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## AGREEMENT

This policy, subject to all of its **terms**, provides insurance against loss to property and additionally described coverages during the policy period in return for payment of the required premium. It consists of this Agreement, the Declarations, the General Policy Provisions, Perils Sections and any optional coverages made part of it.

**This policy is a legal contract between *you* and *us*.**

**It is important that *you* read each part of this policy carefully to understand the coverage provided, *your* obligations and *our* obligations under this policy.**

Each coverage is subject to all policy **terms** relating to that coverage including the **terms** applicable to the entire policy. Each principal coverage described in this policy applies only if a limit of insurance is shown on the declarations for that coverage.

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

The company listed on the declarations may have obligations to **you** for loss or damage caused by a named peril described in the Perils Section of this policy. This policy is assessable.

This is a "Named Perils" policy. There is no coverage for loss of or damage to property from causes other than those perils specifically listed and for which a limit of insurance has been stated unless Special Form is indicated on the declarations. The perils that apply are included throughout the policy. Not all perils listed apply to **your** policy.

***You* must refer to the declarations for the perils that apply to *your* policy.**

## POLICY PERIOD

This policy applies only to losses which occur during the policy period which begins at 12:01 a.m. standard time on the date shown on the declarations.

# General Policy Provisions

## DEFINITIONS

In this policy **you** and **your** refer to the **named insured** shown on the declarations and their 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 as follows:

1. **Insured** means **you** and residents of **your** household who are:
  - a. **your** spouse;
  - b. **your** relatives; or
  - c. other persons under the age of 21 and in the care of any person named above.

Each person listed above is a separate **insured** under this policy, but this does not increase **our** limit of insurance under this policy.

If **you** die while insured under this policy, **your** protection passes to **your** legal representative or other person having proper, temporary custody of covered property. However, this person or **your** legal representative is an **insured** only with respect to insurance on covered property.

2. **Actual Cash Value** means what property is worth in terms of money including deduction for depreciation and obsolescence, however caused. Depreciation applies to both materials and labor.
3. **Business** means a trade, profession or other occupation including farming, all whether full or part-time, or the rental of any property to others.
4. **Credit Card** means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor or services on credit.
5. **Domestic Employee** means a person employed by an **insured** to perform duties in connection with the maintenance or use of the **insured premises**. This includes persons who perform household or domestic services or duties of similar nature elsewhere for an **insured**. This does not include persons while performing duties in connection with an **insured's business**.
6. **Dwelling** or **Residence** means a building used principally for family residential purposes including built-in components and fixtures, and includes mobile homes, modular or prefabricated homes.
7. **Buildings** or **Structures** means buildings, other than the **dwelling**. This includes any fixtures or equipment attached to, installed in or connected for use within a building.
8. **Insured Premises** means the resident locations described on the declarations. It also means the one or two family **dwelling** which **you** lease or rent to someone other than an **insured** person including the buildings, the grounds and other structures on the grounds and which are described on the declarations.
9. **Motorized Vehicle** means any self-propelled land or amphibious vehicle (regardless of horsepower, number of wheels or method of surface contact) including parts and equipment. The following categories of **motorized vehicles** have specific meanings as used in this policy:
  - a. **Motor Vehicle** means a **motorized vehicle**, trailer or semi-trailer (including any attached machinery or apparatus):
    - (1) subject to **motor vehicle** registration; or
    - (2) designed for use or travel on public roads.
  - b. **Recreational Motor Vehicle** means a **motorized vehicle** (other than a **motor vehicle** as defined in 9a above), trailer or attached apparatus designed or used for recreation, vacation or leisure time activities, including but not limited to, watercraft (50hp and higher), house trailers, travel trailers, camping trailers, snowmobiles, all-terrain vehicles, mini-cycles, motorcycles, three-wheelers, four-wheelers, go-carts and golf carts.
10. **Occurrence** means an accident which is an unexpected, unintended event including continuous or repeated exposure to substantially similar conditions.
11. **Portable Buildings** are movable structures and are not placed on a foundation.
12. **Tenant's Improvements and Betterments** means permanent fixtures, alterations, decorations and additions, made or acquired at **your** expense, which are part of the described **dwelling, buildings** or **structures**.
13. **Terms** as used in this policy mean provisions, limitations, exclusions, definitions and other writings.

# PRINCIPAL PROPERTY COVERAGES

Only those coverages which you have purchased (refer to your declarations) will apply to your policy.

## DWELLING COVERAGE (Coverage "A")

**We cover:**

1. **your dwelling(s)** which are used principally as a private **residence** on the **insured premises** including additions and built-in components and fixtures when a **limit** is shown on the declarations. This includes construction materials and supplies located on or adjacent to the **insured premises** and intended for use in construction, alteration or repair of an insured **dwelling** on the **insured premises**. This does not increase the **limit** on Coverage "A".
2. **your building or structures** which are located on the **insured premises** and are intended and used for personal use only. Any building or structure used for **business** is not covered.
  - a. **Our** aggregate limit of liability for all unscheduled **buildings** or **structures** will not exceed 10% of the insured value of the **dwelling** on the **insured premises**. This is an additional amount of insurance and will be subject to the same perils and coverages that apply to **your dwelling**.
  - b. Any scheduled **building** or **structure** on the declarations will be subject to the limits, perils and coverages as indicated on the declarations.

**We do not cover:**

1. outdoor antennas, satellite dishes, their lead-in wiring, accessories, masts and towers except as provided in Incidental Property Coverages; or
2. trees, plants, shrubs and lawns except as provided in Incidental Property Coverages.

## HOUSEHOLD PERSONAL PROPERTY COVERAGE (Coverage "C")

**We** cover household personal property, when a limit of insurance is shown on the declarations, owned by or in the care of an **insured** and located at the **insured premises**. **We** also cover household personal property owned by or used by an **insured** person while temporarily elsewhere for up to a limit of 10 percent of Household Personal Property Coverage as shown on the declarations. This does not increase the limit of insurance on Coverage "C". At **your** option, the personal property of guests and **domestic employees** is covered while on the portion of the **insured premises** occupied exclusively by an **insured**.

### Limitations on Certain Property (Coverage "C")

Special limits apply to certain items of personal property. These limits do not increase the total limit of insurance under Household Personal Property Coverage. The special limit for each category below is the total limit per **occurrence** for all property in that category:

1. \$200 on money (including money lost due to theft of a debit card), bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals and numismatic property;
2. \$2000 on securities, commercial paper, stamps, philatelic property, tickets, accounts, deeds, evidence of debt, passports, manuscripts, unpublished works and other valuable papers; (Commercial paper means drafts, checks, certificates of deposit and notes other than bank notes including negotiable orders of withdrawal.)
3. \$2000 on antiques and collectibles;
4. \$2000 on watercraft (49hp or less), including their trailers, equipment, accessories and outboard motors;
5. \$5000 on **motorized vehicles** used to service the **insured premises** and not designed or licensed for use on the public roads. This coverage does not apply to **recreational motor vehicles**;
6. \$1000 on cemetery markers, headstones and urns;
7. \$2000 on horse tack, saddles, bridles and related items;
8. \$2000 on computer hardware, software and related equipment and accessories;
9. \$2000 on jewelry, watches, precious or semi-precious stones, gems or furs applying to theft only;
10. \$2000 on silverware, goldware, pewterware and items plated with gold or silver applying to theft only;
11. \$2000 on guns and gun accessories including antique and collectible guns applying to theft only;
12. \$4000 on tools and shop equipment;

The following property is covered only while on the **insured premises** and is limited to the amounts stated:

13. \$2000 on **business** property but excluding any coverage to property held for sale or resale; or
14. \$2000 on trailers not used with watercraft.

**We do not cover:**

1. animals, birds, fish or insects;

2. **motorized vehicles** and their equipment, accessories, tires and parts except those vehicles used to service the **insured premises** (subject to limitations on certain property);
3. campers, camper bodies, camper trailers, pickup toppers;
4. property of roomers or boarders not related to an **insured** person or property of tenants;
5. property rented to or held for rental to others by an **insured** person;
6. property specifically described and insured by this or any other insurance;
7. farm personal property;
8. aircraft including their parts and equipment;
9. outdoor antennas, satellite dishes, their lead-in wiring, accessories, masts and towers except as provided in Incidental Property Coverages;
10. trees, plants, shrubs and lawns except as provided in Incidental Property Coverages;
11. any device, accessories or antennas designed for reproducing, receiving, transmitting, recording or playing back data, sound or picture (or any film, tape, wire, record or other media designed for use with such device) which may be operated from the electrical system of a **motorized vehicle**, farm equipment or watercraft while in or on the **motorized vehicle**, farm equipment or watercraft;
12. **business** property while away from the **insured premises**;
13. trailers not used with watercraft while away from the **insured premises**; or
14. restoration of records or computer data unless provided under special endorsement.

#### **INCREASE IN LIVING COSTS AND LOSS OF RENTS COVERAGE (Coverage "D")**

**We** pay any necessary and reasonable increase in living costs **you** incur (when a limit of insurance is shown on the declarations) to maintain the normal standard of living of **your** household if the **insured dwelling** or a portion of the **insured dwelling** is made unfit for occupancy by an insured loss. **We** pay only for the period of time reasonably required to make the **insured dwelling** fit for occupancy or to settle **your** household in new quarters, whichever is less. This period of time is not limited by the policy period. **We** pay for any loss of rents actually sustained by **you** if the part of the **insured dwelling** rented to others is made unfit for occupancy due to an insured loss. **We** pay only for the period of time reasonably required to make the **insured dwelling** fit for occupancy. Loss of rents is the amount **you** would have received less the charges and expenses that do not continue while the **insured dwelling** are unfit for occupancy. This period of time is not limited by the policy period.

**We** pay **your** increase in living costs and loss of rents for a period of up to two (2) weeks if the premises immediately adjoining **your insured dwelling** are damaged from a peril insured against by this policy, and **you** are prohibited by order of civil authority from using the **insured dwelling**. This period of time is not limited by the policy period.

**We** do not pay expenses due to cancellation of any lease, or written or oral agreement under this coverage.

#### **BUILDINGS or STRUCTURES COVERAGE (Coverage "G")**

**We** cover **buildings** or **structures** as specifically scheduled on the declarations with a limit of insurance shown while located on the **insured premises**. This includes attached sheds and any fixtures or equipment attached to, installed in or connected for use within a building unless they are specifically insured. **We** also cover construction materials and supplies intended to be used in the construction, alteration or repair of such buildings or structures shown on the declarations. These items must be on or adjacent to the **insured premises** and this coverage does not increase the limit of insurance on the insured item.

#### **LIMITATIONS APPLYING TO BUILDINGS or STRUCTURES (Coverage "G")**

**We** pay:

1. no more than 50 percent of the limit of insurance specified on the declarations for a covered loss to the roof of the scheduled **building** or **structure**.

# INCIDENTAL PROPERTY COVERAGES

In the event of a covered loss, this policy provides the following Incidental Property Coverages.

These incidental coverages are subject to all of the **terms** of the applicable Principal Property Coverages.

1. **Removal.**

a. **Emergency Removal.**

(1) **We** pay for loss to covered household personal property, mobile homes and their contents while removed from the **insured premises** for preservation from damage from perils insured against. Such property is covered against direct loss from risk of physical loss not specifically excluded under this policy for a period of five (5) days. It is covered against loss from perils insured against for an additional twenty-five (25) days. This coverage does not extend beyond the expiration date of the policy.

(2) **We** pay up to \$100 towing charge to move a covered mobile home endangered by a peril insured against.

2. **Debris Removal.** **We** pay for removal of debris of covered property following an insured loss. **We** pay **your** actual cost for removal of debris of covered property up to a maximum amount which shall be the lesser of:

- a. an additional 10 percent of the amount payable for damage to the covered property; or
- b. \$5000.

However, if a specific amount is indicated on the declarations for "Debris Removal", that amount shall replace item b. above.

This coverage does not apply to the removal of pollutants as described in the General Exclusions section.

3. **Change of Location.** When **you** move to another location where **you** intend to permanently reside:

- a. the Household Personal Property (Coverage "C") limit of insurance applies pro-rata at each location for thirty (30) days from the date **you** begin to move but not extending past the expiration date of the policy; and
- b. the Household Personal Property (Coverage "C") in transit is covered against direct loss from perils insured against for an amount up to 10 percent of the Household Personal Property (Coverage "C") limit of insurance.

4. **Fire Department Service Charge.** **We** will pay up to \$500 or the limit of insurance on the declarations for service charges made by a fire department when called to protect **your** covered property from perils insured against. If this limit has been increased, the total limit of insurance will be indicated on the declarations.

5. **Credit Card, Forgery or Counterfeit Money.** **We** pay up to \$1000 for loss sustained by an **insured** when a limit of insurance on the declarations applies to Household Personal Property (Coverage "C") when such **insured**:

- a. becomes legally obligated to pay for the unauthorized use of **credit cards** issued or registered in the **insured's** name;
- b. suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit or notes including negotiable orders of withdrawal; or
- c. accepts in good faith counterfeit United States or Canadian paper currency.

**We** do not pay for loss if:

- a. the **insured** has not complied with the **terms** under which the **credit card** was issued;
- b. the loss is caused by the dishonesty of the **insured**;
- c. the loss results from **business** activities of the **insured**;
- d. the loss occurs while a person, not an **insured**, has possession of the **credit card** with an **insured's** permission; or
- e. the loss involves a bank debit card or similar device used for the deposit, withdrawal or transfer of funds.

6. **Trees, Plants, Shrubs and Lawns.** **You** may apply up to 10 percent of the Household Personal Property (Coverage "C") limit of insurance to cover trees, plants, shrubs and lawns on the **insured premises**. **We** will pay only for loss caused by the following perils: fire, lightning, explosion, riot or civil commotion, aircraft, vehicles not owned or operated by an **insured** or occupant of the **insured premises** where the loss occurred and if insured under **your** policy, vandalism, malicious mischief and theft. **We** will pay up to \$100 for any one tree, plant, shrub or lawn including the cost of removing the debris of the covered item.

**We** do not cover trees, plants, shrubs or lawns:

- a. grown for **business** or farming purposes; or
- b. located more than 100 feet from the **residence** on the **insured premises**.

7. **Tenant's Improvements and Betterments.** If **you** are a tenant, **you** may apply up to 10 percent of the Household Personal Property (Coverage "C") limit of insurance to cover direct loss by perils insured against to permanent fixtures, alterations, decorations or additions installed on the **insured premises** and made or acquired at **your** expense.
8. **Condominium Unit - Owner Additions.** If the **insured premises** are a condominium unit, **you** may apply up to 10 percent of the Household Personal Property (Coverage "C") limit of insurance to cover direct loss by perils insured against to permanent fixtures, alterations, decorations or additions **you** own within **your** condominium unit. This does not include parts of the building structure or other property such as utility lines situated in easements with the unit.
9. **Outdoor Antenna Coverage.** If **you** have purchased Coverage "A" or "C", **we** will pay up to \$500 for direct loss by perils insured against to outdoor antennas and satellite dishes including their lead-in wiring, accessories, masts or towers. If the limit of insurance has been increased, the total limit of insurance will be indicated on the declarations.
10. **Newly Constructed Buildings or Structures.** It is a special condition of this policy that the insurance on **buildings or structures** is extended to cover the cost of construction of new building(s) on the premises for a period of sixty (60) days from the beginning of such construction but not to exceed 10 percent of the total limit of insurance under this policy applying to the **dwelling** on the **insured premises**.
11. **Fence Coverage- We** pay up to \$250 per **occurrence** for direct loss by perils insured against to fences which are incidental to the **residence**. This does not include fences which are incidental or usual to any **business** or farming operation or to fences more than 100 feet from the **dwelling**.
12. **Added Perils for Refrigerated Food Products – We** extend Household Personal Property (Coverage "C") to cover the food products in a freezer or refrigerated unit on the **insured premises**. **We** pay no more than \$500. The covered food products must be owned by **you**. The deductible provisions of this policy do not apply to this coverage. The loss must be caused by change in temperature resulting from:
  1. interruption of electrical service to refrigeration equipment; or
  2. mechanical or electrical breakdown of the refrigeration system.
 If a higher limit applies it will be shown on the declarations.
13. **Outside Wiring and Supports Coverage – We** pay up to \$500 per **occurrence** for direct loss by perils insured against to electric or telephone equipment and transmission wires and their supports outside of buildings. This includes overhead and underground electric equipment. This equipment must belong to **you** and must be located on the **insured premises**.
14. **Limited Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Property Coverage**
  - a. This policy is extended to provide Limited Wet Rot, Dry Rot, Bacteria, Fungi, and Protists for Property Coverage on the Dwelling and Personal Property. This coverage is subject to all of the "terms" of the policy, except as amended by this endorsement.

"We" pay up to \$2,500 per occurrence for the reasonable cost or expense you incur after a covered water loss to test for:

- (1) wet rot; dry rot; a bacterium; a fungus, including mildew and mold; or a protist that is hidden from view; or
- (2) a chemical, matter, or a compound produced or released by such wet rot, dry rot, bacterium, fungus, or protists.

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

- b. **Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Aggregate Property Limit – The Wet Rot, Dry Rot, Bacteria, Fungi and Protists Aggregate Property Limit is the most "we" pay for the total of:**
  - (1) all loss covered under Dwelling Coverages and Contents; loss covered under all incidental Coverages except Emergency Removal and, if provided by this policy, Collapse; and all direct physical loss, increased costs, assessments, expenses, loss or income, and loss or earnings covered by endorsement or coverage part attached to this policy, including all cost or expense to:
    - (a) clean up, remove, contain, treat, detoxify, neutralize, respond to, monitor, or assess the effects of wet rot, dry rot, a bacterium, a fungus, or a protist or a chemical, matter, or a compound produced or released by it; and
    - (b) remove and replace parts of covered property necessary to repair or replace damage or to clean up, remove, contain, treat, detoxify, neutralize, respond to, monitor, or assess the effects of the wet rot, dry rot, bacterium, fungus, or protist or a chemical, matter, or a compound produced or released by it; and

- (2) all cost or expense to test for wet rot, dry rot, a bacterium, a fungus, or a protist or a chemical, matter, or a compound produced or released by it;

regardless of the number of occurrences, claims made, or locations insured under this policy.

This "limit" is the most that "we" pay for each consecutive annual period and for any remaining period of less than 12 months, beginning with the inception date of this policy as shown on the "declarations". If, however, the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the "limit".

The Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Aggregate Property Policy Limit is \$5,000 unless a higher Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Aggregate Property Policy Limit is shown on the "declarations".

- c. Restoration of Limits under How Much We Pay For Loss Or Claim in does not apply with respect to Limited Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Property Coverage.
  - d. Any claim for this coverage must be filed within 365 days of the occurrence of a covered peril, which is the proximate cause of loss. The covered peril must have occurred during the term of this policy and have been reported as a loss in accordance with policy provisions.
  - e. All other "terms" of the policy apply.
15. **Builders Risk Coverage** - It is agreed and understood that when this coverage is shown on the declarations, the policy is extended to provide insurance against the perils as specified on the declarations page and subject to all restrictions or limitations imposed herein or in the policy, all while the building or buildings specified on the declaration page are in the process of construction.

It is agreed and understood that the amount of insurance payable for a covered loss under this policy shall be valued and settled according to the actual value of that portion of the construction completed at the time of loss.

It is further agreed and understood that this insurance shall commence with the assembling of building material on the proposed site of said building or buildings, or contiguous thereto. Liability under this Builder Risk Endorsement shall terminate when the said building or buildings are fully constructed and ready to be put into use for their intended purpose, but in no event shall this Builders Risk Endorsement be extended beyond the number of days specified on the declaration page, and shall then terminate at 12:01 A.M.(Standard Time) on the last day.

## PERILS WE INSURE AGAINST

This is a "named perils" policy. There is no coverage for loss of or damage to property from causes other than those perils specifically listed and for which a limit of insurance has been stated on the declarations. The perils that may apply are included throughout the policy. Not all perils listed apply to **your** policy. Each covered item on the declarations is insured for the perils indicated on the declarations in the Perils Insured Against section.

Please refer to the declarations for perils that apply to **your** policy.

**We** insure for direct loss to covered property caused by the following perils if indicated on the declarations.

### LIMITED PERILS

When Limited is shown on the declarations, the following perils apply to **your** policy:

1. **Fire or Lightning.**
2. **Windstorm and Hail.** This does not cover loss:
  - a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all whether wind-driven or not;
  - b. caused directly or indirectly by the weight of ice, snow or sleet, all whether wind-driven or not;
  - c. to the interior of a building, or to the property inside, caused by dust, rain, sand, sleet, snow or water, or weight thereof, all whether wind-driven or not. Loss caused by dust, rain, sand, sleet, snow or water is covered if these elements enter through an opening in the roof or walls resulting from damage caused by the direct force of wind or hail;

- d. to watercraft (except rowboats and canoes on the **insured premises**) including their trailers, accessories, equipment and outboard motors unless such property is inside a fully enclosed building;
  - e. cloth or plastic tarpaulins or sheets or temporary roofs used to cover property in the open;
3. **Explosion.** This does not cover loss caused by:
    - a. explosion of steam boilers, steam pipes, steam turbines or steam engines if owned by, leased by or operated under the control of the **insured**;
    - b. shock waves caused by aircraft known as sonic boom;
    - c. electrical arcing; or
    - d. rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown, water hammer, water pipes, pressure relief devices or due to swelling of the contents of any **residence** caused by water.
  4. **Riot or Civil Commotion.**
  5. **Aircraft.** This means only direct loss from actual physical contact of an aircraft or objects falling from an aircraft with covered property.
  6. **Vehicles.** This does not cover loss to fences, driveways or walks, caused by any vehicles owned or operated by an **insured** or by an occupant of the **insured premises**.
  7. **Sudden and Accidental Damage from Smoke.** This does not cover loss caused by smoke from agricultural smudging or industrial operations.

### BASIC PERILS

When Basic is shown on the declarations, all perils in the Limited Perils section, plus the following, apply to **your** policy:

8. **Vandalism and Malicious Mischief.** This does not cover loss if caused by a tenant of the **insured premises** or by a person who has care, custody or control of an **insured premises**. This does not cover loss if the **insured premises** is vacant for more than thirty (30) consecutive days immediately before the loss. A **residence** under construction is not considered vacant.
9. **Theft.** This includes theft or attempted theft and loss of property from a known place at a known time where there is clear and convincing proof, including physical evidence, that theft occurred. Property is considered as being on the **insured premises** while placed for safekeeping in a bank, trust or safe deposit company.

**We** do not cover:

- a. theft committed by an **insured**, or loss caused by a tenant of the **insured premises** or by a person who has care, custody or control of an **insured premises** or covered property;
- b. theft of construction materials and supplies intended for construction, alteration or repair of a **dwelling, building or structure** until completed and being used for its intended purpose;
- c. loss of a precious or semi-precious stone from its setting;
- d. theft from premises which are vacant for more than thirty (30) consecutive days immediately before the loss;
- e. loss resulting from the theft of any **credit card** or similar device except as provided in Incidental Property Coverages;
- f. loss resulting from the theft of a debit card or similar device used for the deposit, withdrawal or transfer of funds;
- g. loss through acceptance of forged or misrepresented negotiable instruments (such as checks) or through swindling, fraud, trick or false pretense shall not be considered loss by theft;
- h. loss disclosed on taking inventory;
- i. loss by conversion or embezzlement;
- j. loss by escape or mysterious disappearance; or

**We** also do not cover theft that occurs away from the **insured premises** of:

- k. property while on the portion of any residential premises owned, rented or occupied by an **insured** except for the period of time while an **insured** is temporarily residing there (However, property of a full-time student who is an **insured** is covered while on the portion of the residential premises occupied by the student at school); or
- l. trailers, their equipment, campers, camper bodies, outboard motors, watercraft, their accessories, pickup toppers and camper trailers.

10. **Glass Breakage.** This covers breakage of glass or other glazing material which is part of a **dwelling**, mobile home, **building** or **structure**. This does not cover loss if the **insured premises** are vacant for more than thirty (30) consecutive days immediately before the loss. A **residence** under construction is not considered vacant. This also covers cab glass on **motorized vehicles** used to service the **insured premises** and not designed or licensed for use on the public roads. This coverage does not apply to **recreational motor vehicles**.

### BROAD PERILS

When Broad is shown on the declarations, all perils applying to Limited and Basic perils, plus the following perils, apply to **your** policy.

11. **Falling Objects.** This does not cover loss:
- to the interior of a **residence** or mobile home, or to the property inside, unless the object has previously damaged the outside walls or roof by impact;
  - to outdoor awnings or canopies including their supports;
  - to fences or outdoor equipment not permanently installed; or
  - to the object which falls.
12. **Weight of Ice, Snow or Sleet** which causes physical damage to a **residence**, **building**, mobile home or household personal property. This does not cover loss to:
- outdoor equipment not permanently installed;
  - gutters and downspouts;
  - outdoor awnings or canopies including their supports; or
  - outdoor structures such as swimming pools, retaining walls, fences, septic tanks, piers, wharves, foundations, patios and paved areas unless the loss is directly caused by the collapse of a **residence** caused by weight of ice, snow or sleet.
13. **Collapse of a Residence or Any Part of a Residence.** (Collapse does not include swelling, cracking, shrinking, bulging or expanding, or loss caused by wind or hail.) Unless the damage is directly caused by the collapse of a **residence**, this does not cover loss:
- to outdoor awnings or canopies including their supports;
  - to outdoor equipment not permanently installed; or
  - to any structures such as swimming pools, retaining walls, fences, septic tanks, piers, wharves, foundations, patios and paved areas.
14. **Sudden and Accidental Tearing Apart, Burning or Bulging** of a heating or air-conditioning system or water heater. This does not cover loss by freezing.
15. **Accidental Discharge or Overflow of Liquids or Steam** from a plumbing, heating or air-conditioning system or domestic appliance. (Gutters and downspouts are not part of a plumbing system.) This does not cover loss:
- caused by continuous or repeated seepage or leakage;
  - if the **residence** has been vacant for more than thirty (30) consecutive days immediately before the loss. A **residence** under construction is not considered vacant.
  - to the system or domestic appliance from which the liquid or steam escapes (**We** pay the cost of removing and replacing only those parts of the **residence** or mobile home necessary to repair the system or domestic appliance.);
  - caused by freezing; or
  - on the **insured premises** caused by accidental discharge or overflow which originates off the **insured premises**.
16. **Freezing of a Plumbing, Heating or Air-conditioning System or Domestic Appliance.** This does not cover loss on the **insured premises** while the **residence** is vacant, unoccupied (including temporary absence) or is under construction and unoccupied. However, this exclusion does not apply if an **insured** has used reasonable care to:
- maintain heat in the **residence** or mobile home; or
  - shut off the liquid supply and completely empty the system or domestic appliance.
17. **Sudden and Accidental Damage from Artificially Generated Electrical Currents** to electrical appliances, devices, fixtures and wiring.
18. **Collision and/or Overturn.** This means an accidental direct loss to **your** covered **motorized vehicle** caused by:
- collision with another vehicle or object; or
  - overturn.

**Exclusions:** This coverage shall not apply to:

- (1) loss to tires and tubes unless such loss is coincidental with other loss or damage caused by collision;

- (2) loss to any object with which a machine collides, with the exception of other covered **motorized vehicles**;
- (3) any damage to the mechanical interior of the machine caused by rocks, stumps or any other object;
- (4) any damage to covered personal property caused by collapse, unless the damage results from collapse of a building; or
- (5) loss caused by contact between a trailer or any other type of conveyance and the covered **motorized vehicle** being transported.

### SPECIAL FORM

When Special is shown on the declarations, the perils of Limited, Basic and Broad apply to **your** policy. Additionally, **we** insure against risks of direct physical loss (excluding consequential loss) except losses specifically excluded. Each covered item on the declarations is insured for the perils indicated on the declarations in the Perils Insured Against section.

When the "Special Form" is shown on the declarations, the following provision is amended:  
Under "Limited Perils", Page 6, item 2c is deleted.

### PROPERTY NOT COVERED

This does not cover loss to:

1. submersible pumps and sump pumps;
2. **motor vehicles, recreational motor vehicles**, campers, camper bodies, camper trailers, pickup toppers, watercraft, aircraft, their equipment, tires and parts;
3. alcohol producing equipment;
4. **portable buildings** and portable structures;
5. collectors or other devices designed for making use of solar energy;
6. cloth or plastic tarpaulins, or sheets or temporary roofs used to cover property in the open.

### LIMITATIONS ON CERTAIN PROPERTY

When Special Form applies to Household Personal Property (Coverage "C") -- Limitations on Certain Property, items 9, 10 and 11 are deleted, replaced and expanded by the following:

9. \$2000 for loss by theft, misplacing or losing of jewelry, watches, precious and semi-precious stones, gems or furs;
10. \$2000 for loss by theft, misplacing or losing of silverware, goldware, pewterware and items plated with gold or silver; or
11. \$2000 for loss by theft, misplacing or losing of guns and items related to guns including antique and collectable guns.

### EXCLUSIONS

The following exclusions apply in addition to the exclusions defined in the "Perils We Insure Against" and "General Exclusions" sections of the policy:

1. For all property covered under this form:
  - a. **Birds, Vermin, Rodents, Insects or Domestic Animals. We** do not pay for loss caused by birds, vermin, rodents, insects, domestic animals or pets;
  - b. **Conversion, Embezzlement and Infidelity. We** do not pay for loss by conversion, embezzlement, infidelity or any dishonest act by **you**, any **insured**, **your** employees or persons to whom the covered property was entrusted;
  - c. **Extremes of Temperature or Dampness of Atmosphere. We** do not pay for the loss caused by extremes of temperature or dampness of atmosphere;
  - d. **Freezing, Thawing, Pressure or Weight of Ice, Snow or Water. We** do not pay for damage to structures (other than dwellings or buildings) including, but not limited to, swimming pools, fences, retaining walls, septic tanks, foundations and paved areas caused by freezing, thawing or pressure or weight of ice or water whether wind-driven or not;
  - e. **Seepage or Leakage. We** do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating or air-conditioningsystem or appliance.

- f. **Settling, Cracking, Shrinking, Bulging or Expanding.** We do not pay for loss caused by the settling, cracking, shrinking, bulging or expanding of a building (or any part of a building), pavements or any other outdoor structure.
- 2. **Buildings or Structures** (Coverage "G")
  - a. **Dust, Rain, Sleet, Snow or Water.** We do not pay for loss to the interior of a building, or to the property inside caused by dust, rain, sand, sleet, snow or water, all whether wind-driven or not. Loss caused by dust, rain, sand, sleet, snow or water is covered if they enter through an opening in the roof or walls as a result of physical damage not otherwise excluded by this form.
  - b. **Freezing and Accidental Discharge or Overflow of Liquids or Steam** to a premises that is vacant or unoccupied unless the **insured** has taken reasonable care to:
    - (1) maintain heat in the building; or
    - (2) shut off the water supply and completely empty liquids from any plumbing, heating or air-conditioning system, water heater or appliance. If any **insured** fails to do this, **we** do not pay for loss caused by freezing or the resulting discharge, leakage or overflow from such system, water heater or appliance.

## GENERAL EXCLUSIONS

*(Apply to all Coverages)*

**We** do not pay for loss resulting directly or indirectly from:

1. **Business Interruption.** This means loss resulting from the interruption of **business**.
2. **Civil Authority.** This means loss including seizure, confiscation or destruction of property caused by order of any civil authority. **We** pay for loss resulting from acts of destruction by civil authority to prevent the spread of fire as long as the fire did not originate from a peril excluded by this policy.
3. **Concurrent Causation.** **We** do not pay for loss if one or more of the exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
4. **Contest.** **We** do not pay for loss resulting from the use of covered property in any racing, speed, pulling or pushing, demolition or stunting activity or contest or in the practice or preparation for such activity or contest.
5. **Earth Movement of any Kind.** This includes, but is not limited to, earthquake, landslide, mudflow, earth sinking and earth rising or shifting. **We** pay for direct loss by fire, explosion and (if covered by this policy) theft resulting from earth movement.
6. **Neglect.** This means neglect by an **insured** to use all reasonable means to save covered property at and after the time of a loss. It also means neglect by an **insured** to use all reasonable means to save and preserve covered property when endangered by a peril insured against.
7. **Nuclear Hazard.** This means loss caused by nuclear reaction, nuclear radiation or radioactive contamination (whether controlled or uncontrolled and whether caused by, contributed to or aggravated by any peril insured against by this policy). Loss caused by nuclear hazard shall not be considered loss caused by fire, explosion or smoke. However, direct loss by fire resulting from the nuclear hazard is covered.
8. **Ordinance or Law.** This means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair or demolition of a building or other structure. When breakage of glass is covered by this policy, **we** pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
9. **Pollutants, Clean Up or Removal of Pollutants.** Pollutant means 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 policy does not cover damage to land, bodies of water, underground water or water table supplies, or for debris removal (if provided by any coverage) or the cost to extract, clean up or remove pollutants from land, bodies of water, underground water or water table supplies, or to remove, restore or replace polluted land, bodies of water, underground water or water table supplies.
10. **Power Interruption.** This means loss from the interruption of power or other utility services resulting from any cause, whether insured under this policy or not, if the interruption takes place away from the **insured premises**. **We** pay for loss by a peril insured against which occurs on the **insured premises** as a result of any interruption of power.
11. **Warranty or Guarantee.** **We** do not pay for loss to insured property to the extent that it is covered by a warranty or guarantee supplied by any manufacturer, dealer or contractor.

12. **War.** This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
13. **Water Damage.** This means loss caused by:
  - a. flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these whether wind-driven or not;
  - b. water which backs up through sewers, drains or sump systems (except as provided by endorsement); or
  - c. water below the surface of the ground including water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool or other structure. **We** pay for direct loss by fire, explosion and (if covered by this policy) theft which may result.
14. **Wear and Tear.** "We" do not pay for loss that results from wear and tear, marring, deterioration, inherent vice, latent defect, mechanical breakdown, rust, corrosion, contamination, or smog. "We" do pay for an ensuing loss that is otherwise covered by this policy.
15. **Chemical or Biological.** Regardless of the amount of damage or loss, this exclusion applies to any losses that are carried out or caused by dispersal or application of pathogenic or poisonous biological or chemical materials.
16. **Common Carrier.** Damage to any property while being transported, loaded or unloaded by any common carrier.
17. **Calendar Date or Time Failure.** This means loss or damage resulting from the failure of any electronic data processing equipment, computer program, software, media or data to correctly recognize, interpret or process any encoded, abbreviated or encrypted date or time.
18. **Terrorism.** All actual or threatened loss or damage to persons or property, whether tangible or intangible (including all consequential loss or damage of any type) arising from any attempt to intimidate or coerce a government, the civilian population or any segment thereof, in furtherance of political, social or religious objectives.
19. **Intentional or Expected Loss.** **We** do not pay for loss arising out of any act of any **Insured** if a reasonable person would expect or intend loss to result from the act. In the event of such loss, no **Insured** is entitled to coverage including any **Insured** who did not commit or conspire to commit the act causing the loss.
20. **Moving and Demolition.** **We** do not pay for buildings in the process of being moved, reconstructed or torn down.
21. **Illegal Substance.** **We** do not pay for loss which results from the sale, manufacture, delivery, transfer, storage or packaging by any **Insured** of any substance defined as controlled or illegal by any federal, state or local law, regulation or ordinance.
22. **Bacteria, Fungi, Wet Rot, Dry Rot, or Protists** – "We" do not pay for loss that results from or consists of:
  - a. wet rot; dry rot; a bacterium; a fungus, including but not limited to mildew and mold; or a protist, including but not limited to algae and slime mold; or
  - b. a chemical, matter, or a compound produced or released by wet rot, dry rot, a bacterium, a fungus, or a protist, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds;
 except as provided under Incidental Property Coverages - Limited Wet Rot, Dry Rot, Bacteria, Fungi, and Protists Property Coverage.

This exclusion applies even if the wet rot, dry rot, bacterium, fungus, or protist results from or is aggravated by a loss that may be covered by this policy, including but not limited to loss caused by the accidental discharge of liquids or steam from a plumbing, heating, air-conditioning, spray, mist or cooling system; water heater; or domestic appliance.

However, this exclusion does not apply to wet rot, dry rot, a bacterium, a fungus, or protist that results from fire or lightning.

## PROPERTY NOT COVERED

No coverage is provided to the following property unless specifically insured or included under Incidental Property Coverages:

1. electric or telephone equipment and transmission wires and their supports outside of buildings;

2. radio and television antennas, towers, satellite dishes and their accessories;
3. windmills, windchargers and their towers;
4. fences, gates (other than residential or decorative and within 100 feet of the **residence**); or
5. collectors or other devices designed for making use of solar energy, unless they are a structural part of a building insured under this policy.

## HOW MUCH WE PAY FOR LOSS OR CLAIM

1. **Property losses** are settled on the basis of **actual cash value**, unless otherwise indicated.
2. **Our Limit of Insurance.** For loss to property, **we** pay the lesser of the following amounts:
  - a. the applicable limit of insurance;
  - b. an amount not greater than **your** interest in the property;
  - c. the cost to repair or replace that part of the covered property with property of like kind and quality, less depreciation. Depreciation applies to both materials and labor;
  - d. the amount computed after applying the deductible or other limitation applicable to the loss;
  - e. the **actual cash value** of the property at the time of loss (except as provided in the Optional Replacement Cost Coverage, if applicable); or
  - f. (applies to mobile homes) the amount equal to the difference between the **actual cash value** of the property immediately before the loss and its **actual cash value** immediately after the loss; or
  - g. **we** will only pay for the tear off, disposal and replacement of one layer of roofing material at the time of a covered loss.
3. **Deductible.**
  - a. **We** pay only that part of the loss over the deductible stated on the declarations or by any optional coverage.
  - b. The deductible applies per **occurrence**.
  - c. If coverage is otherwise restricted by special limits of insurance, or limitations on certain property, **our** insurance must be separately computed under both the deductible and the special limit of insurance. **We** pay the lesser of the two amounts.
  - d. The deductible does not apply to fire department service charges or emergency removal.
4. **Loss to a Pair or Set.** If there is a loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the value of the entire pair or set and the loss is not considered a total loss of the pair or set.
5. **Insurance Under More Than One Coverage.** If more than one coverage of this policy insures the same loss, **we** pay no more than the actual claim, loss or damage sustained.
6. **Insurance Under More Than One Policy.** If there is other valid and collectible insurance which applies to a loss or claim, or would have applied in the absence of this policy, the insurance under this policy shall be considered excess insurance and shall not apply or contribute to the payment of any loss or claim until the amount of such other insurance is exhausted.
7. **Future Losses.** Any loss **we** pay under this policy does not reduce the limit of insurance for future losses provided the necessary repairs have been made. The amount of any un-repaired damage from a claim, previously paid by **us** or another insurer, will reduce the amount payable on any future or subsequent claims until such repairs are made.
8. **Failure to Match.** No allowance shall be made for loss of appearance caused by failure to match.

## PAYMENT OF LOSS OR CLAIM

1. **Your Property.** **We** will adjust all losses with **you**. An insured loss will be payable within ten (10) business days after a satisfactory proof of loss is received at the home office by the insurer and the amount of the loss has been established either by written agreement with **you** or the filing of an arbitration award with **us**. Payment will be made to **you** unless another loss payee is named on the policy.
2. **Additional Living Expense.** If the **insured premises** are made unfit for occupancy due to a covered peril, actual covered expenses will be paid on a monthly basis subject to reasonable proof of the **insured's** expenses.
3. **Damage to Personal Property of Others.** At **our** option, an insured loss to property of others may be:
  - a. adjusted with and paid to **you** for the account of the owner of the property; or
  - b. adjusted with and paid to the owner. Payment to the owner discharges **our** obligation to an **insured** as to this property.

4. **Our Options.** We have the option to:
- a. pay the loss in money;
  - b. rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time. **We** must give the **insured** notice of **our** intent to do so within thirty (30) days after receipt of a satisfactory proof of loss; or
  - c. take all or any part of damaged property at the agreed arbitrated value. Any property paid for or replaced may become **our** property.

## DUTIES AFTER LOSS

### 1. Notice.

- a. In case of a loss, **you** shall cooperate and perform the following duties:
  - (1) give **us** or **our** agent immediate notice (in writing if requested);
  - (2) immediately notify the proper law enforcement agency when the act causing the loss is also a violation of law; and
  - (3) immediately notify the **credit card** company if the loss involves **credit cards**.
- b. The notice to **us** must state:
  - (1) the **insured's** name, the kind of policy, policy number and the time, place and circumstances of the loss; and
  - (2) the names and addresses of any claimants and known witnesses.

2. **Cooperation.** The **insured** must cooperate with **us** in performing all acts required by this policy.

### 3. Additional Duties.

- a. The **insured** must also:
  - (1) take all reasonable action to protect covered property at and after a loss to avoid further damage (**We** pay for actions which are reasonable and necessary, up to \$1000, unless prior approval for additional steps is given by the company to protect the property from further damage provided the **insured** keeps an accurate record of such expense. These payments do not increase the limit of insurance otherwise applicable to the loss.);
  - (2) submit to **us** a proof of loss (sworn to under oath and notarized, if requested) within sixty (60) days after the loss or accident. The proof of loss shall include the following information:
    - (a) the time, place and circumstances of loss;
    - (b) the **insured's** interest and the interests of all others in the property involved including all mortgages and liens on the covered property;
    - (c) other policies of insurance that may cover the loss on the property;
    - (d) changes in title or occupancy of the property during the policy period;
    - (e) available plans and specifications of buildings or structures;
    - (f) detailed estimates for repair of damage; and
    - (g) an inventory of damaged personal property showing in detail the quantity, description, cost, **actual cash value** and amount of loss. The **insured** must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.
- b. At **our** request, the **insured** must also:
  - (1) submit to examination under oath in matters connected with the loss or claim as often as **we** reasonably request. If **we** so request, the examination under oath of any **insured** shall be held out of the physical presence of any other **insured**. **We** may also video tape any such examination if **we** so choose. If **we** require **you** to do this, **we** will inform **you**:
    - (a) of **your** right to counsel; and
    - (b) that **your** answers may be used against **you** in later civil or criminal proceedings.
  - (2) exhibit the damaged property as often as **we** reasonably request;
  - (3) produce records including tax returns and bank micro-films of all canceled checks relating to value, loss and expenses and permit copies and extracts to be made of them as often as **we** reasonably request;
  - (4) assist in enforcing any right of recovery which the **insured** may have against any party causing the loss and **you** must not in anyway release or impair **our** right of subrogation or recovery;
  - (5) produce records supporting loss of rents and receipts to support any additional living expenses; and
  - (6) submit evidence or affidavit supporting a claim under **credit card**, forgery and counterfeit money coverage stating the amount and cause of loss.

## POLICY CONDITIONS

In addition to the policy **terms** which are contained in other sections of this policy, the following conditions also apply:

1. **Assignment.** We will not be bound by any assignment until **we** have given **our** written consent.
2. **Cancellation or Non-renewal.**

**Cancellation** – Our notice of cancellation will be mailed or delivered to the named insured at least 20 days before cancellation is effective. The notice will include a written explanation of the specific reasons for cancellation.

After 60 days from the effective date of the policy, a notice of cancellation may not be issued unless it is based on at least one of the following reasons:

- a. nonpayment of premium;
- b. discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- c. discovery of acts or omissions on the part of the named insured which increase any hazard insured against;
- d. the occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- e. a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increased any hazard insured against;
- f. a determination by the director of insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of this state;
- g. violation or breach by the insured of any policy terms or conditions; or
- h. such other reasons as are approved by the director of the Division of Insurance.

**Nonrenewal** – We may elect not to renew or continue this policy by giving written notice of our intent at least 30 days before the expiration date or anniversary. The notice may be delivered or mailed to you at the mailing address shown on the Declarations.

This policy terminates automatically on its expiration or anniversary date if you:

- a. surrender the policy to us;
  - b. have notified us or our agent in writing of your intent not to renew; or
  - c. have not paid the renewal or installment payment when due.
3. **Two or More Named Insureds.** When there is more than one **named insured** listed on this policy, any **named insured** has authority to act for all **named insureds** to cancel or change this policy.
  4. **Change, Modification or Waiver of Policy Terms.** A waiver or change of any **terms** of this policy must be issued by **us** in writing to be valid. **Our** request for an arbitration or examination under oath does not waive any of **our** rights.
  5. **Misrepresentation, Concealment or Fraud.** We do not provide coverage if:
    - a. before a loss, **you** or any other **insured** have willfully; or
    - b. after a loss, **you** or any other **insured** have willfully and with intent to defraud; concealed or misrepresented a material fact or circumstance with respect to this insurance or **your** interests therein.
  6. **Intentional Loss.** If **you** or any **insured** intentionally cause a loss to property covered under this policy, this policy is void as to all **insured's**, and **we** will not pay **you** or any other **insured** for this loss.
  7. **Vacancy.** We will not pay for loss while the **insured premises** is vacant beyond a period of thirty (30) days. Vacancy includes premises which may contain contents, but in which no one resides on a permanent basis.
  8. **Increase of Hazard.** We will not pay for loss if the hazard is increased by any means within the control or knowledge of the **insured**.
  9. **Inspection.** We are permitted, but not obligated, to inspect **your** property and operations. **Our** inspection or any resulting advice or report does not warrant that **your** property or operations are safe or healthful or are in compliance with any law, rule or regulation.
  10. **Policy Premium.** The premium for this policy is payable in installments as shown on the declarations. **You** agree to pay each subsequent installment based on the premiums which are in effect for **us** at that time and which apply to this insurance.
  11. **Assessability.** This policy is assessable.

12. **Recoveries.** If **we** pay an **insured** for loss under this policy and lost or damaged property is recovered or payment is made by those responsible for the loss, the following provisions apply:
  - a. The **insured** must notify **us** or **we** will notify the **insured** promptly if either recovers property or receives payment.
  - b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
  - c. The **insured** may keep recovered property by refunding to **us** the amount of the claim paid or any lesser amount to which **we** agree.
  - d. If the claim paid is less than the agreed loss due to a deductible, special limits of insurance or other limiting **terms** of the policy, any recovery will be pro-rated between the **insured** and **us** based on **our** respective interests in the loss.
13. **Subrogation.**
  - a. If **we** make a payment under this policy, the **insured** must assign to **us** his or her right of recovery against any person for the loss to the extent of the payment. The **insured** must do whatever is necessary to make this assignment and secure **our** rights and **you** must not in any way release or impair **our** right of subrogation or recovery.
  - b. **We** are not liable for any loss if an **insured** does anything after the loss occurs to impair **our** right to recover. **You** may waive **your** right of recovery in writing before a loss occurs without voiding the coverage.
  - c. If **we** pay a loss to or on behalf of an **insured** and the **insured** recovers damages from another person for the same loss, the **insured** shall hold the amount recovered in trust for **us** and shall first reimburse **us** up to the full amount **we** have paid under this policy.
14. **Suit Against Us.** No suit to recover for any property claim may be brought against **us** unless:
  - a. the **terms** of this policy have been fully complied with; and
  - b. the suit is commenced within the time allowed by South Dakota law.
15. **Bankruptcy of an Insured.** Bankruptcy or insolvency of any **insured** does not relieve **us** of any of **our** obligations under this policy.
16. **Abandonment of Property.** **We** may take the property or any part of it at the agreed or appraised value, but an **insured** may not abandon the covered property to **us** unless **we** specifically agree.
17. **Appraisal.** This condition is non-binding on both parties and will apply only if **you** and **we** voluntarily agree to appraisal after **you** or **we** fail to agree on the **actual cash value** of an item or amount of loss on written demand by either party, the **insured** and the company shall each, within twenty (20) days of the demand, select a competent and disinterested appraiser and notify the other party of the appraiser's identity. If either party fails to select an appraiser within the time provided, the presiding judge of the district court in the county in which the loss occurred shall appoint an appraiser to represent that party. The appointment shall be made upon application to the court by the party not failing to make the required selection and upon five (5) days written notice to the other party. The appraisers appointed pursuant to this section shall make a good faith effort to select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within fifteen (15) days of their appointment, the presiding judge of the district court in the county in which the loss occurred shall appoint an umpire upon application by either party and five (5) days written notice to the other party. The appraisers shall appraise the loss, stating separately actual value and loss to each item. If the appraisers fail to agree, they shall submit their differences to the umpire whose decision shall control to the extent of the differences between the appraisers. An award in writing, approved by the appraisers or by an appraiser and the umpire, upon being filed with the company, shall be conclusive evidence of the actual value and loss to an item. An appraiser shall be paid by the party represented and the expenses of the appraisal and the umpire shall be paid in equal shares by the two parties.
18. **No Benefit to Bailee.** Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
19. **Mortgage Clause.** Applies only to coverage on buildings. This entire clause is void unless the name of the mortgagee (or trustee) under a trust deed is inserted on the declarations. This clause applies only to the mortgagee (or trustee) and does not affect the **insured's** right or duties under this policy. Loss, if any under this policy, shall be payable to the mortgagee (or trustee) named on the declarations of this policy, as interests appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance as to the interest of the mortgagee (or trustee), only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

**We** reserve the right to cancel this policy at any time as provided by its **terms** but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten (10) days after notice to the mortgagee (or trustee) of such cancellation and shall then cease and **we** shall have the right on like notice to cancel this agreement. Whenever **we** shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that as to the mortgagor or owner, no liability therefore existed, **we** shall to the extent of such payment be thereupon legally subrogated to all the rights of the party to whom such payment shall be made under all securities held as collateral to the mortgagee debt; or may at **our** option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

20. **Liberalization Clause.** If **we** adopt a revision, which would broaden the coverage under this policy without additional premium prior to or during the policy period, the broadened coverage will immediately apply to this policy.
21. **Conformity to Statutes.** Any provisions of this policy and any endorsements attached to it which are in conflict with applicable state law, are amended to comply with the law.