

k. Existing Damage, meaning:

- (1) Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
- (2) Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This Exclusion 1.k. does not apply in the event of a total loss caused by a Peril Insured Against.

l. Constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of 14 or more days, whether hidden or not.

m. Accidental discharge or overflow of water or steam from:

- (1) Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
- (2) Within a household appliance for heating water; or
- (3) Within a household appliance.

This Exclusion 1.m. applies only while the dwelling is vacant, "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:

- (1) Shut off the water supply; and

(2) Drain the system and appliances of water.

Systems and appliances of water do not include outdoor swimming spas or outdoor irrigation wells.

2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not otherwise excluded or excepted in this policy is covered.

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

SECTION I – CONDITIONS

1. Insurable Interest and Limit of Liability.

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

- a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

2. Duties After Loss.

You must see that the following are done in the event of loss or damage to covered property:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft;

c. Notify the credit card or fund transfer card company in case of loss as provided for in Additional Coverage 6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money under Section I – Property Coverages;

d. Protect the property from further damage. If repairs to the property are required, you must:

- (1) Make reasonable and necessary repairs to protect the property; and
- (2) Keep an accurate record of repair expenses;

e. Cooperate with us in the investigation of a claim;

f. Prepare an inventory of damaged personal property showing the:

- (1) Quantity;
- (2) Description;
- (3) Actual cash value; and
- (4) Amount of loss.

Attach all bills, receipts and related documents that justify the figures in the inventory;

g. As often as we reasonably require:

- (1) Show the damaged property;
- (2) Provide us with records and documents we request and permit us to make copies;
- (3) You or any "insured" under this policy must:
 - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - (b) Sign the same;
- (4) If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:
 - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - (b) Sign the same;
- (5) Anyone you hire in connection with your claim and anyone insured under this policy, other than an "insured" in (3) or (4) above, must:
 - (a) Submit to examinations under oath and recorded statements, while not in the presence of any "insured"; and
 - (b) Sign the same;

h. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interests of all "insureds" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.f. above;

(7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and

(8) Evidence or affidavit that supports a claim under Additional Coverage 6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money under Section I - Property Coverages, stating the amount and cause of loss.

3. Loss Settlement.

Covered property losses are settled as follows:

a. Property of the following types:

- (1) Personal property;
- (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- (3) Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) The limit of liability under this policy that applies to the building;
 - (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) The necessary amount to repair or replace the damaged building.
- (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
 - (a) The actual cash value of that part of the building damaged; or



(b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

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

(a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;

(b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and

(c) Underground flues, pipes, wiring and drains.

(4) If the dwelling where loss or damage occurs has been vacant for more than 30 consecutive days before the loss or damage, we will:

(a) Not pay for any loss or damage caused by any of the following perils, even if they are Covered Causes of Loss:

(i) Vandalism;

(ii) Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;

(iii) Dwelling glass breakage;

(iv) Water damage;

(v) Theft; or

(vi) Attempted theft.

(b) Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered vacant.

4. 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 actual cash value of the property before and after the loss.

5. Glass Replacement.

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

6. Mediation or Appraisal.

a. Mediation. If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

(1) The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.

(2) The settlement in the course of the mediation is binding only if:

(a) Both parties agree, in writing, on a settlement; and

(b) You have not rescinded the settlement within 3 business days after reaching settlement.

(3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

(4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.

(5) However, if we fail to appear at a mediation conference, we will pay:

(a) Your actual cash expenses incurred while attending the conference; and

(b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal. If you and we fail to agree on the amount of loss, either may request an appraisal of the loss by presenting the other party with a written request for appraisal of the amount of loss. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed pursuant to the terms of a written agreement between the parties.

7. Other Insurance.

If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. Suit Against Us.

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is started within 5 years after the date of the loss.

9. Our Option.

If at the time of loss:

- a. We give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:
 - (1) The damaged property under Coverage A – Dwelling in Section I – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:
 - (a) We may, at our option, repair any part or item of the damaged Coverage A property with material or property of like kind and quality.
 - (b) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.
 - (2) The damaged property is insured for Actual Cash Value loss settlement as described in your Loss Settlement conditions:
 - (a) We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
 - (b) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.
- b. The damaged property, other than a.(1) above, is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:
 - (1) We will pay the amount of loss, whether or not you repair or replace the damaged property.

10. Loss Payment.

We will adjust all losses with you.

We will pay you unless some other person named in the policy is also legally entitled to receive payment.

Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss; and
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.
- c. Within 90 days after we receive the notice of a property insurance claim from you, where we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

However, our failure to comply with this subsection shall not form the sole basis for a private cause of action against us.

11. Abandonment of Property.

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

12. Mortgage Clause.

The word "mortgagee" includes trustee and lienholder.

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

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

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

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



If we pay the mortgagee for any loss and deny payment to you:

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

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

13. No Benefit to Bailee.

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

14. Nuclear Hazard Clause.

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

15. Recovered Property.

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery.

At your option, the property will be returned to or retained by you or it will become our property.

If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

16. Volcanic Eruption Period.

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

17. Adjustment to Property Coverage Limits.

If your policy is a renewal with us, the limit of liability for Coverages A, B, C and D may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or
- b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

18. Deductible.

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

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

SECTION II – LIABILITY COVERAGES

COVERAGE E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.