



High Value Homeowners Policy

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 State 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 a storm system that has been declared to be a Category 1, 2, 3, 4 or 5 hurricane by the National Weather Service.

Incidental Business

The definition of **Incidental Business** depends upon where the **incidental business** is conducted.

a. Away from your **residence premises**.

Incidental Business means a self-employed business activity normally undertaken by persons under the age of 18 such as newspaper delivery, babysitting, caddying, and lawn care. Any of these activities must:

1. Not yield gross revenues in excess of \$10,000 in any year;
2. Have no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and
3. Conform to local, state, and federal laws; or

b. At your **residence premises**.

Incidental Business means a business activity conducted in whole or in part on your **residence premises** which must:

1. Not yield gross revenues in excess of \$10,000 in any year, except for the business activity of managing one's own personal investments, regardless of where the revenues are produced;
2. Have no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and
3. Conform to local, state, and federal laws.

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

Insured

Insured means you or a **family member**. As respects Section II Liability, an **insured** also includes 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 sudden and accidental direct physical loss or damage to your **dwelling, contents** and **other structures** unless an exclusion applies.

B. Coverage and Loss Settlement

1. Dwelling

For a covered loss we will pay the **reconstruction cost** for your **dwelling** up to 200% of the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations if:



- a. you do not begin to repair or rebuild your **dwelling** within two years from the date of loss;
- b. if you do not maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any adjustments we make based on appraisals or revaluations; or
- c. you do not repair or rebuild your **dwelling** at the same location.

2. Other Structures

For a covered loss we will pay the **reconstruction cost** for your **other structures** up to 200% of the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations if:

- a. the coverage limit shown for this location on your Declarations for your **other structures** is less than 20% of the coverage limit for your **dwelling**;
- b. you do not begin to repair or rebuild your **other structures** within two years from the date of loss;
- c. you do not maintain at least the amount of coverage for your **other structures** as previously agreed to, including any adjustments we make based on appraisals or revaluations; or
- d. you do not repair or rebuild your **other structures** at the same location.

3. Dwelling or Other Structures under Construction

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 for a covered loss is the reconstruction cost less depreciation, but not to exceed the coverage limit shown on your Declarations. We will pay this amount 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**.



4. 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 covered loss. If after a covered loss to your **dwelling** and **contents** we pay more than the coverage limit for your **dwelling** because the **reconstruction cost** is higher than the insured limit, we will increase the **contents** coverage for the purposes of settling the loss, by the same percentage. This extension of coverage only applies if the **contents** limit on your Declarations is 50% of the **dwelling** limit or greater;
- 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 10% of the **contents** limit shown on your declarations for a loss caused by a peril other than a **hurricane**. We do not cover any loss caused by a **hurricane**.

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.

- d. Away from a **residence premises**, we will pay up to the highest **contents** limit of any single **residence premises** listed on your Declarations.

5. 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.

In the event of direct physical loss to property covered under this policy caused directly or indirectly by a **hurricane**, the **hurricane deductible** listed on your Declarations is the amount of the covered loss for **dwelling, other structures** and **contents** that you will pay.



The **hurricane deductible** applies to covered property losses that occur within a period of 12 hours before and 12 hours after a **hurricane** makes landfall anywhere in New York State.

Hurricane means a storm system that has been declared to be a Category 1, 2, 3, 4 or 5 hurricane by the National Weather Service.

The National Weather Service currently uses the Saffir/Simpson Hurricane Scale to categorize hurricanes. This scale specifies that a Category 1 hurricane is a storm that originates in the tropics and results in sustained wind speeds of at least 74 miles an hour. This scale also sets forth the criteria for categories 2, 3, 4, or 5 hurricanes, which have greater associated wind speeds.

The **hurricane deductible** applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. No other deductible provision in the policy applies to the direct physical loss caused by the **hurricane**.

For a covered loss caused by a peril other than a **hurricane** or earthquake 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 a special construction **deductible**.

Construction deductible.

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 a special construction **deductible** of 5% of **dwelling** coverage will apply to each covered loss in lieu of a base **deductible**. This **deductible** applies to your **dwelling, other structures, contents**, and additional coverages. The dollar amount of this **deductible** is based on the **dwelling** coverage limit shown on your Declarations for that location at the time of the loss. This **deductible** does not eliminate any other special **deductibles** that may apply. If we otherwise give our prior written consent, the special construction **deductible** will not apply.



6. 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 each covered loss to **contents** in that category.

- a. Money, bank notes, bullion, gold other than gold ware, silver other than silver ware, platinum - \$2,500.

This limit is increased to \$10,000 for bank notes, bullion, gold other than gold ware, silver other than silver ware, platinum that are stored in a locked home safe located on the **residence premises** or in a bank vault or bank safe deposit box.

- b. **Watercraft**, including their trailers, furnishings, equipment and outboard engines or motors - \$5,000.
- c. Trailers not used with **watercraft** - \$5,000.
- d. Grave markers - \$10,000.
- 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.

If your **residence premises** is a:

Dwelling, this special limit is increased to \$50,000 if your Declarations show a limit for **contents** coverage that is 50% or more of the coverage for your **dwelling**. However, the most we will pay for any one article is \$25,000.

Condominium unit, cooperative, or apartment, this special limit is \$50,000. However, the most we will pay for any one article is \$25,000.

The limits described under f. do not apply if the items are stored in a bank vault or bank safe deposit box.

- g. Furs that are lost, misplaced or stolen - \$5,000.
- h. Guns that are lost, misplaced or stolen - \$5,000.
- i. Silverware, goldware, pewterware or trophies that are lost, misplaced or stolen - \$10,000.

7. 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:



a. Additional Living Expense:

- (1) If the **residence premises** is your primary residence, we will pay the necessary reasonable 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 reasonable 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.

We cover this increase for the shortest reasonable amount of time required to restore your **residence premises** to a habitable condition, or if you permanently relocate, the shortest reasonable amount of time required for your household to settle elsewhere. This time period is not limited by the expiration of this policy.

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 reasonable time required to restore your **residence premises** to a habitable condition. This time period is not limited by the expiration of this policy.

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 for that location 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 \$5,000 for any assessment that results 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. **Ensuing Fungi or Bacteria**

For a covered loss we will not pay more than \$20,000 for each occurrence for all increased costs that are **fungi** or bacteria remediation expenses described below. This **fungi** or bacteria remediation expense limit does not increase your coverage amount.



This **fungi** or bacteria remediation expense limit does not apply to **fungi** or bacteria resulting from a covered loss caused by fire or lightning.

Fungi or bacteria remediation means the reasonable and necessary costs for:

- a. Testing and monitoring the air or property to confirm the absence, presence or level of **fungi** or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be paid only to the extent that there is a reason to believe that there is the presence of **fungi** or bacteria;
- b. Developing a **fungi** or bacteria remediation plan; and implementing that **fungi** or bacteria remediation plan including the clean up, removal, containment, treatment, or disposal of **fungi** or bacteria;
- c. Tearing out and replacing any part of the building or other covered property as needed to gain access to the **fungi** or bacteria beyond that which is required to gain access to covered property physically damaged by a covered loss;
- d. Removing debris of covered property containing **fungi** or bacteria beyond that which is required to remove debris of the covered property physically damaged by a covered loss; and
- e. Repairing or replacing covered property containing **fungi** or bacteria beyond that which is required to repair or replace the covered property physically damaged by a covered loss.

Fungi or bacteria remediation expenses also includes up to a maximum of \$5,000 for coverage for loss of use of your **residence premises** resulting from **fungi** or bacteria.

Loss of use means:

- a. The necessary reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living while your **residence premises** is uninhabitable; and
- b. For a **residence premises** that is rented out, the amount of rent shown on a signed lease agreement, less any expenses that do not continue, while the **residence premises** is uninhabitable.

\$20,000 is the most we will pay regardless of the number of locations insured, or the number of claims. We will not make any additional payments for ensuing **fungi** or bacteria under any other part of this policy.

7. 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.



8. 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.

9. 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.

10. 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 a **hurricane**.

11. 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 **dwelling** 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.



12. 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.

13. Loss by Domestic Animals

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

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

This coverage only applies if you choose to repair, rebuild or replace your **dwelling, other structure**, or improvements and betterments at the loss location.

20. 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 20.a. and 20.b. 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 20.c. above.

21. Identity Fraud Expense Coverage



- a. If you are a victim of “identity fraud” we will, with your consent, appoint and pay the full cost of, an identity fraud restoration specialist to restore your credit record and identity. Provided that we select the identity fraud restoration specialist we will pay the full cost of the specialist. If you choose a different method of restoring your credit record and identity we will, pay your “identity fraud expenses” up to a maximum of \$25,000, for each individual identity fraud perpetrated. 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:
 - 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**.



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.

22. Loss Mitigation Measures

In the event of a covered loss, for which we pay \$10,000 or more, we will also pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss mitigation measure or loss prevention device to protect your **residence premises** against a subsequent and similar loss in the future. This additional coverage does not apply to losses that result from a **hurricane**.

Examples of approved loss prevention devices include, but are not limited to, fire alarm systems, fire suppression systems, security systems, sump pumps, automatic water shut-off devices, lightning suppression systems and back-up power systems.

These payments do not increase your coverage amount.

23. Environmentally Friendly Upgrades

In the event of a covered loss that exceeds your **deductible** we will pay up to \$50,000 for additional costs incurred to use approved environmentally friendly materials, fixtures, appliances or methods in the necessary rebuilding, repairing or replacing of your **dwelling, other structures** or **contents**.

Examples of approved environmentally friendly materials, fixtures, appliances and methods include, but are not limited to, appliances and lighting, heating and cooling systems that meet Energy Star or equivalent levels of efficiency and building materials that are sustainably produced, responsibly harvested or composed of recycled content.

These payments do not increase your coverage amount.

24. Tree Removal

Unless covered elsewhere under this policy, we will pay up to a total of \$1,500 for each occurrence to remove trees fallen due to wind, hail, sleet or the weight of ice or snow when the tree does not damage your **residence premises**. This coverage does not include the cost to uproot and remove tree roots. Your **deductible** does not apply to this coverage.

25. Pet Injury



We will pay up to \$5,000 for each occurrence for any necessary **medical expenses** to domestic animals owned by, or in the care, custody and control of an **insured** that arises due to a covered loss. Your **deductible** does not apply to this coverage.

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. Buildings Scheduled for Demolition

We do not cover loss to **dwellings** or **other structures** that are scheduled for demolition, deconstruction or destruction. However, we will pay the cost of debris removal. A building is considered scheduled for demolition, deconstruction or destruction if a contract has been entered into, whether written or verbal, or plans have been drawn up to demolish the building within the next 180 days.

3. Business Property

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

4. 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.

5. 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**.

6. 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.

7. 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**.

8. 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:

- a. Coverage provided under PART II – PROPERTY- Additional Coverage: **Ensuing Fungi, or Bacteria;**
- b. **Fungi** or bacteria resulting from fire or lightning unless another exclusion applies; or
- c. Ensuing covered loss unless another exclusion applies.

9. Wear and Tear, Deterioration or Mechanical Breakdown

We do not cover any loss caused by:

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

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

10. 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. This exclusion only applies to an **insured** who commits or conspires to commit an act with the intent to cause a loss.

11. 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.

12. Loss to Fish, Birds or Animals

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

This Exclusion 12. does not apply to the extent coverage is provided under Additional Coverage **25. Pet Injury**.

13. Motorized Land Vehicles

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

14. 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.

15. 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.

This Exclusion does not apply to loss or damage resulting from a sudden and accidental escape of pollutants.



16. 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**.

17. 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.

18. 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.

19. 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.

20. Watercraft

We do not cover any loss caused by the 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. We also do not cover any loss that results from a **hurricane** damaging a **watercraft**.

21. 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.

22. Temperature, Dampness or Humidity

We do not cover any loss caused by extremes of temperature, dampness, humidity or dryness of air, or water vapor to your **dwelling, other structures** or **contents**. This exclusion does not apply to:

- a. Loss caused directly by rain, sleet, snow or hail; or
- b. Coverage provided under PART II – PROPERTY, Additional Coverage, Food Spoilage

23. 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.

24. 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 \$10,000 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**.

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. 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**.

20. Assessments

Any assessment charged against an **insured** as a member of an association, corporation or community of property owners.

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** or someone acting for an **insured** must:



1. Give notice as soon as reasonably possible to us, any of our agents in this state or your agent. Any written notice given by any claimant to us or any of our agents in this state, containing particulars sufficient to identify the **insured**, will be deemed notice to us;
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;
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;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged **contents** described in **6.** above;
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - h. Evidence or affidavit that supports a claim under 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. As soon as reasonably possible forward to us every notice, demand, summons or other process relating to the loss.
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 loss.
13. We have no duty to provide coverage under this policy if your failure to comply with the above duties is prejudicial to us, except as provided for in Paragraph 14.
14. Failure to give notice to us as required under this policy shall not invalidate any claim made by the **insured**, injured person or any other claimant, unless the failure to provide such timely notice is prejudicial to us. However, no claim made by the **insured**, injured person or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as reasonably possible thereafter.

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. Estimation Of Claims

Upon your request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

I. Conformity to Law

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

J. 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.

K. Bankruptcy

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

L. 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.

M. 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.

If we deny coverage or do not admit liability for damages arising from **personal injury** caused by an **occurrence** because an **insured** or the injured person, someone acting for the injured person or other claimant fails to give us or any of our agents in this state notice as soon as reasonably possible, then the injured person, someone acting for the injured person or other claimant may bring an action against us, in which the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide notice as soon as reasonably possible.

However, the injured person or someone acting for the injured person may not bring an action if within 60 days after we deny coverage or do not admit liability for damages because of **personal injury**, we or an **insured**:

- a. Brings an action to declare the rights of the parties under the policy; and
- b. Names the injured person, someone acting for the injured person or other claimant as a party to the action.

If we fail to pay for damages because of **personal injury** or **property damage** caused by an **occurrence** within 30 days after serving of notice of entry of judgment upon the **insured** and us, then an action may be maintained against us for the amount of the judgment, up to the Limit of Liability.

However, this does not apply during a stay or limited stay of execution against the **insured** on such judgment.

N. Mediation or Appraisal

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

1. Demand mediation of the claim, prior to taking legal action. The request must state:
 - a. Why mediation is being requested; and
 - b. 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 parties must jointly appoint a mutually acceptable mediator. If the parties are unable to agree upon the appointment of a mediator within 7 days after a party has given notice of a demand to mediate the dispute, any party may apply to the JAMS Mediation Service, or such other organization or person agreed to by the parties in writing, for appointment of a mediator.

The mediator will notify the parties of the date, time and place of the mediation conference. This conference will be held within 45 days of the mediation request. If feasible, the conference may be held by telephone.

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; and
- (2). Mediate in good faith.



If the mediator determines that both parties have mediated in good faith, the costs of the mediation shall be shared equally by both parties

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.

O. 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.

We will not pay for any loss for an item of jewelry, watch, or precious stone that is specifically scheduled and insured under another policy.



P. 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.

Q. 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.
2. We may cancel the entire policy only for the reasons stated in this condition. The cancellation notice will be mailed to you at the address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel the entire policy at any time by mailing to you at least 15 days' notice of cancellation, which will also state the premium due.



- b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the entire policy for any reason by letting you know at least 30 days before the date of cancellation takes place.
- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel the entire policy only for one or more of the following reasons by notifying the **insured** at least 30 days prior to the proposed cancellation date:
 - (1) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (2) Discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
 - (3) Discovery of willful or reckless acts or omissions increasing the hazard insured against;
 - (4) Physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or
 - (5) A determination by the Superintendent of Insurance that the continuation of the policy would violate or would place us in violation of the New York Insurance Law.

If one of the reasons listed in this Paragraph **c.** exists, we may cancel the entire policy.

- d. When the property covered by this policy is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed Anti-Arson Application to us:

- (1) Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days written notice to you and to the mortgageholder shown in the Declarations.
 - (2) Before the annual renewal date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.
- e. If we have the right to cancel, we may, instead of canceling this policy, amend the limits of liability or reduce coverage not required by law. If we take this action, we will notify you by mail at least 20 days prior to the date of such change.

Delivery of such written notice by us to the **insured** at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

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

However, when the premium is advanced under a premium finance agreement, we may retain a minimum earned premium on the policy of 10% of the total policy premium or \$60, whichever is greater.

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



R. Nonrenewal

1. We will not refuse to renew or condition our renewal of this policy except as allowed by the laws of the State of New York. The conditions may include, but are not limited to, amending the limits of liability or reducing coverage not required by law. If we take this action, we will notify you by mail at least 45 days, but not more than 60 days prior to the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

Delivery of such written notice by us to the "insured" at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

2. We will not refuse to renew this policy because of underwriting reasons relating to the Home Business Insurance Coverage Endorsement if it is attached to the policy. We may, however, renew this policy without the Home Business Insurance Coverage Endorsement.

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**.



High Value Homeowners Policy

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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
1 N. Lexington Ave., Suite 1450
White Plains, NY 10601
(888) 813-PURE

Please include your name and policy number in any correspondence.