
Your High Value Homeowners Policy - Quick Reference

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This policy is issued by Privilege Underwriters Reciprocal Exchange (PURE), a reciprocal insurance company. By purchasing this policy, you are a Subscriber to PURE. You are subject to the Subscriber's Agreement and Power of Attorney. This is a non-assessable policy consistent with section 629.261, Florida Statutes. The liability of the Subscriber to PURE is limited to the costs associated with the insurance policies only. This is a participating policy and you are entitled to dividends as may be declared by PURE. PURE may annually allocate a portion of surplus to subscriber savings accounts. Amounts allocated to subscriber savings accounts remain a part of PURE's surplus. They may be used to support the operations of PURE. Your right to the balance in the subscriber savings account is limited as set forth in the Subscriber's Agreement.

Insuring Agreement

Privilege Underwriters Reciprocal Exchange will provide the insurance described in this policy in return for payment of the premium and compliance with all applicable provisions of the policy.

Section I - DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and if the "named insured" is an individual, the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

In addition, certain words and phrases are defined below. When used throughout the policy the defined words will be bolded.

Aircraft

Aircraft means any device used or designed for flight. **Aircraft** does not include model or hobby craft not used or designed to carry people or cargo.

Bodily Injury

Bodily Injury means physical bodily harm, sickness or disease. This includes required care, loss of services and resulting death.

Business

Business means a trade, occupation or profession engaged in on a full-time, part-time or occasional basis. **Business** also means any activity engaged in for money or other compensation. This does not include **incidental business**.

Contents

Contents means personal property you or a **family member** own or possess. For any **residence premises** listed on your Declarations that is a condominium or cooperative, **contents** means;

- a. Personal property you or a **family member** possess;
- b. Improvements, betterments, installations or fixtures that you paid for or acquired along with the **residence premises**; and
- c. All property located within the boundaries of your unit which is your insurance responsibility under a corporation or association of property owners agreement.

Deductible

Deductible means the amount you are responsible to pay for any covered loss we pay.

Dwelling

Dwelling means the owned one or two family house at each location named on your Declarations. **Dwelling** is not a condominium or a cooperative.

Family member

Family member means a person that lives in your household and is related to you by blood, marriage, domestic partnership registered under Florida law, or adoption.

Fungi

Fungi means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products, produced or released by **fungi**.

Hurricane

Hurricane means:

1. A storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service; and

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2. Wind, wind gusts, hail, rain, tornadoes or cyclones caused by or resulting from a hurricane.

The duration of a hurricane includes the time period:

- 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 warning issued by the National Hurricane Center of the National Weather Service for anywhere in the state of Florida.

Incidental Business

Incidental Business means a **business** activity that:

- a. Has no employees subject to workers' compensation or other similar disability laws;
- b. Conforms to federal, state and local laws; and
- c. Does not generate more than \$10,000 of gross annual revenues.

Incidental Business includes the **business** of renting to others the **residence premises** listed on your Declarations.

Insured

Insured means you or a **family member**. As respects Section II Liability, an **insured** means any individual or other legal entity given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use.

Landscaping

Landscaping means trees, shrubs or other plants on the grounds of your **residence premises**.

Medical Expenses

Medical Expenses includes reasonable charges for:

- a. medical;

- b. surgical;
- c. X-ray;
- d. dental;
- e. ambulance;
- f. hospital;
- g. professional nursing;
- h. prosthetic devices; and
- i. funeral services.

Occurrence

Occurrence means an accident or offense, including continuous or repeated exposure to substantially the same general harmful conditions, which results in **bodily injury** or **property damage** during the policy period.

Other Structures

Other structures means outdoor structures on the grounds of your **residence premises** set apart from the **dwelling** by clear space. This includes structures connected to the **dwelling** by only a fence, utility line or similar connection.

Personal Injury

Personal Injury means injury or death arising out of one or more of the following:

- a. **Bodily injury**;
- b. Unlawful detention, false imprisonment or false arrest;
- c. Shock or emotional distress;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

Property Damage

Property Damage means physical injury to, destruction of, or loss of use of tangible property.

Reconstruction Cost

Reconstruction Cost means the lesser of the amount required at the time of the loss to repair or replace a structure at the same location with materials and workmanship of like kind and quality. **Reconstruction cost** does not include deduction for depreciation or any amount required to comply with the enforcement of any ordinance or law. It also does not include any amount required for the excavation, replacement or stabilization of land under or around a structure.

Recreational Motor Vehicle

Recreational Motor Vehicle means a motorized land vehicle designed for use off public roads, not subject to motor vehicle registration or operator licensing, and which is used solely on your **residence premises**. **Recreational Motor Vehicle** includes a golf cart used as a means of travel about your residence, your residence community or a golf course for golfing purposes or community or other private activities. **Recreational Motor Vehicle** also includes vehicles used to assist the handicapped that are not designed for or required to be registered for use on public roads.

Residence premises

Residence premises means any **dwelling, other structures** and grounds or any condominium unit, cooperative, or apartment which is listed on your Declarations and that you own or live in.

Watercraft

Watercraft means a boat or craft principally designed to be propelled on, over or under water. A model boat or hobby craft not used or designed to carry people is not considered a **watercraft**.

Section II - PROPERTY COVERAGE

A. Perils Insured Against:

We insure against all risks of direct physical loss or damage to your **dwelling, contents** and **other structures** unless an exclusion applies.

B. Coverage and Loss Settlement

1. Dwelling and Other structures

For a covered loss caused by a peril other than **hurricane** we will pay the **reconstruction cost** for your **dwelling** or **other structures** up to 200% of the coverage limit shown for that location on your Declarations for each **occurrence**. We will pay this amount in the event of a covered loss whether or not you repair or rebuild your **dwelling** or **other structures**. However, if you do not maintain at least the amount of coverage for your **dwelling** and **other structures** as previously agreed to, including any adjustments we make based on appraisals or revaluations the most we will pay is the coverage limit shown for that location on your Declarations for each **occurrence**.

If at anytime during the policy period:

- a. You are newly constructing your **dwelling** or **other structures**;
- b. You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and as a result have temporarily vacated the **residence premises**; or
- c. You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and the cost will exceed 10% of the coverage amount for your **dwelling** or **other structures**

then the most we will pay is the coverage limit shown on your Declarations, whether or not you actually repair or rebuild. You must still maintain at least the amount of coverage for your **dwelling** and **other structures** as previously agreed to, including any adjustments we make based on appraisals or revaluations. This will remain the loss settlement provision until all construction is completed, and you and we agree on the amount of coverage for your **dwelling** and **other structures**.

For a covered loss caused by or resulting from **hurricane** we will pay the **reconstruction cost** for your **dwelling** or **other structures** up to the coverage limit shown for that location on your Declarations for each **occurrence**. We will pay this amount in the event of a covered loss whether or not you repair or rebuild your **dwelling** or **other structures**.

2. Contents

The most we will pay for a covered loss to **contents** is the lesser of the amount required to repair or replace the **contents** without application of depreciation up

to the amount of coverage for **contents**. However, if the **contents** are obsolete or unusable as a result of their age or condition, depreciation will be applied. The amount of coverage for **contents** depends on where the loss occurs. For a covered loss to **contents** that occurs;

- a. At a **residence premises** listed on your Declarations, we will pay up to the coverage limit for **contents** at that location for each **occurrence**;
- b. At a **residence premises insured** under another policy, we will not pay any amount under this policy;
- c. At a **residence premises** that is not listed on your Declarations or **insured** under another policy, we will pay up to \$25,000 for each **occurrence**. However, if the **residence premises** has been acquired within the last 60 days, we will pay up to the highest **contents** limit of any single **residence premises** listed on your Declarations for each **occurrence**;
- d. Away from a **residence premises**, we will pay up to the highest **contents** limit of any single **residence premises** listed on your Declarations for each **occurrence**.

3. Deductible

Unless otherwise noted in this policy, the base **deductible** or one of the special **deductibles** shown on your Declarations or by endorsement is the amount of a covered loss you will pay for each **occurrence**.

For a covered loss caused by a peril other than **hurricane**, earthquake or sinkhole that is greater than \$50,000, we will waive the base **deductible**. This waiver of **deductible** only applies if the base **deductible** shown on your Declarations is \$25,000 or less.

This waiver of **deductible** does not apply to special **deductibles** for **hurricane** or earthquake. This waiver of **deductible** also does not apply to sinkhole loss.

In lieu of the base **deductible**, the special **hurricane deductible** shown on your Declarations applies to a covered loss caused by, contributed to, or in any way resulting from **hurricane**. For a second or subsequent covered loss caused by or resulting from **hurricane**, the **hurricane deductible** is reduced by all **hurricane**

deductible amounts applied toward previously covered **hurricane** losses during the same calendar year. You are required to notify us of all losses caused by **hurricane** that do not meet the **hurricane deductible** as listed on your Declarations. In the event the **hurricane deductible** has been met, and there is a subsequent covered loss caused by **hurricane** in the same calendar year, no **deductible** will apply to the loss.

If you have had a covered loss caused by **hurricane** under a prior policy, and we offer you a lower **hurricane deductible** under the new or renewal policy, we will notify you, in writing, at the time the lower **hurricane deductible** is offered, that the lower **hurricane deductible** will not apply until January 1 of the following calendar year.

If we are providing coverage under more than one policy for **hurricane** losses in a given calendar year, the hurricane deductible will be the highest amount stated in any one of those policies.

4. Special Limits of Liability for Contents

These limits do not increase the amount of coverage for your **contents**. The special limit shown for each category below is the most we will pay for a covered loss to **contents** in that category for each **occurrence**.

- a. Money, bank notes, bullion, gold other than gold ware, silver other than silver ware, platinum - \$1,500
- b. **Watercraft**, including their trailers, furnishings, equipment and outboard engines or motors - \$2,000
- c. Trailers not used with **watercraft** - \$3,000
- d. Grave markers - \$5,000
- e. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, negotiable papers, passports, tickets - \$5,000
- f. Jewelry, watches, precious stones or semi precious stones, whether set or unset, that are lost, misplaced or stolen - \$5,000

This limit does not apply if the items are stored in a bank vault or bank safe deposit box.

5. Loss of Use:

If a covered loss to your **dwelling** or **contents** makes the **residence premises** not fit to live in, we cover the following. The most we will pay for any one **occurrence** is the coverage amount shown on your Declarations.

a. Additional Living Expense:

- (1) If the **residence premises** is your primary residence, we will pay the necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
- (2) If the **residence premises** is not your primary residence, we will pay the necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living for those periods of time that you had planned to use, or customarily use, the residence.

b. Fair Rental Value

The amount of rent shown on a signed lease agreement less any expenses that do not continue while the **residence premises** is not fit to live in.

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

c. Civil Authority

If you are forced to evacuate your **residence premises** or a civil authority prohibits you from use of the **residence premises**, we will reimburse you for the reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living for up to 30 days. The most we will pay for this coverage is \$50,000.

C. Additional Coverages

The coverages shown below are in addition to the coverage amount shown on your Declarations unless otherwise indicated. Your **deductible** applies to these coverages unless otherwise indicated. These coverages are subject to Special Limits of Liability and Exclusions. Exclusions are defined in section D.

1. Loss Assessment

We will pay up to \$50,000 for your share of a loss assessment charged against you during the Policy Period by a corporation or association of property owners.

This coverage applies to loss assessments charged against you during the policy period, regardless of when the loss to the corporation or association of property owners occurred. This coverage only applies when the assessment is made as a result of a covered loss to the property owned by all members collectively. We will not pay for assessments made as a result of loss caused by or resulting from earthquake. We will pay your portion of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage, unless another exclusion applies. A **deductible** does not apply to this coverage.

We will not pay more than \$1,000 for any assessment that results from a loss as a result of **hurricane** or from a **deductible** in your Association's insurance coverage.

2. **Back Up of Sewers and Drains**

We will pay up to the coverage limits shown on your Declarations for physical loss or damage to property caused by:

- (1) Water which backs up through sewers or drains; or
- (2) Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump.

These payments do not increase your coverage amount.

3. **Construction Materials**

We will pay for a covered loss to materials and supplies owned by you at each location shown on your Declarations for use in the repair, alteration, or construction of your **residence premises**. These payments do not increase your coverage amount.

4. **Data Replacement**

We will pay up to \$5,000 for expenses you incur to replace your personal data stored on a personal computer or portable computing device lost as a result of a covered loss.

5. **Debris Removal**

We will pay the reasonable expenses you incur to remove debris of covered property resulting from a covered loss from the **residence premises**.

If the **residence premises** is a house, these payments increase the amount of your coverage by 10% of the **dwelling** limit shown on your Declarations. If the **residence premises** is a condominium, cooperative or apartment, these payments increase the amount of your coverage by 10% of the **contents** limit shown on your Declarations.

6. Demand Surge

We will pay the reasonable increased expenses of rebuilding or repairing your **dwelling** that result from the increased costs of labor and materials due to a temporary surge in demand as a result of a covered loss caused by **hurricane**.

These payments increase the amount of your coverage by 25% of the **dwelling** coverage limit shown on your Declarations.

7. Ensuing Fungi, Wet or Dry Rot, or Bacteria

We will pay up to \$10,000 for each **occurrence** caused by **fungi**, wet or dry rot, or bacteria resulting from a covered loss, including:

- a. The cost to remove **fungi**, wet or dry rot, or bacteria;
- b. The cost to tear out and replace any part of the **dwelling**, **other structures** or other covered property as needed to gain access to the **fungi**, wet or dry rot, or bacteria;
- c. The cost of testing or monitoring air or property to confirm the absence, presence or level of **fungi**, wet or dry rot, or bacteria. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of **fungi**, wet or dry rot, or bacteria; and
- d. The reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence premises** is not fit to live in. Payment will continue for the shortest period of time necessary to restore your **residence premises** to a habitable condition.

The most we will pay for the total of all costs payable under this Additional Coverage is \$10,000, regardless of the number of locations **insured** or the

number of claims-made. We will not make any additional payments for Ensuing Fungi, Wet or Dry Rot, or Bacteria under any other Additional Coverage.

These payments do not increase your coverage amount.

8. Fire Department Service Charge

We will pay the charges imposed by law or assumed in writing for fire department charges. This coverage applies when the fire department is called to save or protect a **residence premises** listed on your Declarations. Your **deductible** does not apply to this coverage.

9. Food Spoilage

We will cover food that is contained or stored in a refrigerator or freezer at your **residence premises** which spoils due to:

- a. Changes or extremes in temperature caused by an interruption of the power supply; or
- b. Caused by the mechanical or electrical breakdown of refrigeration equipment.

Food Spoilage does not include any loss to wine. These payments do not increase your coverage amount.

10. Incidental Business Property

We will pay up to \$10,000 for a covered loss to property owned or leased by you and used for an **incidental business** conducted at a **residence premises** listed on your Declarations.

11. Land

We will pay up to 10% of the amount of a covered loss to your **dwelling** or **other structures** for the required stabilization, excavation, or replacement of land under or around your **dwelling** or **other structures**.

These payments do not increase your coverage amount for losses caused by or resulting from **hurricane**.

12. Landscaping

We will pay for loss or damage to landscaping caused by:

- a. fire or lightning;
- b. explosion;
- c. riot or civil commotion;
- d. aircraft;
- e. vehicles not owned or operated by a person who lives at the residence premises;
- f. vandalism or malicious mischief; or
- g. theft.

We will pay up to the greater of 5% of the coverage limit for **dwellings** or **contents** shown on your Declarations for the **residence premises** at which the covered loss occurs. The most we will pay for any one tree, shrub or plant is \$5,000.

This additional coverage is only applicable if you begin to repair or replace the damaged landscaping within 180 days of the date of loss.

13. Lock Replacement

If the keys to the **residence premises** listed on your Declarations are lost or stolen, we will pay for the cost to replace the locks to that **residence premises**. Your **deductible** does not apply to this coverage.

14. Loss by Domestic Animals

We will pay for loss to your **dwelling**, **other structures**, and **contents** caused by domestic animals.

15. Loss to a Pair or Set or Parts

For a covered loss to a pair or set, we will pay the lesser of:

- a. The cost to replace any part to restore the pair or set to its value before the loss;
- b. The cost to repair any part to restore the pair or set to its value before the loss; or
- c. The difference between the market value of the pair or set before and after the loss.

However, if you agree to give us the remaining article(s) of the pair or set we will pay the full replacement cost of the entire pair or set.

These payments do not increase your coverage amount.

16. Mine Subsidence

We will pay for direct physical loss to your **dwelling** and **other structures** caused by mine subsidence. Mine subsidence means the lateral or vertical movement of a man-made underground mine or mine-related excavations.

17. Precautionary Repairs

We will pay the reasonable expenses incurred by you for the necessary measures taken to protect covered property that is damaged by a covered peril, from further damage.

These payments do not increase your coverage amount.

18. Property Removal

We will pay the reasonable expenses you incur to move **contents** from a **residence premises** to protect the **contents** from damage from a covered loss.

19. Property of Domestic Staff and Guests

We cover the personal property of your domestic staff and your guests located at the **residence premises** listed on your Declarations. These payments do not increase your coverage amount.

20. Rebuilding to Code

We will pay the necessary cost for you to comply with any law or ordinance requiring or regulating the:

- a. Construction;
- b. Demolition;
- c. Remodeling;
- d. Renovation; or
- e. Repair;

of a covered property damaged by a covered loss, including removal of any resulting debris.

We will pay up to 25% of the **dwelling** coverage limit shown on your Declarations for this additional coverage. If the loss is to the improvements and betterments of your Condominium, Cooperative or apartment unit, we will pay up to 25% of the **contents** limit. This coverage only applies if you choose to repair, rebuild or replace your **dwelling, other structure**, or improvements and betterments.

However, if you rebuild at a location other than where the covered loss occurred, we will pay the lesser of:

- a. The amount of coverage for rebuilding to code for the location where the covered loss occurred;
- b. The amount of the costs you would have incurred to conform to any law or ordinance at the location where the covered loss occurred; or
- c. The amount of the costs you incur to conform to any law or ordinance regulating the replacement of your dwelling or other structures at the location where you choose to rebuild.

21. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money

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

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

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

We may investigate and settle any claim or suit. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit

of liability. If a suit is brought against an insured for liability for 2a and 2b above, we will provide a defense at our expense by counsel of our choice. We have the option to defend at our expense an insured or an insured's bank against any suit for the enforcement of payment under 2c. above.

22. Identity Fraud Expense Coverage

- a. We will pay the reasonable identity fraud expenses incurred by an **insured**. We will pay up to a maximum of \$25,000, for each identity fraud **occurrence**. No **deductible** applies to this coverage.

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

- b. "Identity Fraud Expense" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (2) Costs for sending certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (3) Lost wages as a result of time off from work to meet with law enforcement agencies, credit agencies, merchants or legal counsel or to complete fraud affidavits, up to \$500 per week for a maximum of 2 weeks;
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
- (5) Reasonable attorney fees incurred with our prior consent, as a result of **identity fraud** to:

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- i. Defend lawsuits brought against an insured by merchants, financial institutions, or their collection agencies;
 - ii. Remove any criminal or civil judgments wrongly entered against an **insured**; and
 - iii. Challenge the accuracy or completeness of any information in an **insured's** consumer credit report.
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors or credit agencies to report or discuss an actual **identity fraud**.
- c. If you are a victim of identity theft, as defined herein, a fraud specialist will be made available to you, to assist you with the credit restoration process.

This coverage does not apply to losses covered under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money. This coverage does not apply where an **insured** or someone acting at the direction of an **insured** commits a fraudulent, dishonest or criminal act, whether acting alone or in concert with others.

D. Exclusions

The following exclusions apply to Section II – PROPERTY.

1. Aircraft

We do not cover any loss to an **aircraft** or its parts, whether or not attached to the **aircraft**

2. Business Property

We do not cover any loss to **business** property, except **incidental business** property as defined in Part C., Additional Coverages.

3. Governmental Action

We do not cover any loss caused by governmental action. Governmental action means the destruction, confiscation or seizure by order of any government or public authority. This exclusion does not apply to such acts ordered by any governmental or public authority that are taken to prevent the spread of fire.

4. Dishonest Acts

We do not cover any loss caused by any dishonest or criminal act by you or a **family member**, or by a person directed by you or a **family member**.

5. Earth Movement

We do not cover any loss to your **dwelling** or **other structures** caused by earth movement. Earth movement means:

- a. Earthquake, including land shock waves or tremors, before, during or after a volcanic eruption;
- b. Landslides;
- c. Mudflows;
- d. Mudslides; and
- e. the sinking, rising, or shifting of land.

However, we do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

6. Faulty, Inadequate or Defective Planning

We do not cover any loss caused by faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- c. Materials used in repair, construction, renovation or remodeling; or
- d. Maintenance;

of part or all of any property whether on or off the **residence premises**.

7. Fungi, Wet or Dry Rot or Bacteria

We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of **fungi**, wet or dry rot, or bacteria. This includes the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **fungi**, wet or dry rot, or bacteria.

This exclusion does not apply to coverage provided under PART II – PROPERTY- Additional Coverage: Ensuing Fungi, Wet or Dry Rot, or Bacteria, or ensuing covered loss unless another exclusion applies.

8. Wear and Tear or Mechanical Breakdown

We do not cover any loss caused by:

- a. wear and tear, marring, and deterioration;
- b. warping, rust or, other corrosion;
- c. mechanical breakdown,
- d. latent defect,
- e. inherent vice, or
- f. any quality in property that causes it to damage or destroy itself.

However, we do insure ensuing covered loss unless another exclusion applies.

9. Intentional Loss

We do not cover intentional loss. An intentional loss means any loss arising out of any act an **insured** commits or conspires to commit with the intent to cause a loss. In the event of such loss, no **insured** is entitled to coverage, even **insureds** that did not commit or conspire to commit the act causing the loss.

10. Loss by Birds, Vermin, Rodents or Insects

We do not cover any loss caused by birds, vermin, rodents or insects. However, we do insure ensuing covered loss unless another exclusion applies.

11. Loss to Fish, Birds or Animals

We do not cover any loss to fish, birds or other animals.

12. Motorized Land Vehicles

We do not cover any loss to a motorized land vehicle, other than a **recreational motor vehicle**.

13. Nuclear Hazard

We do not cover any loss caused directly or indirectly by nuclear hazard. 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. However, we do cover ensuing covered loss due to fire resulting from a nuclear hazard unless another exclusion applies.

14. Pollution or Contamination

We do not cover any loss caused directly or indirectly, regardless of cause or event, whether contributing concurrently or in any sequence to the loss, caused by the:

- a. Discharge;
- b. Dispersal;
- c. Seepage
- d. Migration;
- e. Release; or
- f. Escape

of pollutants. Pollutants mean 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.

15. Property of Others

We do not cover any loss to property of roomers, boarders, or other tenants. This exclusion does not apply to property of roomers or boarders related to an insured.

16. Renovations and Repairs

We do not cover any loss caused by renovating, refinishing or repairing any kind of contents. This exclusion does not apply to jewelry, watches, and furs.

17. Structural Movement

We do not cover any loss caused by the settling, shrinking, bulging or expansion, including resultant cracking, of the following:

- a. Bulkheads;
- b. Pavements, patios;
- c. Footings, foundations; or
- d. Walls, floors, roofs or ceilings.

However, we do insure ensuing loss covered loss another exclusion applies.

18. War

We do not cover any loss caused directly or indirectly by war. War includes the following and any consequence(s) of any of the following:

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

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

19. Watercraft

We do not cover any loss to **watercraft** caused by **hurricane** or stranding, swamping or sinking of a **watercraft** or its trailer, or outboard motor. We also do not cover any loss caused by collision of a **watercraft** other than collision with a land vehicle unless another exclusion applies.

20. Surface and Ground Water

We do not cover any loss by surface or ground water. Surface or ground water means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water or water-borne material below the surface of the ground. This includes water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

This exclusion does not apply to **contents** away from any **residence premises** or ensuing covered loss unless another exclusion applies.

21. Water Damage to Specific other structures

We do not cover loss to specific **other structures** caused by:

- a. Freezing;
- b. Thawing;
- c. Pressure or weight of water or ice, whether driven by wind or not.

This exclusion applies to:

- a. fences, pavements, patios or tennis courts;
- b. swimming pools, hot tubs or septic systems;
- c. footings, foundations, bulkheads, retaining walls, or any structure or device that supports all or part of a building, or **other structure**; or
- d. piers, wharves, docks or bridges.

However, we do insure ensuing covered loss unless another exclusion applies.

22. Weather or Dampness

We do not cover any loss caused by weather conditions to **dwelling, other structures or contents**. Weather conditions include temperature variations or air dampness. This exclusion does not apply to loss caused directly by rain, sleet, snow or hail.

23. Water Damage as a result of Failure to Maintain Heat

We do not cover any loss caused by water freezing in plumbing, heating or air conditioning system or household appliance if you have not used reasonable care to maintain heat in your residence. This includes closing and draining the water system or appliances if the home is vacant, unoccupied or being constructed.

Section III - LIABILITY COVERAGE

A. Personal Liability

If a claim is made or a suit is brought against an **insured** for damages because of **personal injury** or **property damage** caused by an **occurrence** anywhere in the world to which this coverage applies, we will:

1. Pay up to the liability coverage limit shown on your Declarations for **damages** for which an **insured** is legally liable. We will not pay more than the liability coverage limit shown on your Declarations for any single **occurrence** regardless of the number of **insureds**, claims made or persons injured. **Damages** include prejudgment interest awarded against an **insured**; and
2. Provide a defense at our expense even if the suit is groundless, false or fraudulent. You may choose counsel from a panel of firms that we have selected. We reserve the right to assign counsel if a panel has not been selected in the jurisdiction that the suit is brought or the claim is made. We may investigate and settle any claim or suit at our discretion. Our duty to settle or defend ends when our liability coverage limit for the occurrence has been exhausted by payment of a judgment or settlement. Costs of providing a defense, other than settlement payments, are in addition to the liability coverage limit.

B. Medical Payments to Others

We will pay the necessary **medical expenses** that are incurred or medically ascertained within three years from the date of an accident causing bodily injury. The most we will pay is \$10,000 per person. This coverage does not apply to you or a **family member**. This coverage applies only:

1. To a person on a **residence premises** with liability coverage listed on your Declarations with the permission of you or a **family member**; or
2. To a person off the residence premises if the **bodily injury**:
 - a. arises out of a condition at a **residence premises**, or the ways immediately adjoining a **residence premises**, listed on your Declarations with Liability coverage;
 - b. Is caused by the activities of an insured;

- c. Is caused by a domestic worker in the course of his or her employment by an **insured**; or
- d. Is caused by an animal owned by or in the care of an **insured**.

C. Additional Coverages

We cover the following in addition to the liability coverage limit, unless stated otherwise:

1. Claims Expenses

We will pay:

- a. Expenses we incur and court costs **taxed** against an **insured** in any suit we defend;
- b. Reasonable expenses incurred by an **insured** at our request. This includes actual loss of earnings (but not loss of other income) up to a total of \$10,000, for assisting us in the investigation or defense of a claim or suit;
- c. Premiums on bonds required in a suit we defend. This does not apply to bond amounts more than the Liability coverage limit shown on your Declarations. We need not apply for or furnish any bond; and
- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court, that part of the judgment which does not exceed the Liability coverage limit.

2. Damage to Property of Others

We will pay up to \$1,000 per **occurrence** to repair or replace the property of others damaged by an **insured**. If your **residence premises** is a condominium, cooperative or apartment unit we will pay up to \$25,000 per **occurrence** to repair or replace the property of others damaged by an **insured**.

3. Fungi, Wet or Dry Rot, or Bacteria

We will pay up to \$100,000 for all claims of **personal injury** or **property damage** arising in any way out of the:

- a. actual;
- b. alleged or threatened inhalation of;

- c. ingestion of;
- d. contact with;
- e. exposure to;
- f. existence of; or
- g. presence

of any **fungi**, wet or dry rot, or bacteria.

\$100,000 is the most we will pay under this Additional Coverage, regardless of the number of locations **insured** or number of claims made.

4. Loss Assessment

We will pay up to \$50,000 for your share of a loss assessment charged against you during the policy period as owner or tenant of the **residence premises** regardless of when the loss to the corporation or association of property owners occurred, when the assessment is made as a result of **personal injury** or **property damage** covered under Section III of this policy. This includes damage resulting from an act of a director, officer or trustee, in the capacity as a director, officer or trustee, provided:

- a. the director, officer or trustee is elected by members of corporation or association of property owners; and
- b. the director, officer, or trustee is not compensated for their duties which are solely on behalf of a corporation or association of property owners.

This coverage only applies when the assessment is charged against you as part of an assessment against multiple members of a property owners or tenant association managing a **residence premises**. Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

- a. one accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. a covered act of a director, officer or trustee. An act involving more than one director, officer of trustee is considered to be a single act.

We will not pay for any assessments charged against you or a corporation or association of property owners by any governmental body.

We will not pay more than \$1,000 for any assessment that results from a **deductible** in your Association's insurance coverage.

These payments do not increase your coverage amount.

D. Exclusions

We do not provide coverage for damages, defense costs or any other cost or expense for:

1. Motorized Land Vehicles

Personal injury or property damage arising out of the:

- a. ownership;
- b. maintenance;
- c. operation;
- d. loading or unloading

of any motorized land vehicle. This exclusion does not apply to **recreational motor vehicles** except when they are used for participation in or practice for competitive racing.

2. Aircraft

Personal injury or property damage arising out of the:

- a. ownership;
- b. maintenance;
- c. operation;
- d. use;
- e. loading;
- f. unloading; or
- g. towing

of any **aircraft**.

3. Watercraft

Personal injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading, or towing of any **watercraft**:

- a. That is over 26 feet in length or has more than 50 horsepower, other than **watercraft** furnished or rented to an **insured** for less than 30 days;
- b. Used for any **business** or commercial purpose; or
- c. Used for participation in or practice for competitive racing (this exclusion does not apply to sailing vessels less than 26 feet in length).

4. **Workers' Compensation or Disability**

Any damages or benefits an **insured** is legally obligated to provide under any:

- a. workers' compensation;
- b. disability benefits;
- c. Jones Act or General Maritime Law;
- d. unemployment compensation;
- e. occupational disease; or
- f. similar law.

5. **Directors Errors or Omissions**

Personal injury or **property damage** arising out of an **insured's** actions, errors or omissions as a director or officer of any corporation or organization. This exclusion does not apply to **personal injury** or **property damage** arising out of an **insured's** activities;

- a. For a Condominium or Cooperative Association; or
- b. For a not for profit corporation or organization.

6. **Property in Your Care**

Property damage to property owned by, or in the custody, care or control of, an **insured**. This exclusion does not apply to **property damage**:

- a. Caused by fire, smoke or explosion; or
- b. To a residence that you rent to live in.

7. **Insured**

Personal injury to you or an **insured** under this policy.

8. **Discrimination**

Personal injury or **property damage** arising out of actual, alleged or threatened discrimination or harassment due to:

- a. Age;
- b. race;
- c. national origin;
- d. color;
- e. sex;
- f. creed;
- g. handicapped status;
- h. sexual preference; or
- i. any other discrimination.

9. Sexual Molestation, Corporal Punishment or Physical or Mental Abuse
Personal injury or property damage arising out of sexual molestation, corporal punishment or physical or mental abuse.

10. Communicable Disease
Personal injury or property damage which arises out of the transmission of a communicable disease by an **insured**.

11. Business
Personal injury or property damage arising out of or in connection with an **insured's business** property or **business** pursuits. However, this exclusion does not apply to:

Incidental business property or **incidental business** pursuits; or

- a. **Personal injury or property damage** arising out of the physical condition of your **residence premises** when **business** or professional activities are legally conducted by any **insured** at that **residence premises** and;
- b. There are no employees conducting **business** activities at your **residence premises** who are subject to workers' compensation or other similar disability laws;
- c. You are not a home day care provider; and
- d. There is no other valid collectible insurance.

12. Professional Services
Personal Injury or property damage arising out of the rendering of or failure to render professional services.

13. War

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

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

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

14. Claims Settled Without Our Consent

Any claim settled with a third party without our written consent regardless of the cause of loss, or any related expenses such as:

- a. court costs;
 - b. legal expense; or
 - c. judgment,
- when such settlement prejudices our rights to recovery

15. Nuclear Hazard

Personal Injury or property damage caused directly or indirectly by nuclear hazard. Nuclear hazard means:

- a. any nuclear reaction;
- b. radiation; or
- c. radioactive contamination

all whether controlled or uncontrolled or however caused. We do cover subsequent loss due to fire resulting from a nuclear hazard unless another exclusion applies.

16. Expected or Intended Injury

Personal injury or property damage resulting from any criminal, willful, intentional, or malicious act or omission by any **insured** which is intended to result in, or would be expected by a reasonable person to cause **personal injury or property damage**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person than expected or

intended. This exclusion does not apply to **bodily injury** if the **insured** acted with reasonable force to protect any person or property.

17. Wrongful Employment Act

Personal injury arising out of wrongful termination of employment.

18. Controlled Substances

Personal injury or **property damage** arising out of the

- a. Use;
- b. Sale;
- c. Manufacture;
- d. Delivery; or
- e. Transfer or possession

by any person of a controlled substance as defined under federal law.

Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. This exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

19. Fungi, Wet or Dry Rot, Bacteria

Personal injury or **property damage** arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened

- a. Inhalation of;
- b. Ingestion of;
- c. Contact with;
- d. Exposure to;
- e. Existence of; or
- f. Presence of

any **fungi**, wet or dry rot, or bacteria.

This exclusion does not apply to:

- a. Coverage provided under Section D. Additional Coverages, **Fungi**, Wet or Dry Rot, or Bacteria; or
- b. **Personal injury** or **property damage** arising out of **fungi** that are intended for consumption.

20. Contract or Agreement

Personal Injury or property damage arising from any contract or agreement entered into by an **insured**. However, this exclusion does not apply to any contracts:

- a. That directly relate to the ownership, maintenance, or use of an insured location; or
- b. Where the liability of others is assumed by you prior to an **occurrence**.

Section IV- GENERAL PROVISIONS

A. Insurable Interest

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

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

B. Your Duties After a Loss

In the event of a loss for which coverage may be provided under this policy, you or an **insured** must:

1. Give prompt notice to us or your agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money coverage;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;

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5. Cooperate with us in the investigation of a claim, settlement or the defense of any claim or suit.
 6. Prepare an inventory of damaged property. Show the quantity, description and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to separate examination under oath.
 8. Send to us, within 60 days of our request, your signed, sworn proof of loss. The proof of loss must set forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interest of all **insureds** and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - b. Changes in title or occupancy of the property during the term of the policy;
 - c. Specifications of damaged buildings and detailed repair estimates;
 - d. The inventory of damaged **contents** described in 6. above;
 - e. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - f. Evidence or affidavit that supports a claim under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.
 9. Provide us with the names and addresses of any claimants and witnesses
 10. Promptly forward to us every notice, demand, summons or other process relating to the **occurrence**.
 11. At our request, assist us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;

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

12. No **insured** shall, except as such **insured's** own cost, voluntarily make payment, assume obligation or expense other than for first aid to others at the time of an **occurrence**.

C. Policy Term

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

D. Recovered Property

In the event we pay for a covered loss to property and the property is recovered, we will offer you an opportunity to buy it back.

E. Assignment

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

F. Waiver or Change of Policy Provisions

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

G. Concealment or Fraud

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

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;

relating to this insurance.

H. Conformity to Law

If any part of this policy conflicts with state or local law, this policy is amended to conform to those laws.

I. Liberalization Clause

If a change is made which broadens coverage under this edition of our policy without any premium charge, the change will automatically apply to your policy as of the date we made the change in your state.

J. Bankruptcy

Bankruptcy or insolvency of an **insured** will not relieve us of our duties under this policy.

K. Death of an Insured

In the event of the death of an **insured**, this policy will cover the legal representative of the deceased for the remainder of the Policy Period unless cancelled. We will cover the legal representative of the deceased only with respect to the premises and property of the deceased covered under this policy at the time of death.

L. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms of this policy. The action must be brought against us within five years after the date of loss. You may not bring any action until thirty days after proof of loss has been filed and the amount of loss has been determined.

M. Mediation or Appraisal

If you and we fail to agree on the amount of loss, either may:

1. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more 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. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days of reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provide to you.

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. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

2. Demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the

other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

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

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.

N. Other Insurance and Service Agreement

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

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

If your **residence premises** is a condominium or cooperative and there is other insurance in the name of the condominium or cooperative association covering the same property we insure, the coverage afforded by this policy will be excess over the amount recoverable from that other insurance.

O. Mortgage Clause

If a mortgagee is named in this policy, any covered loss under **Dwelling** or **Other Structures** coverages will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named in this policy, 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:

1. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
2. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
3. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so.

If we decide to cancel or not renew this policy, we will notify the mortgagee at least 10 days before the date cancellation or non-renewal takes effect.

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

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

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

P. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the future date cancellation is to take effect.

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2. The following applies if a state of emergency is declared by the Governor, the Commissioner of Insurance Regulation files an Emergency Order, and the **residence premises** has been damaged as a result of a **hurricane** or wind loss related to the declared emergency.

Beginning the date the state of emergency is declared until 90 days following the repairs to the **dwelling** or **other structure** located on the **residence premises**, we may elect to cancel this policy only if:

- a. You have not paid the premium or surplus contribution. We may cancel during this period by letting you know at least 10 days before the date cancellation takes effect;
- b. There has been a material misstatement or fraud relating to the claim;
- c. We have determined that you have unreasonably caused a delay in the repair of the **dwelling** or **other structure**; or
- d. We have paid the policy limits.

We may cancel during this period by letting you know at least 45 days before the date cancellation takes effect. We will inform you in writing. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

We shall be entitled to collect any additional premium required to keep the policy in effect. However, this provision does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

3. If the conditions described in Paragraph C.2. do not apply, we may cancel only for the following reasons:
 - a. When this policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.

We can also cancel when you have not paid the premium. We cancel by letting you know at least 10 days before the date cancellation takes effect.

A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown on the Declarations. Proof of mailing will be sufficient proof of notice.

- b. When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
- (1) On the basis of property insurance claims that are the result of an Act of God. Property insurance claim is an Act of God unless we demonstrate, by claims frequency or otherwise, that the **insured** has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the covered property;
 - (2) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the **insured** has failed to take action reasonably requested by us to prevent a future similar **occurrence** of damage to the **insured** property; or
 - (3) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the **occurrence** of such a claim. However, we may cancel this policy if the total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage or you have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in C.3.a, we will let you know of our action at least 20 days before the date cancellation takes effect

- c. When this policy has been in effect for more than 90 days, we may cancel:
- (1) If there has been a material misstatement;

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- (2) If the risk has changed substantially since the policy was issued;
 - (3) In the event of failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
 - (4) If the cancellation is for all **insureds** under policies of this type for a given class of **insureds**;
 - (5) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the **insured** has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the covered property; or
 - (6) On the basis of a single claim which is the result of water damage if we demonstrate that the **insured** has failed to take action reasonably requested by us to prevent a future similar **occurrence** of damage to the **insured** property; or
 - (7) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim or on the basis of the risk associated with the **occurrence** of such a claim, if:

The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

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

This can be done by letting you know at least 90 days before the date cancellation takes effect.

- d. If the date of cancellation becomes effective during a hurricane occurrence:

- (1) The date of cancellation will not become effective until the end of the hurricane occurrence; and
 - (2) We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the policy remains in effect.
4. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 5. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within 15 days after the date cancellation takes effect.

Q. Nonrenewal

We may elect not to renew this policy. We may do so by mailing to you at your mailing address, written notice with the specific reasons for nonrenewal. Proof of mailing will be sufficient proof of notice.

1. The following applies if a state of emergency is declared by the Governor, the Commissioner of Insurance Regulation files an Emergency Order, and the **residence premises** has been damaged as a result of a **hurricane** or wind loss related to the declared emergency:
 - a. From the date the state of emergency is declared until 90 days following the repairs to the **dwelling** or **other structure** located on the **residence premises**, we may elect not to renew this policy only if:
 - (1) You have not paid the renewal premium;
 - (2) There has been a material misstatement or fraud related to a claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (4) We have paid the policy limits.

We may do so by letting you know at least 45 days before the expiration date of the policy.

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- b. If the conditions described in 1.a. above do not apply; we may elect not to renew this policy by letting you know at least 90 days before the expiration date of this policy.
 - c. We shall be entitled to collect any additional premium required to keep the policy in effect during this period.

However, this provision R. 1. does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

2. We will not nonrenew this policy:
 - a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the **insured** has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the **insured** has failed to take action reasonably requested by us to prevent a future similar **occurrence** of damage to the insured property; or
 - c. On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim or on the basis of the risk associated with the **occurrence** of such a claim, unless:
 - (1) The total of such property claim payments for this policy equals or 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.
3. If the date of nonrenewal becomes effective during a hurricane occurrence:
 - a. The expiration date of this policy will not become effective until the end

- of the hurricane occurrence; and
- b. We shall be entitled to collect additional premium for the time the policy remains in effect.

However, this provision D3 does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the hurricane occurrence.

R. Renewal Notification

If we elect to renew this policy, we will let you know in writing:

1. Of our decision to renew this policy; and
2. The amount of renewal premium payable to us.

This notice will be mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

S. 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 in this policy.

T. Subrogation

We may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

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

Subrogation does not apply to Section III, B. Medical Payments to Others or to Section III, C. 2. Damage to Property of Others.

If the **residence premises** is a condominium, we will waive any rights of recovery against the condominium association that operates the community in which the **residence premises** is located.

U. Abandonment of Property

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

Privilege Underwriters Reciprocal Exchange

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.

Attorney-in-fact

If you would like to obtain information about your coverage or if you need assistance in resolving an issue relating to your insurance policies with us, please contact us at:

Privilege Underwriters Reciprocal Exchange
8201 Peters Road
Suite 1000
Plantation, FL 33324

Please include your name and policy number in any correspondence.