the limit of liability that is stated on the declarations page for COVERAGE B.

e. We will settle covered losses to buildings for the lower of:

- (1) the **replacement cost** of the damaged or destroyed part of the building;
- (2) the limit of liability stated on the declarations page for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings.

Our limit of liability for loss to any property insured under PART I shall not be increased because there is more than one person that has an insurable interest in the property.

6. Loss to a Pair or Set

In case of loss 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 the value established for the property under provision 5. above before and after the loss.

7. Glass Replacement

We will replace glass that is damaged in a loss covered under PART I with safety glazing material when required by an ordinance or a law.

8. Mediation or Appraisal

If you and we fail to agree on the amount of a covered loss, either one of us can:

- a. Demand a mediation of the loss according to the rules established by the Florida Department of Financial Services. The amount in controversy must be \$500 or more unless we and you agree to mediate a dispute involving a lesser amount. The results of the mediation are binding only when:
 - (1) both parties agree, in writing, on a settlement; and
 - (2) within three business days after reaching settlement, you have cashed or deposited any check or draft we provided to you as a result of the mediation conference.

We will pay the cost of conducting any mediation conference. The cost of conducting the mediation conference will not include your legal fees or expenses incurred in preparing for or attending the conference. If you fail to appear at the conference, the conference will then be rescheduled upon your payment of the costs of that rescheduled conference.

- b. Make a written demand that the amount of loss be set by an appraisal. If either you or we make a written demand for an appraisal, each of us shall:

- (1) select a competent, independent appraiser; and
- (2) notify the other of the appraiser's identity within 20 days of receipt of the request.

The two appraisers shall then select a competent, impartial umpire. The two appraisers have 15 days to agree upon an umpire. If they cannot agree upon an umpire within 15 days, you or we may make a request to a judge of the court, of the state in which the covered property is located, to select an umpire.

The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount that is agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. A written award that is signed by any two of these three shall set the amount of the loss.

Each appraiser shall be paid by the party that chose them. Other expenses of the appraisal and the payment of the umpire shall be paid equally by you and us.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

9. Other Insurance

This insurance is excess over any other valid and collectible insurance for a loss covered under PART I.

10. Suits Against Us

We may not be sued unless all terms of this policy have been fully complied with. Legal action may not be brought against us under PART I unless the action is started within five years after the date of loss.

11. Our Option

At our option, we may:

- a. Take part or all of the covered damaged property at the agreed or appraised value.
- b. Repair or rebuild or replace covered damaged or destroyed property with property of like or similar kind and quality. However, this provision does not apply to property insured on a replacement cost basis.

We will notify you of our intent, in writing, within 30 days after we receive your signed, sworn proof of loss.

12. Loss Payment

Within 90 days after we receive notice of a property insurance claim from you, we will pay or deny the claim unless the failure to pay the claim is caused by factors beyond our control which reasonably prevent such payment.

In addition, loss is payable within:

- a. 20 days after we receive your signed, sworn proof of loss and we reach written agreement with you; or
- b. 60 days after we receive your signed, sworn proof of loss and:
 - (1) an appraisal award or a mediation settlement is filed with us; or
 - (2) a final judgment is entered.

We will pay you unless another payee:

- a. is named in the policy; or
- b. is legally entitled to receive payment.

13. Abandonment of Property

We do not have to accept any property abandoned by any **insured**.

14. Mortgage Clause

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under COVERAGE A or COVERAGE B shall be paid to the mortgagee and you, as the interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid, covered claim of the mortgagee if the mortgagee:

- a. notifies us of any change in ownership; in occupancy; or that creates a substantial change in risk, that the mortgagee is aware of;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn proof of loss within 60 days after we notify the mortgagee of your failure to submit the required proof of loss.

Policy conditions relating to:

- a. Mediation or Appraisal;
- b. Suits Against Us; and
- c. Loss Payment;

apply to the mortgagee.

The mortgagee will be notified at least 10 days before a cancellation or nonrenewal by us will take effect.

If a loss listed below is made payable, in whole or in part, to a designated mortgagee and the payment was not made to the named insured, such interest in this policy may be cancelled by giving to the mortgagee a 10 day written notice of cancellation.

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 shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of their claim.

If we claim that no liability existed as to the mortgagor or owner, we shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing the mortgagee's right to sue.

15. No Benefit to Bailee

This insurance shall not in any way benefit any person or organization who may be:

- a. holding;
 - b. storing; or
 - c. transporting;
- property for a fee.

16. Recovered Property

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

17. Your Duty to Select and Maintain Policy Limits

At each policy renewal date, the amount of the limit of liability stated on the declarations page for COVERAGE A may be adjusted, by us, to account for:

- a. inflation;
- b. current building costs;
- c. changes in the cost of items of property; and
- d. other factors.

Any adjustment in the amount of COVERAGE A will result in an adjustment to:

- a. the COVERAGE B limit of liability;
- b. the COVERAGE C limit of liability;
- c. the COVERAGE D limit of liability;
- d. those OTHER COVERAGES – PART I for which the limits of liability are a percentage of the COVERAGE A limit; and
- e. your **hurricane** deductible if your **hurricane** deductible is a percentage of the COVERAGE A – DWELLING limit of liability.

Any adjustment in the limits of liability listed above do not, in any way, represent, warrant, or guarantee that these adjustments will accurately account for inflation or that the amounts of coverage are adequate to repair or replace the damaged or destroyed property.

PART II – PERSONAL LIABILITY COVERAGES

COVERAGE E – PERSONAL LIABILITY COVERAGE F – MEDICAL PAYMENTS TO OTHERS

WHAT LOSSES ARE COVERED – COVERAGE E

1. We will pay for damages that any *insured* is legally liable to pay because of ***bodily injury*** or ***property damage*** caused by an ***occurrence*** to which this coverage applies.

Damages do not include:

- a. fines;
 - b. penalties; or
 - c. criminal restitution orders.
2. We will defend any suit claiming damages for ***bodily injury*** or ***property damage*** to which this coverage applies. We will defend a suit even if the allegations are groundless, false or fraudulent. Defense lawyers will be hired by us. If any *insured* retains a lawyer for any claim, whether or not covered under this coverage, we will not pay the fees and costs charged by that lawyer. Our duty to defend ends when the amount we pay for damages resulting from one ***occurrence*** equals our limit of liability. We have no duty to defend any *insured* in any criminal action or proceeding in which the recovery of a fine, penalty or restitution is sought.
 3. We may settle any claim or suit as we think appropriate.

WHAT LOSSES ARE COVERED – COVERAGE F

We will pay reasonable expenses that are actually incurred for necessary medical and funeral services because of ***bodily injury*** sustained as a result of an accident to which this coverage applies. We will pay only for expenses actually incurred within 3 years from the accident date.

This coverage applies to:

1. persons on an ***insured location*** with the permission of any *insured*;
2. persons off an ***insured location*** if the ***bodily injury***:
 - a. arises out of a condition on an ***insured location*** or the ways immediately adjoining; or

b. is caused by the activities of any *insured*; or

c. is caused by a ***residence employee*** in the course of that ***residence employee's*** employment by any *insured*;

3. ***residence employees.***

WHAT LOSSES ARE NOT COVERED – PART II

1. Under COVERAGES E and F we do not cover:

a. ***Bodily injury*** or ***property damage*** arising out of:

(1) Acts or omissions committed by or at the direction of any *insured* with the intent to produce ***bodily injury*** or ***property damage*** of any kind and in any degree.

(2) Intentional acts or omissions committed by or at the direction of any *insured* that could reasonably be expected to result in ***bodily injury*** or ***property damage*** of any kind and in any degree. This applies whether or not the *insured* forms the intent or has the mental capacity to form the intent to cause ***bodily injury*** or ***property damage***.

(3) Intentional criminal acts or omissions committed by or at the direction of any *insured* that could reasonably be expected to result in ***bodily injury*** or ***property damage*** of any kind and in any degree.

(4) Acts or omissions committed by or at the direction of any *insured* while under the influence of any ***drug***. This exclusion does not apply to any acts or omissions committed while under the influence of any prescription ***drug*** that is:

(a) legally dispensed in the United States of America; and

(b) taken under the order of and in compliance with the instructions of a physician licensed in the United States of America.

b. **Bodily injury** or **property damage** arising out of any premises, other than the **insured location**, owned by, rented to, or leased to any **insured**.

c. **Bodily injury** or **property damage** arising out of or in connection with:

(1) The operation of a family day care home.

(2) Any other **business** of any **insured**.

This exclusion does not apply:

(a) to the renting, leasing, or holding for rental or lease of a residence of yours on an occasional basis, not exceeding 21 days during any one policy period, for the use only as a residence;

(b) to the renting, leasing, or holding for rental or lease of a residence of yours:

i. in part, for the use as a residence by no more than two roomers or boarders;

ii. in part, as an office, school, studio or private parking garage;

(c) to the renting, leasing, or holding for rental or lease for use as a residence of that part of your dwelling on the **residence premises** that you do not occupy. This applies only if the dwelling is a two family dwelling;

(d) to any part-time or occasional **business** of any **insured** who is under the age of 18, is self-employed, has no employees, and has received no more than \$2,000 in total compensation during the prior 12 months.

d. **Bodily injury** or **property damage** arising out of the rendering of or failing to render professional services.

e. **Bodily injury** or **property damage** arising out of the manufacture, sale, delivery or transfer of any **drug** by any **insured**.

f. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of motor vehicles or any other motorized land conveyances, including trailers of any type. This exclusion does not apply to:

(1) trailers not towed by, attached to or carried on motor vehicles or other motorized land conveyances;

(2) motor vehicles or other motorized land conveyances that are:

(a) designed to assist and are used by the physically handicapped only if they are:

i. not subject to motor vehicle registration; and

ii. not designed, constructed or altered for travel on public roads;

(b) stored on an **insured location** and inoperable;

(c) used only on an **insured location**;

(d) designed for recreational use off public roads and are not subject to motor vehicle registration and are not owned by any **insured**;

(3) motorized golf carts only while being used for golfing purposes.

g. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, or unloading of watercraft:

(1) exceeding 26 feet 5 inches in total length;

(2) powered by any inboard, jet-drive or inboard/outboard motor, and owned by or leased to any **insured**;

(3) powered by any inboard, jet-drive or inboard/outboard motor exceeding 50 horsepower, and rented to any **insured**; or

(4) powered by one or more outboard motors with a total of 25 or more horsepower, and owned by or leased to any **insured**.

This exclusion does not apply while the watercraft is on an **insured location** or stored on land elsewhere.

- h. **Bodily injury** or **property damage** arising out of the ownership; maintenance; use; loading; or unloading, of **aircraft**.
 - i. **Bodily injury** or **property damage** arising out of any **insured's**:
 - (1) entrustment to any other person;
 - (2) vicarious parental liability, whether or not imposed by statute, for the actions of a child or minor relating to the operation, maintenance, loading, or unloading; or
 - (3) supervision of any other person in the operation, maintenance, loading, or unloading;
 of any vehicle. This includes motorized land conveyances; trailers; watercraft; or **aircraft**, of any type.
 - j. **Bodily injury** or **property damage** caused directly or indirectly by war, including undeclared war; civil war; insurrection; rebellion; revolution; warlike act by a military force or military personnel; destruction, seizure, or use for a military purpose; or discharge of a nuclear weapon, even if it is an accident. This includes any consequence of any of these.
 - k. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of **pollutants**.
 - l. **Bodily injury** arising out of the transmission by any **insured** of any disease or of any organisms or agents capable of causing such disease through:
 - (1) personal physical contact of any **insured** with any other person;
 - (2) the transmission of any **insured's** body fluids to any other person.
 - m. **Bodily injury** arising out of:
 - (1) sexual misconduct including, but not limited to, sexual harassment; sexual abuse; and sexual molestation;
 - (2) corporal punishment; or
 - (3) physical or mental abuse;
 whether or not committed with the intent to produce **bodily injury**.
 - n. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of mold, fungus, wet rot, dry rot, or bacteria, except as provided under CONDITIONS – PART II, provision 1. Limit of Liability, section a.
 - o. **Bodily injury** or **property damage** caused by any animal:
 - (1) owned by; or
 - (2) in the care, custody, or control of; you or any **insured** whether the **bodily injury** or **property damage** occurs at an **insured location** or any other location.
2. In addition, under COVERAGE E, we do not cover:
- a. **Bodily injury** to you and the residents of your household listed below:
 - (1) Your relatives by blood, marriage, or adoption.
 - (2) Any other person under the age of 21 who is in the care of you or any person included under a. (1) above.
 - b. **Bodily injury** to any person when the ultimate benefits of indemnification accrue directly or indirectly to you or the residents of your household listed below:
 - (1) Your relatives by blood, marriage, or adoption.
 - (2) Any other person under the age of 21 who is in the care of you or any person included under b. (1) above.
 - c. **Bodily injury** or **property damage** if any insurance is or can be afforded under a nuclear energy liability policy.
 - d. **Bodily injury** to any person who qualifies to receive any benefits required to be provided or voluntarily provided by any **insured** under any:
 - (1) workers' compensation law;
 - (2) nonoccupational disability law; or
 - (3) occupational disease law.
 - e. **Property damage** to property owned by any **insured** or any other resident of your household.

- f. **Property damage** to property:
- (1) rented or leased to;
 - (2) occupied or used by; or
 - (3) in the care, custody or control of;
- any **insured** unless the **property damage** is caused by fire, smoke or explosion.

- g. Liability:
- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners.
 - (2) Under any contract or agreement.

We do cover liability assumed under written contracts that directly relate to the ownership, maintenance, or use of an **insured location** unless excluded in (1) above or elsewhere in this policy.

- h. Liability for punitive or exemplary damages. However, if the underlying claim is covered under COVERAGE E, we will defend suit alleging such damages. Defense lawyers will be hired by us. If any **insured** retains a lawyer in any such suit, we will not pay for the fees and costs charged by that lawyer. Our duty to defend ends when:

- (1) the amount we pay for covered nonpunitive damages equals our limit of liability; or
- (2) all claims for covered nonpunitive damages have been resolved by judgments or settlements;

whichever comes first.

3. Under COVERAGE F we do not cover **bodily injury**:

- a. To you or any other person who regularly resides on any part of an **insured location**, except **residence employees**.
- b. To **residence employees** if the **bodily injury** occurs off an **insured location** and does not arise out of and in the course of the **residence employee's** employment by any **insured**.

- c. To any person who is eligible to receive any benefits that are required to be provided or voluntarily provided under any:

- (1) workers' compensation law;
- (2) non-occupational disability law; or
- (3) occupational disease law.

- d. From any:

- (1) nuclear reaction;
- (2) nuclear radiation; or
- (3) radioactive contamination;

all whether controlled or uncontrolled or however caused, or from any consequence of any of these.

ADDITIONAL PAYMENTS – PART II

In addition to the limits of liability, we will pay:

1. CLAIM EXPENSES

We will pay:

- a. All settlement and defense costs we incur.
- b. Interest on damages covered under COVERAGE E on that portion of a judgment that is within our limit of liability, except:
 - (1) if we offer to pay our limit of liability before judgment, we will not pay interest thereafter;
 - (2) if a judgment is rendered, we will not pay interest after our limit of liability has been paid or deposited in court.
- c. Up to \$200 a day for earnings that an **insured** actually loses while attending any hearings or trials when it is at our request.
- d. Any reasonable expenses an **insured** actually incurs at our request.
- e. Premiums on appeal bonds or attachment bonds required in any suit we defend. We will not pay the premium for:
 - (1) any bond in excess of the limits of liability;
 - (2) an appeal bond for that portion of a judgment that is not covered under COVERAGE E.

We will pay for but we will not apply for or furnish any such bonds.

2. FIRST AID EXPENSES

We will pay reasonable expenses any **insured** actually incurs for first aid to others because of **bodily injury** covered under PART II. We will not pay for first aid to you or any other **insured**.

3. DAMAGE TO PROPERTY OF OTHERS

We will pay on a **replacement cost** basis up to \$500 per **occurrence** for **property damage** to property of others if that damage is caused by any **insured**.

We will not pay for **property damage**:

- a. To the extent of any amount recoverable under PART I of this policy.
- b. Caused intentionally by any **insured** age 13 or older.
- c. To property owned by, rented to, or leased to any **insured**; to any other resident of your household; or to a tenant of any **insured**.
- d. Arising out of or in connection with any **insured's business**.
- e. Arising out of any acts or omissions in connection with a premises, other than an **insured location**, owned by, controlled by, rented to, or leased to any **insured**.
- f. Arising out of the ownership, maintenance, use, loading, or unloading of any vehicle. This includes motorized land conveyances, trailers, watercraft, or **aircraft**, of any type.

This exclusion does not apply to motor vehicles or other motorized land conveyances designed for recreational use off public roads, not subject to motor vehicle registration, and not owned by any **insured**.
- g. Arising out of any **insured's**:
 - (1) entrustment to any other person; or
 - (2) vicarious parental liability, whether or not imposed by statute, for the actions of a child or minor relating to the maintenance, use, loading, or unloading; or
 - (3) supervision of any person in the maintenance, use, loading, or unloading;of any vehicle. This includes motorized land conveyances; trailers; watercraft; or **aircraft**, of any type.

CONDITIONS – PART II

1. Limit of Liability

Regardless of the number of **insureds**; persons injured; claims made; or suits brought, the limit of liability:

- a. Under COVERAGE E for **bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of mold, fungus, wet rot, dry rot, or bacteria, shall not exceed \$50,000 in the aggregate per policy period. This sublimit is within, but does not increase, the limit of liability stated on the declarations page for COVERAGE E.
- b. Stated on the declarations page for COVERAGE E is the most we will pay for **bodily injury** and **property damage** resulting from any one **occurrence** not included under 1.a. above.

Bodily injury to one person includes damages for care, loss of consortium, and loss of services sustained as the result of the same injuries by the injured person and any other person.

If an **insured** has been insured for more than one policy period under this or any other homeowners policy issued by us and an accident, including continuous or repeated harmful exposure to basically the same conditions, results in **bodily injury** or **property damage** during more than one of these policy periods, the limits of liability of two or more of these policy periods may not be added together, combined, or stacked to increase the coverage for this **bodily injury** or **property damage**.

We will not pay any claims for **bodily injury** or **property damage** after we have paid the amount of the applicable limit of liability.

The limit of liability stated on the declarations page for COVERAGE F is the most we will pay for all medical expenses due to **bodily injury** to one person as the result of any one accident.

2. Duties After Loss

- a. In the event of accident or **occurrence**, we must be notified promptly and informed of the date; time; place; and circumstances, of the accident or **occurrence**, including the names and addresses of persons involved, injured persons and witnesses.

- b. In case of claim or suit against any **insured**, any legal papers that are received by any **insured** must be sent to us promptly.
 - c. Any **insured** shall cooperate with us while we investigate the claim and shall, at our request:
 - (1) go to hearings and trials;
 - (2) assist in:
 - (a) making settlements;
 - (b) securing and giving evidence;
 - (c) obtaining the attendance of witnesses;
 - (d) the conduct of suits;
 - (3) submit to examinations under oath, not in the presence of any other **insured**, and sign and return to us the transcript of such examinations;
 - (4) authorize us to obtain any records we reasonably require to investigate any claim.
 - d. **Insureds** shall not, except at their own cost, of their own accord:
 - (1) Make any payment or assume any obligation.
 - (2) Incur any expense other than for first aid to others at the time of **bodily injury**.
 - e. Under provision 3. of ADDITIONAL PAYMENTS – PART II, an **insured** shall, within 60 days after the loss:
 - (1) give us a sworn statement of loss; and
 - (2) make the damaged property available for our inspection, if the property is within the **insured's** control.
3. Duties of an Injured Person – COVERAGE F
- a. Any injured person or someone acting on behalf of the injured person shall:
 - (1) promptly give us written proof of any claim and any further information asked for by us, under oath if required;
 - (2) execute authorizations to allow us to obtain copies of medical reports and records.
 - b. Any injured person shall, when and as often as we reasonably require, submit to physical examinations by doctors we choose.
4. Payment of Claim – COVERAGE F
- We may pay the injured person or any person or organization rendering services. Payment by us shall reduce the amount we owe. Payment by us is not an admission:
- a. of liability by us or any **insured**;
 - b. that the medical expenses were reasonable or necessary or otherwise covered under PART II.
5. Suits Against Us
- We may not be sued until all terms of this policy have been fully complied with. In addition, under COVERAGE E, legal action may not be brought against us until the duty to pay, by any **insured**, is finally determined either by:
- a. judgment against the **insured** after actual trial; or
 - b. written agreement of the **insured**, the claimant, and us.
- No one has the right to bring us into a suit to determine the liability of any **insured**.
6. Other Insurance - COVERAGE E
- This insurance is excess over any other valid and collectible insurance. If there is insurance provided by us under any other policy affording Personal Liability coverage:
- a. the limits of liability of the applicable policies may not be:
 - (1) added together;
 - (2) combined; or
 - (3) stacked;
 to increase the coverage for any one **occurrence**;
 - b. the highest limits of any of the policies apply.
- This provision does not apply to other insurance written specifically as excess over the limits of liability of this policy.

PART III – HOMEOWNERS GENERAL PROVISIONS – PART I AND PART II

POLICY PERIOD

PARTS I and II apply:

1. to loss under PART I;
2. to ***bodily injury*** or ***property damage*** under PART II;

which occurs during the policy period that is shown on the declarations page.

SUBROGATION

When we have paid, any rights of recovery from someone else become ours up to the amount we have paid. Any ***insured*** must:

1. protect these rights; and
2. help us enforce them.

If we recover damages through subrogation, we will pay you the amount recovered not to exceed the applicable deductible.

You may waive all rights of recovery against any person. This waiver must be executed in writing before a loss occurs.

Subrogation does not apply to COVERAGE F, or to coverage under provision 3. of ADDITIONAL PAYMENTS – PART II.

SECTION II – PERSONAL AUTOMOBILE COVERAGES

UNIT I – LIABILITY

COVERAGE AA – BODILY INJURY COVERAGE BB – PROPERTY DAMAGE

OUR PROMISE TO YOU – COVERAGES AA AND BB

1. We will pay damages for which any **insured** is legally liable because of **bodily injury** or **property damage** caused by an auto accident. Auto accident means an accident arising out of the ownership or **use** of an **auto** or **trailer**.
2. We will defend any suit claiming damages covered under UNIT I. We will defend suit even if the allegations are groundless, false or fraudulent.

Defense lawyers will be hired by us. If any **insured** retains a lawyer for any claim, whether or not covered under UNIT I, we will not be liable for the fees and costs charged by that lawyer.
3. We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered by this policy.
4. We may settle any claim or suit as we think appropriate.

ADDITIONAL PAYMENTS – UNIT I

In addition to the limits of liability for UNIT I, we will pay:

1. All settlement and defense costs we incur on your behalf.
2. Any interest on damages covered under UNIT I on that part of a judgment that is within our limit of liability, except:
 - a. if we offer to pay our limit of liability before judgment, we will not pay interest thereafter;
 - b. if a judgment is rendered, we will not pay interest after our limit of liability has been paid or deposited in court.
3. Any reasonable expenses that an **insured** actually incurs at our request.

4. Up to \$200 a day for earnings that an **insured** actually loses while attending any hearings or trials when it is at our request.
 5. Premiums on:
 - a. Appeal bonds or attachment bonds required in any suit we defend. We will not pay for:
 - (1) a bond in excess of the limits of liability;
 - (2) an appeal bond for that portion of a judgment that is not covered under UNIT I.
 - b. Bail bonds required:
 - (1) because of an accident arising out of the **use** of a vehicle covered under UNIT I;
 - (2) for any traffic citation received in connection with such accident.
- Each bond shall not exceed \$250.
- We will pay for but not apply for or furnish any such bonds.

PERSONS INSURED – UNIT I

Under UNIT I, **insured** means:

1. You and a **family member**:
 - a. in the **use** of **your insured auto**; and
 - b. if you are a **person** or **persons**, in the **use** of any other **auto** or **trailer**.
2. Any other **person using your insured auto** with your permission.
3. Any **person** or organization legally responsible for:
 - a. The **use** of **your insured auto** by anyone insured under 1. or 2. above.
 - b. The operation of any **auto** or **trailer**, other than **your insured auto**, by you or a **family member**.

WHAT IS NOT COVERED – EXCLUSIONS UNIT I

We do not cover liability for:

1. **Bodily injury** or **property damage** arising out of the ownership or **use** of any **auto** or **trailer**, other than **your insured auto** which is:
 - a. Owned by, or furnished or available for regular use to you.
 - b. Owned by, or furnished or available for regular use to a **family member** or any other **resident**. This exclusion does not apply to you while actually operating such **auto** or **trailer**, provided the **auto** or **trailer** is insured under an auto liability policy.
2. **Bodily injury** or **property damage** arising out of the **use** of any **auto** or **trailer**, other than **your insured auto**, by any **family member** who owns an **auto** that is not covered as **your insured auto**.
3. **Bodily injury** or **property damage** arising out of the **use** of any **auto** or **trailer** while carrying **persons** or property for a charge.

This exclusion does not apply:

 - a. to any shared expense car pools;
 - b. to you while a passenger in an **auto** other than **your insured auto**.
4. Any obligation assumed under a contract or agreement. We do cover liability assumed under an **auto** rental agreement containing the provision specified by Florida Statute § 627.7263.
5. **Bodily injury** or **property damage** caused intentionally by or at the direction of any **insured**.
6. **Bodily injury** to any employee of an **insured** if the **bodily injury** arises out of and in the course of employment.
7. **Bodily injury** or **property damage** arising out of the **use** of any vehicle in the **auto business**. This exclusion does not apply to the **use** of **your insured auto** by:
 - a. you;
 - b. a **family member**; or
 - c. any employee or agent of you or a **family member**.
8. **Bodily injury** or **property damage** arising out of the **use** of any vehicle in any other **business** of an **insured**. This exclusion does not apply to:
 - a. **your insured auto**;
 - b. any other vehicle insured under UNIT I that is a **private passenger auto** or **trailer used** therewith, operated or **occupied** by you or your domestic employee.
9. **Property damage** to real or personal property owned by; transported by; or in the care, custody, control or charge of; or rented to, any **insured**. This exclusion does not apply to **property damage** to a rented dwelling house, rented private garage or rented carport.
10. Any obligation of the owner or lessor of a vehicle you or a **family member** does not own.
11. **Bodily injury** or **property damage** arising out of the **use** by an **insured** of any vehicle in the practice for, or before or during, an organized race or speed contest.
12. **Bodily injury** or **property damage** arising out of the **use** of any vehicle, not owned by you or a **family member**, without:
 - a. the permission or consent; or
 - b. the reasonable belief of permission or consent;of the owner.
13. **Bodily injury** or **property damage** if insurance is or can be afforded under any nuclear energy policy.
14. Any obligation for which any **insured** may be held liable under any workers' compensation law.
15. **Bodily injury** or **property damage** arising out of the **use** of any **trailer** with any **auto** not covered under UNIT I.
16. Punitive or exemplary damages. However, if the underlying claim is covered under UNIT I, we will defend suit alleging such damages. Defense lawyers will be hired by us. If any **insured** retains a lawyer in any such suit, we will not pay for the fees and costs charged by that lawyer. Our duty to defend ends when our limit of liability for covered damages has been exhausted by payment of judgments or settlements.

17. **Bodily injury** or **property damage** arising out of the **use** of any motorized vehicle:
 - a. with less than four wheels; or
 - b. designed mainly for use off public roads.
18. **Bodily injury** to you or a **family member**.
19. **Bodily injury** to you or a **family member** whenever the ultimate benefits of indemnification accrue directly or indirectly to you or a **family member**.
20. **Bodily injury** arising out of the loading or unloading of any vehicle insured under UNIT I. This exclusion does not apply to:
 - a. you;
 - b. a **family member**;
 - c. a bailee;
 - d. any employee of a., b., or c. above.

LIMITS OF LIABILITY – UNIT I

1. The Bodily Injury limit stated on the declarations page for each **person** is the most we will pay for **bodily injury** to one **person** in any one accident. **Bodily injury** to one **person** includes damages for care, loss of consortium, or loss of services sustained as the result of the same injuries by:
 - a. the injured **person**; and
 - b. any other **person**.
2. Subject to the limit for each **person**, the Bodily Injury limit stated on the declarations page for each accident is the most we will pay for **bodily injury** to two or more **persons** in any one accident.
3. The Property Damage limit stated on the declarations page is the most we will pay for all **property damage** from any one accident.
4. The limits of liability for:
 - a. two or more **autos**; or
 - b. two or more policies issued by us to you or a **family member**;

shall not be added together, combined, or stacked to determine the limit of coverage available to injured **persons**, regardless of the number of:

- a. **autos** involved in the occurrence, whether insured or not;
 - b. **insureds**;
 - c. claims made;
 - d. premiums paid; or
 - e. vehicles or premiums shown on the declarations page.
5. No one may receive payments under UNIT I for the same:
 - a. elements of loss paid under UNIT II;
 - b. **bodily injury** paid under UNIT III.

Any amount received under UNIT II – MEDICAL PAYMENTS or UNIT III – UNINSURED MOTORIST shall constitute advance payment and shall reduce the amount any person is entitled to recover for the same damages under UNIT I – LIABILITY.

OUT OF STATE COVERAGE – UNIT I

If a covered auto accident occurs outside the state in which **your insured auto** is principally garaged but within the territory where this policy applies, and:

1. the bodily injury or property damage liability limits required by the financial responsibility or similar law of the jurisdiction in which the accident occurred are higher than the bodily injury or property damage liability limits of this policy; or
2. a compulsory insurance or similar law requires a nonresident to maintain bodily injury or property damage liability insurance whenever **using** a vehicle in that jurisdiction;

then this policy will provide at least the required coverages and limits.

FINANCIAL RESPONSIBILITY – UNIT I

When this policy is certified as future proof of financial responsibility, it will comply with the law to the extent required.

OTHER INSURANCE – UNIT I

If there is other applicable auto liability insurance on any other policy, we will pay no more than our share of the loss. Our share is the proportion that our liability limits bear to the total of applicable liability limits.

However, if there is other applicable auto liability insurance for:

1. any vehicle you or a **family member** do not own;
 2. a newly acquired **auto** that is in addition to any shown on the declarations page; or
 3. **your insured auto**;
- this policy shall be excess.

However, if you rent or lease an **auto** for a period of less than 30 days, the liability coverage provided by the lessor's or owner's policy shall be primary unless the rental or lease agreement includes provisions in the form specified in Florida Statute Section 627.7263, as amended, stating that your liability insurance shall be primary. If the rental or lease agreement includes such provision, our duty to pay damages and our duty to defend you or a **family member** under UNIT I shall be primary to any liability coverage provided by the lessor or owner for your operation of that **auto**. However, we have no duty to defend the lessor or owner of that **auto** under UNIT I.

UNIT II – MEDICAL PAYMENTS

COVERAGE DD – MEDICAL PAYMENTS

OUR PROMISE TO YOU – COVERAGE DD

We will pay reasonable expenses actually incurred for necessary medical and funeral services because of **bodily injury**:

1. sustained by an **insured**; and
2. caused by an **auto** accident.

We will pay only those expenses for services rendered within 3 years from the accident date.

PERSONS INSURED – UNIT II

Under UNIT II, **insured** means:

1. You or a **family member** while:
 - a. **occupying** any **auto** or **trailer**; or
 - b. not **occupying** an **auto** or **trailer**, when struck by an **auto** or **trailer**.
2. Any other **person occupying**:
 - a. **your insured auto** while **used** by you, a **family member**, or with your permission;
 - b. any other **auto** or **trailer** when the accident results from that vehicle's operation or **occupancy** by you or a **family member**.

WHAT IS NOT COVERED – EXCLUSIONS UNIT II

We do not pay expenses for **bodily injury**:

1. Sustained while **occupying** or when struck by any **auto** or **trailer**, other than **your insured auto**, owned by you, or furnished or available for regular use to you.
2. Sustained while **occupying** or when struck by any **auto** or **trailer**, other than **your insured auto**, owned by, or furnished or available for regular use to a **family member** or any other **resident**. This exclusion does not apply to you.
3. Sustained while **occupying** any **auto** or **trailer**, other than **your insured auto**, while **used** by a **family member** who owns an **auto** that is not covered as **your insured auto**. This exclusion does not apply to you.

4. Sustained while **occupying** any motorized vehicle with less than 4 wheels.
5. Sustained while **occupying** any **auto** or **trailer** while carrying **persons** or property for a charge. This exclusion does not apply to:
 - a. shared expense car pools;
 - b. you or a **family member** while a passenger in any **auto** or **trailer**, other than **your insured auto**.
6. Sustained while **occupying** any **auto** or **trailer**, other than **your insured auto**, while **used** in the **auto business**. This exclusion does not apply to you or a **family member**.
7. Sustained while **occupying** any **auto** or **trailer**, other than **your insured auto**, while **used** in any other **business**. This exclusion does not apply to:
 - a. you;
 - b. any **family member**; or
 - c. any other **person** while **occupying** a **private passenger auto** being **used** by you.
8. If workers' compensation benefits are paid, payable, or required to be provided for all or part of the **bodily injury**.
9. Sustained while **occupying** any vehicle **used** by an **insured** in the practice for, or before or during an organized race or speed contest.
10. When expenses are paid for by; required to be paid for by; or would benefit, the United States of America or any of its states or political subdivisions.
11. Due to war; civil war; insurrection; rebellion; revolution; nuclear reaction; radioactive contamination; or any consequence of any of these.
12. To the owner of any vehicle not owned by:
 - a. you; or
 - b. a **family member**.

13. Sustained while **occupying**:
 - a. any vehicle while located for use as a residence or premises; or
 - b. any **trailer** while **used** for **business** purposes.
14. Sustained while **occupying** any vehicle without:
 - a. the permission or consent; or
 - b. the reasonable belief of permission or consent;

of the owner.

LIMITS OF LIABILITY – UNIT II

1. The limit of liability stated on the declarations page for this coverage is the most we will pay for **bodily injury** to each **person** injured in any one accident.
2. The limits of liability for two or more **autos** on this policy shall not be added together, combined, or stacked to determine the limit of coverage available to injured **persons**, regardless of the number of:
 - a. **autos** involved in the occurrence, whether insured or not;
 - b. **insureds**;
 - c. claims made;
 - d. premiums paid; or
 - e. vehicles or premiums shown on the declarations page.
3. Any amounts payable to an **insured** under UNIT II will be reduced by any amounts paid or payable for the same expense under UNIT I – LIABILITY or UNIT III – UNINSURED MOTORIST.

OTHER INSURANCE – UNIT II

If there is other applicable auto medical payments insurance, we will pay no more than our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability.

However, if there is other applicable auto medical payments insurance for:

1. any vehicle you or a **family member** do not own;
2. a newly acquired **auto** that is in addition to any shown on the declarations page; or
3. **your insured auto**;

this policy shall be excess.

REIMBURSEMENT TO US – UNIT II

When we pay under UNIT II:

1. Any **insured's** rights of recovery from any person or organization who may be legally responsible for the **bodily injury** becomes ours up to the amount we have paid. Any **insured** shall:
 - a. protect these rights; and
 - b. upon our written request and through a representative designated by us, take action to recover damages from any person or organization who may be legally liable for the **bodily injury**.
2. We shall, up to the amount we have paid, be entitled to the proceeds of any settlement or judgment any **insured** receives from any person or organization who may be legally liable for the **bodily injury**. That **insured** shall hold the reimbursable amount received in trust for us until actual reimbursement is made.

The amount due us will be reduced by our pro rata share of any legal fees incurred by or for an **insured** in the exercise of any rights of recovery.

PAYMENT OF CLAIMS – UNIT II

We may pay:

1. you;
2. any other person making claim; or
3. any provider of services to whom benefits have been assigned.

Payment by us shall reduce the amount we owe. Payment by us is not an admission that the medical expenses were reasonable, necessary, or otherwise covered under UNIT II.

UNIT III – UNINSURED MOTORIST

COVERAGE FF – UNINSURED MOTORIST – BODILY INJURY

OUR PROMISE TO YOU – COVERAGE FF

1. We will pay compensatory damages which an **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **bodily injury**:
 - a. sustained by an **insured**; and
 - b. caused by an accident arising out of the ownership or **use** of the **uninsured motor vehicle**.
2. We will not pay for any punitive or exemplary damages.

PERSONS INSURED – UNIT III

Under UNIT III, **insured** means:

1. You.
2. A **family member**.
3. Any other **person occupying your insured auto** while **used** by you, a **family member** or with your permission.
4. Any **person** legally entitled to collect damages because of **bodily injury** to a **person** identified in 1., 2., or 3. above.

ADDITIONAL DEFINITIONS – UNIT III

Uninsured motor vehicle – means a motor vehicle which at the time of the accident:

1. Is not insured, bonded, or self-insured for bodily injury liability coverage.
2. Is insured or bonded for bodily injury liability coverage, but the insurance or bonding company:
 - a. denies coverage; or
 - b. is or becomes insolvent within four years after the accident.
3. Is insured or bonded for bodily injury liability coverage at the time of the accident but the limit for bodily injury liability is less than the total damages for **bodily injury** sustained by the **insured**.

4. Is a hit-and-run motor vehicle whose owner or operator cannot be determined and which causes **bodily injury** with or without physical contact with:
 - a. any **insured**;
 - b. a vehicle which you or any **family member** are **occupying** at the time of the accident; or
 - c. **your insured auto**.

Uninsured motor vehicle does not include any vehicle or equipment:

1. Insured under UNIT I – LIABILITY of this policy. This does not apply to **your insured auto**:
 - a. operated by a **person** who is not a **family member**; and
 - b. whose operation of **your insured auto** causes injury to you or a **family member**.
2. Owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing.
3. Operated on rails or crawler treads.
4. While located for use as a residence or premises and not as a vehicle.
5. Designed or modified for use mainly off public roads, except while actually on public roads.
6. Owned by, furnished, or available for the regular use of you or any **family member**.

WHAT IS NOT COVERED – EXCLUSIONS UNIT III

UNIT III does not apply to **bodily injury** sustained:

1. By any **insured** if that **insured** or his or her legal representative or any **person** entitled to payment under UNIT III makes, without our prior written consent, any settlement with any **person** or organization who may be legally liable for the **bodily injury**.

However, this exclusion does not apply:

- a. If such settlement does not affect our right to recover payment.
- b. To a settlement made with the insurer of a vehicle described in section 3. of the definition of **uninsured motor vehicle**.

2. By any **insured**:
 - a. While operating or **occupying** a motor vehicle owned by or leased to you or a **family member** if that motor vehicle is not insured for this coverage under this policy. This exclusion applies to NON-STACKED UNINSURED MOTORIST COVERAGE only.
 - b. While operating or **occupying** a motor vehicle without a reasonable belief that the **insured** is entitled to do so.
 - c. While **occupying your insured auto** while **used** to carry **persons** or property for a charge. This exclusion does not apply to shared expense car pools.
3. By any **insured** defined in UNIT III when benefits apply directly or indirectly to any insurer or self-insurer under any of the following or similar laws:
 - a. workers' compensation law; or
 - b. disability benefits or similar law.

LIMITS OF LIABILITY – UNIT III

1. STACKED LIMITS OPTION

If the declarations page indicates that you elected to stack limits for two or more insured autos under UNINSURED MOTORIST COVERAGE, the following limits of liability apply:

- a. The limit of liability that is stated on the declarations page for UNINSURED MOTORIST COVERAGE for each **person** is the most we will pay for **bodily injury** to one **person** in any one accident. **Bodily injury** to one **person** includes damages for care, loss of consortium and loss of services sustained as the result of the same injuries by:
 - (1) the injured **person**;
 - (2) any other **person**.
- b. Subject to the limit for one **person**, the UNINSURED MOTORIST COVERAGE limit that is stated on the declarations page for each accident is the most we will pay for **bodily injury** to two or more **persons** in any one accident.

- c. If this policy applies to more than one of **your insured autos**, when you or a **family member** sustain **bodily injury**, the applicable coverage as to each vehicle may be combined to determine the limit of liability.

This is the most we will pay regardless of the number of:

- a. **autos** involved in the occurrence, whether insured or not;
- b. **insureds**;
- c. claims made;
- d. premiums paid; or
- e. premiums shown on the declarations page.

2. NON-STACKED LIMITS OPTION

If the declarations page indicates that you elected not to stack limits for two or more insured autos under UNINSURED MOTORIST COVERAGE, the following limits of liability apply:

- a. If the injured **person** is **occupying your insured auto** at the time of the accident:
 - (1) The limit of liability that is stated on the declarations page for UNINSURED MOTORIST COVERAGE for that **auto** for each **person** is the most we will pay for **bodily injury** to one **person** in any one accident. **Bodily injury** to one **person** includes damages for care, loss of consortium and loss of services sustained as the result of the same injuries by:
 - (a) the injured **person**;
 - (b) any other **person**.
 - (2) Subject to the limit for one **person**, the UNINSURED MOTORIST COVERAGE limit that is stated on the declarations page for that **auto** for each accident is the most we will pay for **bodily injury** to two or more **persons** in any one accident.

b. If the injured **person** is not **occupying your insured auto** at the time of the accident:

(1) The highest limit of liability that is stated on the declarations page for UNINSURED MOTORIST COVERAGE for each **person** applicable to any **auto** is the most we will pay for **bodily injury** to one **person** in any one accident. **Bodily injury** to one **person** includes damages for care, loss of consortium and loss of services sustained as the result of the same injuries by:

- (a) the injured **person**;
- (b) any other **person**.

(2) Subject to the limit for one **person**, the highest UNINSURED MOTORIST COVERAGE limit that is stated on the declarations page for each accident applicable to any **auto** is the most we will pay for **bodily injury** to two or more **persons** in any one accident.

This is the most we will pay regardless of the number of:

- a. **autos** involved in the occurrence, whether insured or not;
- b. **insureds**;
- c. claims made;
- d. premiums paid; or
- e. vehicles or premiums shown on the declarations page.

3. No one may receive payments under UNIT III for:

- a. the same **bodily injury** paid under UNIT I – LIABILITY;
- b. the same medical and funeral expenses paid under UNIT II – MEDICAL PAYMENTS.

4. Any amounts otherwise payable for damages under UNIT III, including any amounts awarded under the arbitration section below shall be reduced by all sums:

a. paid because of **bodily injury** by or on behalf of any **person** or organization who may be legally responsible. This includes all sums paid under UNIT I of this policy;

b. paid or payable because of the **bodily injury** under any of the following or similar law:

- (1) workers' compensation law; or
- (2) disability benefits law; and

c. paid or payable because of the **bodily injury** under UNIT II – MEDICAL PAYMENTS.

5. If an injured **insured** or representative settles a claim with an underinsured motorist or his liability insurer, we are entitled to a credit against total damages in the amount of the limits of the underinsured motorist's liability policy, even if the settlement with the underinsured motorist is for less than the underinsured motorist's full liability policy limits. Total damages means the full amount of damages determined to have been sustained by the injured **insured**, regardless of the amount of underinsured motorist coverage.

6. Any payment under UNIT III to or for an **insured** will reduce any amount that **person** is entitled to recover for the same damages under UNIT I – LIABILITY of this policy.

OTHER INSURANCE – UNIT III

1. If there is other applicable uninsured motorist coverage, we will pay no more than our share of the loss. Our share is the proportion that the limits of liability under this policy bear to the total of applicable liability limits.

2. This policy shall be excess if other uninsured motorist coverage is available for a vehicle:

- a. you or a **family member** do not own; or
- b. which is not insured for this coverage under this policy.

NON-DUPLICATION OF BENEFITS – UNIT III

1. No one will be entitled to recover duplicate payments for the same elements of loss under this or any other similar insurance including self insurance.
2. Any amount payable to an **insured** under UNIT III shall be excess to, and shall not duplicate, any amount paid or payable under UNIT II –MEDICAL PAYMENTS.

ARBITRATION – UNIT III

If we and an **insured** do not agree:

1. whether that **insured** is legally entitled to recover damages under UNIT III; or
2. on the amount of damages;

then the matter may be:

1. Mediated, in accordance with the MEDIATION OF CLAIMS provision contained in UNIT VI – PERSONAL AUTOMOBILE GENERAL PROVISIONS of the policy, if damages resulting from **bodily injury** are for \$10,000 or less; or
2. Arbitrated.
 - a. If either party demands mediation, the mediation must be completed before arbitration can occur.
 - b. Both parties must agree in writing to arbitration. Otherwise, all disputes will be resolved in a court of competent jurisdiction. If both parties agree to arbitration, the proceedings will be conducted in accordance with Florida law. Each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

Each party will:

- (1) pay the expenses it incurs; and
 - (2) bear the expenses of the third arbitrator equally.
- c. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:
- (1) whether the **insured** is legally entitled to recover damages; and
 - (2) the amount of damages.
- d. Disputes concerning coverage under UNIT III shall not be arbitrated.

REIMBURSEMENT TO US – UNIT III

When we pay under UNIT III:

1. Any **insured's** rights of recovery from any person or organization who may be legally liable for the **bodily injury** become ours up to the amount we have paid. Any **insured** shall:
 - a. protect these rights; and
 - b. upon our written request and through a representative designated by us, take action to recover damages from any person or organization who may be legally liable for the **bodily injury**.
2. We shall, up to the amount we have paid, be entitled to the proceeds of any settlement or judgment any **insured** receives from any person or organization who may be legally liable for the **bodily injury**. That **insured** shall hold the reimbursable amount received in trust for us until actual reimbursement is made.

UNIT IV – PHYSICAL DAMAGE

COVERAGE GG – OTHER THAN COLLISION COVERAGE HH – COLLISION COVERAGE II – CAR RENTAL EXPENSE

OUR PROMISE TO YOU – COVERAGES GG AND HH

We will pay for direct and accidental physical loss to **your insured auto** and any **non-owned auto**. Payment will be reduced by the applicable deductible stated on the declarations page.

We will pay under COVERAGE GG – OTHER THAN COLLISION, for the cost of repairing or replacing the damaged windshield and window glass on **your insured auto**, without a deductible. We will pay only if the declarations page indicates that Other Than Collision Coverage is provided for that **auto**.

ADDITIONAL PAYMENTS – COVERAGES GG AND HH

1. In addition to the limit of liability for UNIT IV, we will pay expenses you actually incur for:
 - a. renting an **auto** from a car rental agency or garage; or
 - b. using public transportation;because of the total **theft** of **your insured auto**.

This coverage applies only if **your insured auto** is:

- a. a **private passenger auto**; or
- b. a **utility auto**;

insured under COVERAGE GG.

We will pay loss of use expenses for which you become legally responsible in the event of the total **theft** of a **non-owned auto**. This applies only if the declarations page indicates that Other Than Collision Coverage is provided for **your insured auto**.

We will pay per day up to the highest applicable amount of either:

- a. \$25; or
- b. the amount of CAR RENTAL EXPENSE COVERAGE stated on the declarations page for **your insured auto**.

Coverage starts 48 hours after you have reported the **theft** to us and ends:

- a. after 30 days;
 - b. when **your insured auto** or the **non-owned auto** is returned to use; or
 - c. after we pay for the loss;
- whichever comes first.
2. We will pay, less the applicable deductible, for direct and accidental physical loss to any **additional equipment** permanently attached to **your insured auto** or a **non-owned auto**.

In case of loss, we will pay up to the highest applicable limit:

- a. \$1,000, per loss, for all **additional equipment**; or
- b. the amount stated on the declarations page for **your insured auto** under ADDITIONAL EQUIPMENT, if you have purchased additional equipment coverage for that **auto**.

CAR RENTAL EXPENSE – COVERAGE II

We will pay reasonable expenses you actually and necessarily incur for:

1. renting an **auto** from a car rental agency or garage; or
2. using public transportation;

because of a loss to **your insured auto**, if **your insured auto** is other than a **trailer**, and the loss:

1. is other than the total **theft** of the **auto**; and
2. is covered under COVERAGES GG or HH; and
3. exceeds the applicable deductible stated on the declarations page.

If **your insured auto** is:

1. not drivable, this coverage starts after the loss has been reported to us;
2. drivable, this coverage starts after:
 - a. the loss has been reported to us;
 - b. **your insured auto** has been left at a garage for repairs; and
 - c. you, or anyone on your behalf, have signed the repair order.

We will pay loss of use expenses for which you become legally responsible in the event of loss to a **non-owned auto** caused by a **collision**. This applies only if the declarations page indicates Collision Coverage is provided for **your insured auto**.

We will pay up to the amount of CAR RENTAL EXPENSE COVERAGE per day stated on the declarations page for **your insured auto**.

This coverage ends:

1. after 30 days;
 2. after the shortest time required to complete repairs; or
 3. after we pay for a total loss;
- whichever comes first.

ADDITIONAL DEFINITIONS – UNIT IV

Additional equipment – means any of the following equipment, which is permanently attached to **your insured auto** or a **non-owned auto** and not installed by the vehicle manufacturer:

1. Any **electronic equipment**.
2. Tires; wheels; any exterior surface equipment; or any interior equipment or furnishings; or modification thereto, which is not the vehicle manufacturer's standard equipment.
3. Any engine; transmission; or suspension parts; or modification thereto, which is not the vehicle manufacturer's standard equipment.
4. Custom paint or custom resurfacing that exceeds the cost of the standard surface finish applied by the vehicle manufacturer.

Collision – means:

1. contact between a vehicle and another object; or
2. upset of a vehicle.

Electronic equipment – means any equipment that is permanently attached to **your insured auto** or a **non-owned auto** which is designed to reproduce, transmit, or receive audio, video, or data signals. **Electronic equipment** includes, but is not limited to, radios; tape and CD players; speakers; global positioning systems (GPS); T.V. and video monitors; DVD and video players or recorders; telephones and fax machines; CB and two-way mobile radios; and any parts or components of any of these.

Non-owned auto – means a **private passenger auto**, **utility auto**, or **trailer** not owned by, leased to, furnished or available for regular use to:

1. you; or
2. a **family member**;

while in the care, custody, control, or charge of you or a **family member**.

A temporary substitute vehicle as defined in DEFINITIONS, provision 4., section b. of **your insured auto** is not a **non-owned auto**.

Other than collision – means physical damage caused by other than **collision**. **Other than collision** includes, but is not limited to, **theft**.

Theft – means theft or larceny.

WHAT IS NOT COVERED – EXCLUSIONS UNIT IV

Under UNIT IV, this policy does not apply:

1. To any **non-owned auto** when you are other than a **person** or **persons**.
2. To any **auto** or **trailer** while **used** to carry **persons** or property for a charge. This exclusion does not apply to any shared expense car pools.
3. To any vehicle while rented or leased to others.
4. To any **non-owned auto** while **used** in the **auto business**.
5. To any **non-owned auto** that is a **utility auto** or **trailer**, while **used** in any **business**.
6. To loss due and confined to:
 - a. wear and tear;
 - b. deterioration or depreciation;
 - c. freezing; or
 - d. mechanical or electrical breakdown or failure;unless the loss is caused by **theft**.
7. To loss resulting from the lack of lubricant or coolant, unless the loss is caused by **theft**.
8. To tires unless the loss:
 - a. is caused by fire, malicious mischief, vandalism, or **theft**, or
 - b. occurs at the same time and from the same cause as other loss covered under UNIT IV.

9. To any vehicle while **used** in the practice for, or before or during an organized race or speed contest.
10. To loss due to confiscation by governmental or civil authority.
11. To loss due to:
 - a. war;
 - b. civil war;
 - c. insurrection;
 - d. rebellion;
 - e. revolution;
 - f. nuclear reaction;
 - g. radioactive contamination;
 or any consequence of any of these.
12. To any **non-owned auto** when **used** without the permission of the owner.
13. To loss caused intentionally by or at the direction of any insured.
14. To any diminution in the value of **your insured auto** or a **non-owned auto** after any damage covered under this unit has been repaired.
15. To any:
 - a. permanently attached or detachable camper body or shell, or van conversion; or
 - b. **trailer**;
 you or a **family member** own, unless it:
 - a. has been added to this policy and a premium has been charged; or
 - b. is newly acquired solely by you. To continue coverage, you must ask us for insurance within 30 days after you take possession. A premium will be charged from the date you took possession.
16. To any equipment used for the detection or evasion of any speed measuring equipment used by law enforcement.
17. To **theft** by a **family member** or any designated person named in any Exclusion of Named Driver Endorsement that is part of this policy.
18. To **theft**, embezzlement or other unlawful conversion by any person having custody of **your insured auto** after the vehicle has been turned over to another party for the purpose of selling, leasing, or subleasing it.

19. To any **additional equipment** except as provided under ADDITIONAL PAYMENTS – COVERAGES GG AND HH, provision 2.

LIMITS OF LIABILITY – COVERAGES GG AND HH

1. In case of loss, we will pay the lesser of:
 - a. the actual cash value of the damaged, destroyed, or stolen property, meaning the market value just prior to the loss, taking age and condition of the damaged, destroyed, or stolen property into account;
 - b. the cost to repair or replace with like kind and quality; or
 - c. the limit of liability stated on the declarations page.
 The applicable deductible stated on the declarations page will be subtracted from our payment.
2. Our liability for the cost of parts that are not obtainable in the United States of America shall not exceed their list price in the United States of America.
3. The inability to obtain parts shall not constitute or be the basis of a total loss.
4. We will pay no more than \$1,500 for a **trailer** not owned by you or a **family member**.

NO BENEFIT TO BAILEE – UNIT IV

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

DEDUCTIBLES – COVERAGES GG AND HH

1. If more than one vehicle insured under UNIT IV is damaged in the same accident, only the highest applicable deductible shall apply.
2. If a deductible was applied to our payment for a loss that was paid under COVERAGES GG or HH, and we recover damages from the person or organization legally liable for the loss, we will refund to you the lesser of:
 - a. the amount of the deductible applied; or
 - b. the amount of the deductible to which you are legally entitled to recover from the person or organization legally liable for the loss.

OTHER INSURANCE – UNIT IV

If there are other physical damage insurance policies that apply, we will pay no more than our share of the loss. Our share is the proportion that the limits under UNIT IV bear to the total of all applicable physical damage limits. However, if other physical damage coverage is available for:

1. **Your insured auto** listed on the declarations page or any vehicle you or a **family member** do not own, this policy shall be excess.
2. A newly acquired vehicle that is in addition to any shown on the declarations page, this policy does not apply.

SUBROGATION – UNIT IV

When we pay for a loss, any rights of recovery any insured has against a person or organization legally liable for the loss become ours up to the amount we have paid. Any insured must:

1. protect these rights;
2. help us enforce them; and
3. execute all required papers.

APPRAISAL – COVERAGES GG AND HH

If we and an insured do not agree on the amount of loss, either party may make written demand for appraisal. Upon notice of a demand for appraisal, the opposing party may, prior to appraisal, demand mediation of the dispute in accordance with the MEDIATION OF CLAIMS provision contained in UNIT VI – PERSONAL

AUTOMOBILE GENERAL PROVISIONS of the policy. If requested, the mediation must be completed before appraisal can occur.

In the event of a demand for appraisal, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and 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 be binding.

Each party will:

1. pay its chosen appraiser; and
2. bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

PAYMENT OF LOSS – COVERAGES GG AND HH

Following any loss, we have the option to:

1. Pay for the loss less any depreciation.
2. Repair or replace damaged, destroyed or stolen property with like kind and quality.
3. Return stolen property to you after covered damage has been repaired.
4. Take title of and keep all or part of the property at the agreed value. However, there shall be no abandonment to us.
5. Settle a claim either with you or the owner of the property.

UNIT V – YOUR DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES

1. After an accident or loss:
 - a. we must be notified promptly; and
 - b. we must be informed of the date; time; place; and circumstances, including, but not limited to, the names and addresses of persons involved, injured persons, and witnesses.
2. In case of claim or suit against any insured, any legal papers received by an insured must be sent to us promptly.
3. Any insured shall cooperate with us in investigating any claim and, at our request:
 - a. attend hearings and trials;
 - b. assist in:
 - (1) making settlements;
 - (2) securing and giving evidence;
 - (3) obtaining the attendance of witnesses; and
 - (4) the conduct of suits;
 - c. submit to examinations under oath, not in the presence of any other insured, and sign and return to us the transcript of such examinations;
 - d. make available for inspection any vehicle, object, or premises involved; and
 - e. authorize us to obtain any documentation we reasonably require in investigating any claim, including, but not limited to, medical reports and records.
4. Insureds shall not voluntarily:
 - a. make any payment;
 - b. assume any obligation; or
 - c. incur any expense, except for first aid to others at the time of an accident involving an **auto** or **trailer** insured under UNIT I;except at their own cost.

ADDITIONAL DUTIES

1. Under UNIT II, any **person**:
 - a. Making a claim shall authorize us to obtain medical records.
 - b. Injured shall submit to medical exams by doctors we choose.
2. Under UNIT III:
 - a. Any **insured** or someone on the **insured's** behalf shall promptly report any accident involving a hit-and-run motor vehicle to the police.
 - b. Any **person** making claim shall promptly:
 - (1) Give us written proof of claim, under oath if required.
 - (2) Give us a copy of the Summons and Complaint filed against anyone alleged to be legally liable for the **bodily injury**.
 - (3) Furnish copies of the pleadings and depositions to us, or let us copy these documents. We will pay for the copying.
 - (4) Notify us in writing by certified or registered mail of a tentative settlement between the **insured** and the insurer of the **uninsured motor vehicle**. This is required where the insurer is providing an amount that is less than the total damages suffered by the **insured**. The **insured** must also allow us 30 days to advance payment to that **insured** in an amount equal to the tentative settlement. This must be done to preserve our rights against the insurer, owner or operator of the **uninsured motor vehicle**.
 - (5) Make the vehicle that the injured **person** was **occupying** at the time of the accident available for our inspection.

- c. Any **person** injured shall submit to medical exams by doctors we choose.
 - d. We may, after notice of claim under UNIT III, require any **insured**:
 - (1) to take any action as may be necessary or appropriate to preserve his or her right to recover damages from any person or organization alleged to be legally responsible for the **bodily injury**; and
 - (2) to join such person or organization as a party defendant in any action against us.
- 3. Under UNIT IV, any insured shall:
 - a. Take reasonable steps to protect a damaged vehicle from further loss. We will pay reasonable expenses actually incurred for this protection.
 - b. Promptly report to the police:
 - (1) the total **theft** of a vehicle; or
 - (2) the vandalism of a vehicle.
 - c. Allow us to:
 - (1) inspect and appraise any vehicle insured under UNIT IV; and
 - (2) get any estimates we need; before the vehicle can be repaired or disposed of.

UNIT VI – PERSONAL AUTOMOBILE GENERAL PROVISIONS

AUTHORIZATION TO EXAMINE DRIVING RECORD

By accepting this policy or any renewal of it, you authorize us, as your agent, to obtain the driving records of you or any operator.

POLICY PERIOD AND TERRITORY

Section II of this policy applies to accidents and losses that occur during the policy period shown on the declarations page, and within:

1. the United States of America and its territories;
2. Canada;
3. Puerto Rico;

or between ports thereof.

IMPORTANT NOTICE:

Section II of this policy does not apply in Mexico. Unless you have auto insurance written by a Mexican insurance company, you may spend many hours or days in jail, if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your auto.

SUITS AGAINST US

We may not be sued unless all terms of this policy have been fully complied with. In addition, legal action may not be brought against us:

1. Under UNIT I, until an **insured's** obligation to pay is finally determined by:
 - a. judgment against the **insured** after actual trial; or
 - b. written agreement of the **insured**, the claimant and us.
2. Under UNITS II, III, and IV, until 30 days after proof of loss is filed and the amount of loss is determined.

No one has the right to bring us into a suit to determine the liability of an insured.

MEDIATION OF CLAIMS

In any claim filed with us for:

1. loss resulting from **bodily injury** in an amount of \$10,000 or less;
2. **property damage**; or
3. loss to **your insured auto** or any **non-owned auto**;

either party may demand mediation of the claim prior to taking legal action by filing a written request with the Florida Department of Financial Services on a form which may be obtained from the Department. The request must state:

1. why mediation is being requested; and
2. the issues in dispute which are to be mediated.

Only one mediation may be requested for each claim, unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.

The Department shall randomly select mediators. Each party may reject one mediator, either before or after the opposing side has rejected a mediator. The mediator will notify the parties of the date, time and place of the mediation conference. The conference will be held within 45 days of the request for mediation; it may be held by telephone, if feasible.

The mediation shall be conducted as an informal process and formal rules of evidence and procedure need not be observed. Participants must:

1. have authority to make a binding decision;
2. mediate in good faith.

The cost of the mediation shall be shared equally by both parties unless the mediator determines that one party has not mediated in good faith.

SECTION III – GENERAL PROVISIONS

BANKRUPTCY

The bankruptcy or insolvency of any insured shall not relieve us of any obligations under this policy.

CHANGES AND LIBERALIZATION

This policy may not be changed unless we authorize and agree upon the change. We will mail or deliver a written endorsement reflecting the change. Mailing or delivery by us to the named insured on the declarations page at the last address on record shall constitute proof of endorsement or notice.

If we make changes under this edition of the policy that broaden coverage without charge, this policy will automatically provide the broadened coverages as of the date we put them in place, provided that date is during the policy period. This provision does not apply when we issue a new edition of the policy.

JOINT OBLIGATIONS OF INSURED

The terms of this policy impose joint obligations on all persons defined as persons insured. This means that the responsibilities, acts and failures to act of any person defined as an insured will be binding upon any other person defined as an insured.

MISREPRESENTATION OR FRAUD

This entire policy may be void if either before or after a loss any insured:

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

STATEMENTS IN THE APPLICATION FOR INSURANCE

By accepting this policy, you agree:

1. The facts stated in the application for insurance and the declarations page are correct and accurate. We have relied on the truth of your statements to issue this policy.

Misrepresentations, omissions, concealments of material facts or circumstances, and false statements in your application may prevent recovery under the policy if:

- a. they materially affect either the acceptance of the risk or the hazard assumed by us; or
 - b. had the true facts been known to us pursuant to a policy requirement or other requirement, we in good faith would not have issued the policy or contract, would not have issued it at the same premium rate, would not have issued a policy or contract in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss.
2. This policy contains all of the agreements between you and us.
 3. You, or someone on your behalf, will notify us promptly of any change to the facts affecting this insurance, including but not limited to:
 - a. any change in the location of, the title to, the use of, or the exposure to the **residence premises**;
 - b. any remodeling, addition, or new construction which will increase the cost to replace the buildings covered under COVERAGE A and COVERAGE B by \$5,000 or more;
 - c. any change in vehicles, vehicle use, regular vehicle operators, principal garaging location, or the marital status of any regular operator; or
 - d. the suspension or revocation of the driver's license of you or any other operator who either resides in your household or customarily operates any vehicle insured under this policy.

TERMINATION

1. Cancellation by You

The named insured shown on the declarations page may:

- a. cancel by returning this policy to us; or
- b. cancel the policy by giving us advanced written notice of the date on which you wish coverage to stop.

2. Cancellation by Us

- a. We may cancel for nonpayment of premium.

We will mail the notice to the named insured shown on the declarations page, at the address last known by us. The notice will be mailed at least 10 days prior to the effective date of the cancellation.

We may not cancel a new policy or binder for nonpayment of premium during the first 60 days immediately following the effective date of the policy or binder unless the reason for the cancellation is the issuance of a check for the premium that is dishonored for any reason.

If this policy insures property secured by a mortgage and the cancellation is due solely to the failure of the lender to timely pay the premium when due, then we shall reinstate the policy as required by Florida Statute 501.137.

- b. When the policy has been in effect for less than 60 days, we may cancel:

- (1) if there has been a material misstatement or failure to comply with underwriting requirements;

- (2) for any reason not prohibited by law.

We will mail the notice to the named insured shown on the declarations page, at the address last known by us. The notice will be mailed at least 45 days prior to the effective date of the cancellation.

- c. When this policy has been in effect for 60 days, we may cancel when there has been a material misrepresentation or fraud.

We will mail the notice to the named insured shown on the declarations page, at the address last known by us. The notice will be mailed at least 100 days prior to the effective date of the cancellation. However, for a cancellation that would be effective between June 1 and November 30, the notice will be mailed at least 100 days prior to the effective date of the cancellation or by June 1, whichever is earlier.

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

3. Additional Premium

In the event we determine that you have been charged an incorrect premium for coverage requested in your application for insurance, we shall immediately mail you notice of any additional premium due us.

If within 15 days of the notice of additional premium due, or a longer time period if specified in the notice, you fail to either:

- a. pay the additional premium and maintain this policy in full force under its original terms; or
- b. cancel this policy and demand a refund of any unearned premium;

then this policy shall be cancelled effective 15 days from the date of the notice, or a longer time period if specified in the notice.

4. Nonrenewal by You

If we offer to renew or continue this policy and:

- a. You notify us in writing that you do not wish to renew this policy, then coverage will stop in its entirety on the date of expiration of the policy.
- b. You or your representative do not accept the offer, then this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

5. Nonrenewal by Us

If we decide not to renew or continue this policy, the notice will be mailed at least 100 days prior to the expiration date of the policy. However, for a nonrenewal that would be effective between June 1 and November 30, the notice will be mailed at least 100 days prior to the effective date of the nonrenewal or by June 1, whichever is earlier.

Notice will be mailed to the named insured shown on the declarations page at the address last known by us. Mailing of notice shall be sufficient proof of notice.

We may nonrenew this policy for any reason not prohibited by law.

However, we will not nonrenew this policy:

- a. because of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- b. solely because of a single claim on your policy which is the result of water damage, unless you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- c. because of the filing of claims for partial loss caused by ***sinkhole activity*** or clay shrinkage. However, we may nonrenew this policy if:
 - (1) the total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (2) you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

6. Method of Mailing Notice

Notice of cancellation or nonrenewal will be in writing and mailed to you at the last address on our records. Mailing of notice shall be sufficient proof of notice.

7. Premium Refund

When this policy is cancelled, a premium refund may be due you. If so, we will mail you the refund.

- a. If we cancel your policy, we will make any refund you are due within 15 days after the effective date of the policy cancellation.
- b. If you cancel your policy, we will make any refund you are due within 30 days after the effective date of the policy cancellation.

The termination will be effective even if the refund is not made immediately. Making or offering to make the refund is not a condition of cancellation.

At any time this policy is cancelled:

- a. by us, cancellation will be prorated, meaning the premium due to us will be a proportionate share of the annual premium;
- b. by you for any reason, cancellation may be short rated, meaning the premium due to us will be more than a proportionate share of the annual premium.

Making or offering to make the refund is not a condition of cancellation.

TRANSFER OR ASSIGNMENT

1. This policy or any interests in it may not be assigned without our written consent.
2. In case of the death of a named insured listed on the declarations page or of that insured's spouse, if a resident of the same household at the time of the death:
 - a. The deceased's interest in this policy will be transferred to the legal representative of the deceased, but only with respect to the premises and property of the deceased, including ***your insured auto***, covered under this policy at the time of the death.
 - b. The following persons will be insured under the policy:
 - (1) any member of the deceased's household who is a person insured at the time of the death, but only while a resident of the ***residence premises***;
 - (2) with respect to the property of the deceased that is insured under this policy, the person having proper temporary custody of the property until appointment and qualification of a legal representative;
 - (3) any person having proper temporary custody of ***your insured auto*** will be covered as a person insured under SECTION II of the policy.

Coverage under this provision will only be provided until the end of the policy period during which the death occurred. However, if the death occurred after we offered to renew this policy, we will continue coverage until the end of the policy period for which we offered renewal, contingent upon payment of the premium.

SECTION II of this policy does not apply to any accident or loss after a person insured has permanently relinquished possession of a vehicle covered under this policy. We will, however, pay damages for which you are legally liable under UNIT I.

YOUR PREMIUM


You agree to pay:

1. the premium stated on the declarations page for the policy period; and
2. any additional premium resulting during the policy period from:
 - a. the correction or completion of;
 - b. any changes to;any information on file that affects the premium for this insurance.
If a. or b. above results in a premium decrease during the policy period, any refund due will be:
 - a. mailed to you if your premium is paid in full; or
 - b. applied to your outstanding balance.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President