CAUSES OF LOSS

We insure under Coverage A (and Coverage C when applicable) against direct physical loss or damage by these causes of loss:

1. **Fire or Lightning**-excepting loss resulting from electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by artificially generated electrical currents. If fire ensues, ***we*** will pay only for the loss caused by such fire.
2. **Explosion**-including loss or damage caused by explosion of gas or fuel in the fire box, combustion chamber or flues.
   We do not pay for loss or damage caused by:
   a. explosion of steam boilers, steam pipes, steam turbines or steam engines if owned, leased by or operated under the control of an ***insured****;*
   b. shock waves, known as "sonic boom";
   c. electric arcing;
   d. rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
   e. waterhammer;
   f. rupture or bursting of water pipes;
   g. rupture, bursting or operating of pressure relief devices; or
   h. rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

Optional Causes of Loss-Extended Coverage-the following causes of loss, (3 through 9), are subject to an additional premium charge and apply only if a premium for Extended Coverage is shown on the Declarations Page.

3. **Windstorm or Hail**-excepting the following loss or damage:
   a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all whether wind driven or not;
   b. to the interior of a building or mobile home, 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 these elements enter through an opening in the roof or walls resulting from damage caused by the direct force of wind or hail; or
   c. 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.
4. **Riot or Civil Commotion**-including loss or damage resulting directly from pillage and looting that occurs during a riot or civil commotion, where it is taking place. ***We*** also cover loss or damage caused by striking employees of the building owner or tenant while strikers occupy the ***insured premises***.
5. **Aircraft**-including loss or damage caused by impact by an aircraft, or parts falling from it, with the covered property. The term aircraft includes spacecraft and self-propelled missiles.
6. **Vehicles**-including loss or damage caused by impact by a vehicle, or an object thrown by it, with the covered property.
   We do not pay for loss or damage caused by a vehicle:
   a. owned, leased or operated by ***you*** or an occupant of the ***insured premises****;* or
   b. to ***your*** fence(s), driveway(s) or walk(s).
7. **Smoke**-meaning sudden and accidental damage from smoke excepting, smoke from industrial operations or agricultural smudging.
8. ***Sinkhole Collapse***-meaning loss or damage caused by sudden settlement or collapse of the earth supporting the covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on a limestone or similar rock formation.
   We do not pay for the value of land or the cost of filling sinkholes.
9. **Volcanic Action**-meaning direct loss or damage caused by volcanic action, including airborne volcanic blast or shockwaves; ash, dust or particulate matter; or lava flow. All volcanic eruptions that occur within any 72 hour period will constitute a single ***occurrence***.

We do not pay for removal of ash, dust or particulate matter that does not cause direct physical loss to the described property.

Optional Cause of Loss-Vandalism-this cause of loss, (no. 10), is subject to an additional premium charge and applies only when a premium for Vandalism is shown on the Declarations Page.

10. **Vandalism**-meaning direct loss by willful and malicious damage to, or destruction of, the covered property.
    We do not pay for loss:
    a. if the ***insured premises*** are vacant for more than 30 consecutive days immediately before a loss;
    b. to glass or safety glazing materials (other than glass building blocks) which are part of the building, structure or outdoor sign. ***We*** do pay for loss or damage to other property caused by or resulting from breakage of glass by vandals; or
    c. caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.
    A ***residence*** under construction is not considered vacant.

Replacement Cost Provision
(Not Applicable To Mobile Homes
Whether Or Not On A Permanent Foundation)

*(**Our*** liability under this provision is subject to the ***terms*** of How Much ***We*** Pay for Loss or Claim in the General Policy Provisions.)

1. This provision applies only to covered buildings, including additions and built-in components and fixtures, covered under Coverage *A* - ***Residence*** and Coverage B - Related Private Structures on the Premises. The building must have a permanent foundation and roof. This provision does not apply to:
   a. mobile homes whether or not on a permanent foundation;
   b. domestic appliances;
   c. carpeting, curtains and drapes all whether or not permanently installed;
   d. detachable building items including screens, awnings, storm doors and windows, and window air conditioners; or
   e. outdoor structures (other than buildings) which are not permanent components or fixtures of a building. These include (but are not limited to) swimming pools, fences, paved areas, submersible pumps and sump pumps.
2. If the amount of insurance on the damaged buildings is less than 80 percent of its replacement cost at the time of loss, ***we*** pay the larger of the following (in excess of the deductible):
   a. actual cash value of the damaged part of the building; or
   b. that proportion of the replacement cost of the damaged part which ***our*** amount of insurance on the building bears to 80 percent of the full current replacement cost of the building.
3. If the amount of insurance on the damaged building is at least 80 percent of its replacement cost at the time of loss, ***we*** pay the full cost of repair or replacement of the damaged part without deduction for depreciation.
   We pay the smallest of the following amounts:
   a. the amount of insurance applicable to the building;
   b. the cost (in excess of the deductible) to repair or replace the damage on the same premises using materials of equivalent kind and quality, to the extent practical; or
   c. the amount (in excess of the deductible) actually and necessarily spent to repair or replace the damage.
4. When the cost to repair or replace exceeds the lesser of $1,000 or 5 percent of the applicable amount of insurance on the damaged building, ***we*** are not liable for more than the actual cash value of the loss until actual repair or replacement is completed.
5. ***You*** may make a claim for the actual cash value amount of the loss before repairs are made. A claim for any additional amount payable under this provision must be made within 180 days after the loss.