
AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

COVERAGE A – Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
2. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
3. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B – Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C – Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

Property Not Covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
 2. animals, birds or fish;
 3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 4. motor vehicles or all other motorized land conveyances. This includes:
 - a. their equipment and accessories; or
 - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media for use with any such device or instrument;
- while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
 - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes;
6. data, including data stored in:
- a. books of account, drawings or other paper records; or
 - b. electronic data processing tapes, wires, records, discs or other software media.
- However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;
7. credit cards or fund transfer cards.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

COVERAGE D – Fair Rental Value

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

Fair Rental Value, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

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

OTHER COVERAGES

1. Other Structures. You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

2. Debris Removal. We will pay your reasonable expense for the removal of:

- a. debris of covered property if a Peril Insured Against causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property.

3. Improvements, Alterations and Additions. If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

- 4. World-Wide Coverage.** You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

- 5. Rental Value.** You may use up to 10% of the Coverage A limit of liability for loss of fair rental value as described in Coverage D. We will pay only 1/12 of this 10% for each month the rented part of the Described Location is unfit for its normal use.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

- 6. Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

- 7. Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 5 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

- 8. Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

PERILS INSURED AGAINST

Unless the loss is excluded in the General Exclusions, we insure for direct physical loss to the property covered caused by:

1A. Fire or lightning.

1B. Internal Explosion, meaning explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.

Explosion does not mean:

- a. electric arcing;
- b. breakage of water pipes; or
- c. breakage or operation of pressure relief devices.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

When a Premium for Extended Coverage is shown in the Declarations, Perils 2 through 8 are made part of Perils Insured Against.

2. Windstorm or hail.

This peril does not include loss:

- a. to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
- b. to the following property when outside of the building:
 - (1) awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or
 - (2) canoes and rowboats.

3. Explosion.

This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean:

- a. electric arcing;
- b. breakage of water pipes; or
- c. breakage or operation of pressure relief devices.

This peril replaces Peril 1B.

4. Riot or civil commotion.

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

6. Vehicles.

This peril does not include loss:

- a. caused by a vehicle owned or operated by you or a resident of the Described Location; or
- b. caused by any vehicle to fences, driveways and walks.

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

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

8. Volcanic Eruption other than loss caused by earthquake, land shock waves or tremors.

When a Premium for Vandalism or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.

9. Vandalism or malicious mischief.

This peril does not include loss:

- a. to glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. by pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or
- c. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

GENERAL EXCLUSIONS

- A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
- 1. Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
 - 2. Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence mudflow; earth sinking, rising or shifting; unless direct loss by:
 - a. fire; or
 - b. explosion;ensues and then we will pay only for the ensuing loss.
 - 3. Water Damage**, meaning:
 - 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;
 - b. water which backs up through sewers or drains or which overflows from a sump; or
 - c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
- Direct loss by fire or explosion resulting from water damage is covered.
- 4. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
 - 5. Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
 - 6. War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
 - 7. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
 - 8. Intentional Loss**, meaning any loss arising out of any act committed:
 - a. by or at the direction of you or any person or organization named as an additional insured; and
 - b. with the intent to cause a loss.
- B.** We do not cover loss to lawns, plants, shrubs or trees outside of buildings.

CONDITIONS

- 1. Policy Period.** This policy applies only to loss which occurs during the policy period.
- 2. Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. for an amount greater than the interest of a person insured under this policy; or
 - b. for more than the applicable limit of liability.
- 3. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, you have:
 - a. intentionally concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made false statements;relating to this insurance.
- 4. Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
 - a. give prompt notice to us or our agent;
 - b.(1) protect the property from further damage;
 - (2) make reasonable and necessary repairs to protect the property; and
 - (3) keep an accurate record of repair expenses;
 - c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 - d. as often as we reasonably require:
 - (1) show the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
 - e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) your interest and that of all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of damaged buildings and detailed repair estimates;
 - (6) the inventory of damaged personal property described in 4c;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
- 5. Loss Settlement.** Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace the damaged property.
- 6. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between actual cash value of the property before and after the loss.
- 7. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 8. Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent 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 Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

9. Other Insurance. If property covered by this policy is also covered by other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.

10. Subrogation. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

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

11. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

12. Our Option. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

13. Loss Payment. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

14. Abandonment of Property. We need not accept any property abandoned by you.

15. Mortgage Clause.

The word "mortgagee" includes trustee.

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

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

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

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

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

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

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

16. No Benefit to Bailee. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

17. Cancellation.

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

- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) if the risk has changed substantially since the policy was issued.This can be done by letting you know at least 30 days before the date cancellation takes effect.
- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

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

- d. 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.

18. Non-Renewal. We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

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

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

20. 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.

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

22. Death. If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

23. Nuclear Hazard Clause.

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – FLORIDA

DEFINITIONS

The following definitions are added:

"Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, toxins, spores, scents or by-products produced or released by fungi.
- b. Under **DP 00 01** and **DP 00 03** with **DL 24 01**, this does not include any fungi, yeast or bacteria that are, are on, or are contained in a good or product intended for consumption.

"Business" includes trade, profession or occupation.

"Insured" means you and residents of your household who are:

- a. your relatives;
- b. other persons under the age of 21 and in the care of any person named above;
- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which is owned by you or any person included in **a.** or **b.** above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. with respect to any vehicle to which this policy applies:
 - (1) persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (2) other persons using the vehicle on an "insured location" with your consent.

"Described Location"

a. **Described Location** means:

- (1) The "residence premises."

"Insured Location" means:

- a. the "residence premises";
- b. the part of other premises, other structures and grounds used by you as a residence, and:
 - (1) which is shown in the Declarations; or
 - (2) which is acquired by you during the policy period for your use as a residence;
- c. any premises used by you in connection with a premises in **a.** or **b.** above;
- d. any part of a premises:
 - (1) not owned by an "insured"; and
 - (2) where an "insured" is temporarily residing;
- e. vacant land, other than farm land, owned by or rented to an "insured";
- f. land owned by or rented to an "insured" on which a one to four family dwelling is being built as a residence for an "insured";
- g. individual or family cemetery plots or burial vaults of an "insured"; or

- h. any part of a premises occasionally rented to an "insured" for other than "business" use.

"Residence Employee" means:

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

"Residence Premises" means:

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

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

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

COVERAGES

COVERAGE C – PERSONAL PROPERTY

The following limitation is added as follows:

\$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the Described Location.

We will pay that part of covered loss to refrigerated property that exceeds **\$100**. No other deductible applies to this coverage.

Property Not Covered Paragraph 1. is deleted and replaced with the following:

1. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, silver other than silverware, platinum, letters of credit, notes other than bank notes, manuscripts, medals, money, securities, personal records, passports, tickets, stamps, trading cards and comic books.

OTHER COVERAGES

In Form **DP 00 03, Other Coverages** Item 5. is deleted and replaced by the following:

5. Fair Rental Value and Additional Living Expense.
 - a. You may use up to the Coverage **D** Limit of Liability shown on your Declarations for loss of Fair Rental Value as described in Coverage **D** – Fair Rental Value; or
 - b. You may use up to the Coverage **E** Limit of Liability shown on your Declarations for loss of Additional Living Expense as described in Coverage **E** – Additional Living expense.
 - c. In either event, the payments(s) will be limited to (24) consecutive months from the date of the covered loss.

Use of this coverage does not reduce the Coverage **A** limit of Liability or Coverage **C** limit of liability.

In Form **DP 00 01**, the following is added to Other Coverages Item **5**..

Payments(s) will be limited to (24) consecutive months from the date of the covered loss.

11. Glass or Safety Glazing Material is deleted and replaced by the following:

11. Glass or Safety Glazing Material.

- a. We cover:
 - (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
 - (2) The breakage caused directly by Earth Movement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the Described Location if the dwelling has been vacant for more than thirty (30) consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

Loss to Glass covered under this OTHER COVERAGE **11**. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

The following Other Coverage is added:

"Fungi," Wet Or Dry Rot, Yeast Or Bacteria

- a. We will pay up to \$10,000 for:
 - (1) The total of all loss payable under the Coverages section of your policy caused by "fungi," wet or dry rot, yeast or bacteria;
 - (2) The cost to remove "fungi," wet or dry rot, yeast or bacteria from property covered under the Coverages section of your policy;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi," wet or dry rot, yeast or bacteria; and
 - (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi," wet or dry rot, or bacteria whether performed prior to, during

or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi," wet or dry rot, yeast or bacteria.

- b. The coverage described in **a.** only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Additional Living Expense or Fair Rental Value under this Other Coverage resulting from any one loss regardless of the:
 - (1) Number of locations insured; or
 - (2) Number of occurrences or claims made; or
 - (3) Number of "insureds."
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi," wet or dry rot, yeast or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that "fungi," wet or dry rot, yeast or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Other Coverage.

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

PERILS INSURED AGAINST

In Form **DP 00 03**:

Coverage **A** – Dwelling And Coverage **B** – Other Structures Paragraph **2.g.** is deleted and replaced by the following:

- g. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form **DP 00 03**:

Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **12.d.** is added to PERILS INSURED AGAINST:

- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insured's" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In forms **DP 00 01** and **DP 00 03**:

The following is added to **PERILS INSURED AGAINST**:

Sinkhole Activity.

1. We insure for direct physical loss to property covered under Section I caused by a "sinkhole loss", including the costs to:
 - a. Stabilize the land and building; and, or
 - b. Repair the foundation:
In accordance with the recommendations of the professional engineer who verifies the presence of a "sinkhole loss" in compliance with Florida sinkhole testing standards and in consultation with you.
2. Sinkhole activity means settlement or systematic weakening of the earth supporting such property only when such settlement or systematic weakening results from movement or raveling of soils, sediments or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
3. Sinkhole means a landform created by subsidence of soil, sediment or rock as underlying strata are dissolved by ground water. A sinkhole may form by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
4. Sinkhole loss means structural damage to the building, including the foundation, caused by sinkhole activity. Contents coverage shall apply only if there is structural damage to the building caused by sinkhole activity.

The Earth Movement exclusion does not apply to this peril.

In Forms **DP 00 01** and **DP 00 03** with **DP 04 65**.

In Form **DP 04 65**:

Paragraph **2.g.** is deleted and replaced with the following:

- g. constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

GENERAL EXCLUSIONS

2. **Earth Movement** is deleted and replaced by the following:
 2. **Earth Movement**, meaning earthquake, including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow, earth sinking, rising or shifting; unless direct loss by:
 - a. Fire; or
 - b. Explosion;

ensues and then we will pay only for the ensuing loss.

(This is exclusion **1.b.** in Forms **DP 00 01** and **DP 00 03**)

4. **Power Failure** is deleted and replaced by the following:

4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the Described Location, we will pay for the loss or damage caused by that PERIL INSURED AGAINST.

(This is exclusion **1.d.** in Forms **DP 00 01** and **DP 00 03**)

Paragraph **1.i.** is added to GENERAL EXCLUSIONS.

- i. **"Fungi," Wet Or Dry Rot, Yeast Or Bacteria** meaning the presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, yeast or bacteria.

This Exclusion does not apply:

- (1) When "fungi," wet or dry rot, yeast or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in the "Fungi," Wet Or Dry Rot, Yeast Or Bacteria Additional Coverage under Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi," wet or dry rot, yeast or bacteria is covered.

(This is General Exclusion **A.8.** in Form **DP 00 01** and General Exclusion **1.i.** in form **DP 00 03**)

In Form DP 00 01

The following Exclusions are added to GENERAL EXCLUSIONS:

Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance, including the tearing out and replacing any part of a covered building necessary to repair the system or appliance from which the water or steam escaped.

This includes loss:

- a. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- b. To the system or appliance, including a sump, sump pump or related equipment from which the water or steam escaped;
- c. Caused by or resulting from freezing;
- d. On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

CONDITIONS

3. Concealment or Fraud is deleted and replaced by the following:

3. Concealment or Fraud.

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

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

In form **DP 00 01**

5. Loss Settlement.

The following condition is added to section **5.** as follows:

If the dwelling where loss or damage occurs has been vacant for more than (30) consecutive days before the loss or damage, we will not pay for any loss or damage caused by any of the following perils, even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Sprinkler leakage, unless you have protected the system against freezing;
- (3) Dwelling glass breakage;
- (4) Water damage;

Dwellings under construction are not considered vacant.

In form **DP 00 03**

5. Loss Settlement.

The following condition is added to this section as **b.(6).**

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

- d. Not pay for any loss or damage caused by any of the following perils, even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Dwelling glass breakage;
 - (4) Water damage;

Dwellings under construction are not considered vacant.

In Form **DP 00 03**

Loss Settlement paragraph **5.c.** is added as follows:

(This is an additional condition in CONDITIONS, **5.** Loss Settlement of Form **DP 00 01**)

c. In the event of sinkhole activity:

- (1) We will limit our payment to the actual cash value of the covered sinkhole loss, not including underpinning or grouting or any other repair technique performed below the existing foundation of the building, until you enter into a contract for the performance of building stabilization or foundation repairs.
- (2) After you enter into the contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. We shall not require you to advance payment for such repairs.
- (3) If repair has begun and the professional engineer selected or approved by us determines that the repair can not be completed within the policy limits, we must either complete the professional engineer's recommended repair or tender the policy limits to you without a reduction for the repair expenses incurred.
- (4) If you have submitted a sinkhole claim without good faith grounds for submitting such claim and such claim is not withdrawn prior to our ordering a sinkhole analysis to investigate your claim, you are required, after we obtain written certification that there is no sinkhole activity, to reimburse us for 50% of the actual costs, up to \$2500, of the analysis and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss: pursuant to Florida Statutes 627.7072 and 627.7073.

In forms **DP 00 01** and **DP 00 03**

8. Appraisal is deleted and replaced by the following:

8. Mediation, Appraisal or Neutral Evaluation

- a. 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, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. 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 three (3) business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement

check or draft we provided to you.

We will pay the cost of conducting any mediation 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 incurred while attending the conference and 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 twenty (20) days after the receipt of a written request from the other. The two appraisers will choose a competent and independent umpire. If they cannot agree upon an umpire within fifteen (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 demand 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.

- b. Alternatively, following the receipt of a sinkhole report or denial of a sinkhole loss claim, you may participate in the alternative dispute resolution or neutral evaluation for disputed sinkhole insurance claims provided by § 627.7074, Florida Statutes. We will provide you the consumer information pamphlet prepared by the department that clearly describes the neutral evaluation process and includes the forms necessary to request a neutral evaluation. The neutral evaluation will supersede the mediation and appraisal for settlement of sinkhole losses.

10. **Subrogation.** The following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the Described Location is located.

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

11. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five (5) years after the date of the loss.

12. **Our Option** is deleted and replaced with the following:

12. **Our Option.** We may, at our option, repair or replace any covered part or item of damaged property. If an identical replacement is not available, substitute replacement of material of like kind and quality and for like use will be substituted.

13. **Loss Payment** is deleted and replaced with the following:

13. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable:

- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
- b. Sixty (60) days after we receive your proof of loss; and;
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.

17. **Cancellation.** Paragraphs **b.**, **c.**, **d.** and **e.** are deleted and replaced by the following:

b. When this policy has been in effect for ninety (90) days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.

c. We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reason(s) for cancellation, will 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.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least ten (10) days before the date the cancellation takes effect.
- (2) When this policy has been in effect for ninety (90) days or less, we may cancel for any reason, except we may not cancel:

- (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (b) Solely as the result of a single claim on your policy caused by water damage, unless you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (c) 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:
 - (I) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage, or
 - (II) 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 item 17.b. and 17.c.(1) above, we will let you know of our action at least twenty (20) days before the date the cancellation takes effect.

- (3) When the policy has been in effect for more than ninety (90) days, we may cancel:
 - (a) If there has been a material misstatement;
 - (b) If the risk has changed substantially since the policy was issued;
 - (c) In the event of failure to comply with underwriting requirements established by us within ninety (90) days of the effective date of coverage;
 - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
 - (e) 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 insured property; or

- (f) 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:
 - (I) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage, or
 - (II) 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 ninety (90) days before the date the cancellation takes effect.

- d. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not returned with the policy notice of cancellation or when this policy is returned to us, we will refund it within fifteen (15) working days after the date cancellation takes effect.

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

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

- a. We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reason(s) for nonrenewal, at least ninety (90) days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

b. However, we will not nonrenew this policy:

- (1) 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 to prevent recurrence of damage to the insured property; or
- (2) Solely as the result of a single claim on your policy caused by water damage, unless you have failed to take action reasonable 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 elect not to renew this policy if:

- (a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
- (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

The following Condition **26. Renewal Notification** is added to your policy:

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

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

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least forty-five (45) days before the expiration date of this policy.

Proof of mailing will be sufficient proof of notice.

The following Condition **27. Adjustment to Property Coverage Limits** is added to your policy:

27. Adjustment to Property Coverage Limits

- a. If your policy is a renewal with us, the limit of liability for Coverages **A, B, C, D** and **E** may be adjusted.
- b. Any adjustment in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that these adjustments will keep pace with inflation or that the amounts of coverage are adequate to repair or rebuild any specific building or structure.

The following Condition **28. Deductible** is added as follows:

28. Deductible

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

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

All other provisions of this policy apply.

IN WITNESS WHEREOF, AMERICAN INTEGRITY INSURANCE COMPANY OF FLORIDA has executed and attested these presents.

President
American Integrity Insurance Company of Florida