CONDOMINIUM UNIT OWNERS / COOPERATIVE APARTMENT SHARED OWNERSHIP AGREEMENT

This policy, subject to all of its ***terms***, provides insurance against loss to property, personal liability insurance and other 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, Causes of Loss, Liability Coverage Section, and any endorsements made part of it, including any required state endorsement(s).
Endorsements attached to this policy may require a premium charge for increased or additional coverage. In the event ***you*** select a higher deductible amount or where certain exclusionary or limiting endorsements are added to ***your*** policy, ***you*** may receive a reduction in premium.
It is important that ***you*** read each part of this policy carefully to understand the coverage provided, ***your*** obligations and ***our*** obligations under the policy. Each coverage is subject to all policy ***terms*** relating to that coverage including the ***term****s* applicable to the entire policy. **Each principal coverage described in this policy applies only if an amount of insurance or a limit of liability is shown on the Declarations for that coverage.**

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GENERAL POLICY PROVISIONS

POLICY DEFINITIONS-The following definitions apply to this policy.
We define certain words which appear throughout the policy text in ***bold/italic*** face type. They do not necessarily imply that coverage is provided under ***your*** policy. The definitions help ***you*** understand the coverage which is described elsewhere in the policy.

1. The words ***you*** and ***your*** refer to the person or persons named in the Declarations and ***your*** spouse if a resident of ***your*** household. The words ***we, us*** and ***our*** refer to the insurance company named in the Declarations.
2. ***Aircraft*** means any contrivance used or designed for flight, except model or hobby ***aircraft*** not used or designed to carry people or cargo.
3. ***Bodily Injury*** means bodily harm, bodily sickness or bodily disease to a person including required care, loss of services and death resulting therefrom.
4. ***Business*** means a trade, profession, or other occupation including farming, all whether full, part time or on an occasional basis. ***Business*** shall include an activity engaged in for money, compensation or services that exceeds $2,500 in value per year. ***Business*** shall not include volunteer activities for which no money is received by the ***insured*** except payment or reimbursement of expenses, provision of home day care activities for which no compensation is received except a mutual exchange of services or the rendering of home day care services to a relative of the ***insured***.
5. ***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. This includes debit cards or any similar device used for the deposit, withdrawal or transfer of funds.
6. ***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 a similar nature elsewhere for an ***insured***. This does not include persons while performing duties in connection with an ***insured's business***.
7. ***Employee*** means a person employed by the ***insured*** or an ***employee*** leased to the ***insured*** by an employment or labor firm under a contract or agreement between the ***insured*** and the employment or labor firm who is not engaged as a ***domestic employee***.
8. ***Hovercraft*** means a propeller and/or impeller driven vehicle designed to travel over land or water with a supportive cushion base that is slow moving and utilizes low-pressure air.
9. ***Insured****:*
   a. ***Insured*** means ***you*** and, if residents of ***your*** household, ***your*** relatives, and any other person under the age of 21 in ***your*** care or in the care of ***your*** resident relatives.
   b. A student who is enrolled in an academic institution full-time pursuant to the definition set forth by the academic institution, who was a resident of ***your*** household prior to moving out to attend the academic institution and provided:
      1) the student who is ***your*** relative has not attained the age of 24; or
      2) the student is in the care of ***you*** or ***your*** resident relatives and has not attained the age of 21.
   c. Under Personal Liability and Medical Payments to Others coverages only, ***insured*** also includes:
      1) any person or organization legally responsible for a ***watercraft*** or animal owned by an ***insured*** and to which this insurance applies; (This does not include anyone using or having custody of the ***watercraft*** or animal in the course of any ***business*** or without the owner's permission);
      2) any person while performing duties as a ***domestic employee*** of an ***insured***; and
      3) while operating a ***motorized vehicle*** to which this policy provides coverage:
         a) ***Domestic employees*** or persons otherwise named as an ***insured*** above; or
         b) Any other persons using the ***motorized vehicle*** on the ***insured premises*** with your consent.
   d. If ***you*** die while covered 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 and legal liability arising out of the property. Any person who is an ***insured*** at the time of ***your*** death continues to be an ***insured*** while residing on the ***insured premises***.
   e. Each person listed above is a separate ***insured*** under this policy, but this does not increase ***our*** limit of liability under this policy.
10. ***Insured Premises***:
    a. Described Location:

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If ***you*** reside in the condominium unit or cooperative apartment described in the Declarations, the ***insured premises*** means the parts of the described location which are used or occupied exclusively by ***your*** household for residential purposes and known as the ***residence***.

b. For Personal Liability and Medical Payments to Others coverages, only, ***insured premises*** also include the following:
   1) other premises listed in the Declarations;
   2) the portion of any ***residence*** acquired by ***you*** for ***your*** occupancy during the policy period;
   3) vacant land (other than farm land) owned by or rented to an ***insured*** including land on which a ***residence*** is being constructed for the personal use of an ***insured****;*
   4) individual or family cemetery lots and burial vaults;
   5) the portion of any ***residence***, not owned by an ***insured***, while temporarily occupied by an ***insured***;
   6) any premises used by ***you*** in connection with the described location;
   7) approaches and access ways immediately adjoining the ***insured premises****;* and
   8) that part of any premises occasionally rented to an ***insured*** for other than ***business*** purposes.

11. ***Medical Expenses*** means reasonable and necessary expenses for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, funeral services, prosthetic devices, hearing aids and eyeglasses, including contact lenses.
12. ***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. Small motorized equipment for the service of the ***insured premises*** such as power lawn mowers and snow blowers are exempted from this definition.
    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***, trailer, or attached apparatus, designed or used for off public road recreation, vacation or leisure time activities.
13. ***Occurrence*** means an accident, including continuous or repeated exposure to substantially similar conditions.
14. ***Property Damage*** means injury to or destruction of tangible property including the loss of its use.
15. ***Residence*** means the unit where you reside as shown in the Declarations.
16. ***Terms*** as used in this policy mean provisions, limitations, exclusions, conditions and definitions.
17. ***Watercraft*** means a vessel designed to navigate in or on water propelled by an engine, wind power or an electric motor.

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERAGES

Coverage A-*Residence*

This policy covers the ***residence*** on the ***insured premises*** including additions and improvements, alterations, built-in components, fixtures and appliances located within the ***residence***, ***your*** items of real property that pertain to the ***residence***, property that is ***your*** responsibility under an association agreement or cooperative agreement and related private structures solely owned by ***you*** located at the described location.

Coverage A does not cover:

1. structures rented or held for rental to any person who does not reside in the ***residence*** or who is not a tenant, unless used solely as a private garage;
2. curtains or drapes, all whether or not permanently installed, covered under Coverage C-Personal Property;
3. trees, plants, shrubs and lawns;
4. land, including land on which the dwelling is located;
5. water, whether or not above ground;
6. structures from which ***business*** is conducted;
7. structures used to store ***business*** property unless it is a structure containing ***business*** property solely owned by an ***insured*** or tenant. This does not include coverage for gaseous or liquid fuel stored in such a structure; or
8. antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers.

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Coverage C-Personal Property

1. **While on the *Insured Premises***-This policy covers personal property owned by or in the care of an ***insured***. 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***.
   This coverage also includes:
   a. curtains and drapes, all whether or not permanently installed;
   b. outdoor equipment not permanently installed.
2. **While Away from the *Insured Premises*-*You*** may apply the Coverage C-Personal Property amount of insurance to cover personal property owned or used by an ***insured*** anywhere in the world. This provision does not increase the Coverage C-Personal Property amount of insurance.
3. **While Away from the *Insured Premises* at Any Other *Insured Residence***-Coverage for personal property usually located at an ***insured's residence*** other than the ***insured premises*** is 10% of the amount of insurance for Coverage C-Personal Property or $2,500, whichever is greater. This provision does not increase the Coverage C-Personal Property amount of insurance. However, this limitation does not apply when the personal property has been moved from the ***residence*** because the ***residence*** requires repair or rebuilding or is being renovated and is not fit to live in or store property.
4. **Personal Property in a Newly Acquired Principal *Residence***-Personal property in a newly acquired principal ***residence*** is not subject to the 10% or $2,500 limitation (as set forth in Coverage C - While Away from the ***Insured Premises*** at Any Other ***Insured's Residence***) for 30 days immediately after ***you*** begin to move the property to the new principal ***residence***.
   This provision does not increase the Coverage C-Personal Property amount of insurance.
5. **Limitations on Certain Property**-These special limits do not increase the Coverage C amount of insurance. The special limit for each category below is the total limit per ***occurrence*** for all property in that category:
   a. $100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, numismatic property, stored value cards and smart cards;
   b. $500 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. This special limit is applicable to these properties whether they exist on paper, computer record or any other media and it includes the cost to research or replace the information or material;
   c. $500 for loss by theft of jewelry, watches, precious and semi-precious stones, gems and furs, **BUT** not exceeding $500 for any one article;
   d. $1,000 for loss by theft of guns and related equipment;
   e. $500 on ***watercraft*** including their trailers, equipment, accessories , furnishings and outboard motors;
   f. $500 on trailers or semitrailers not used with ***watercraft***;
   g. $1,000 for loss by theft of silverware, goldware, platinumware, pewterware and items plated with gold, silver, platinum or pewter. This includes flatware, hollowware, tea sets, trays, trophies and the like made of or including gold, silver, platinum or pewter;
   h. $5,000 on ***motorized vehicles*** used exclusively to service the ***insured premises*** and not designed or licensed for use on public roads;
   i. $1,000 on grave markers;
   j. $1,000 on electronic apparatus and its accessories when loss or damage occurs:
      1) while in or on a ***motorized vehicle*** if that electronic apparatus is adapted for operation from the electrical system of a ***motorized vehicle*** and by other electrical source(s);
      2) while away from a ***motorized vehicle*** if that electronic apparatus is adapted for operation from the electrical system of any ***motorized vehicle*** and by other electrical source(s). The electronic apparatus must be away from the ***insured premises***. This limit also applies to electronic apparatus used for ***business*** purposes; and
   k. $250 on property, away from the ***insured premises***, used at any time or in any manner for any ***business*** purpose.

   The following property is covered only while on the ***insured premises*** and is limited to the amounts stated:
   a. $500 on ***business*** property of any ***insured***;
   b. $500 on dismounted camper bodies; or
   c. $1,000 on ***your*** property consisting of domestic appliances in an apartment which ***you*** rent or hold for rental to others.
6. **Personal Property Not Covered**-Coverage C does not cover:
   a. property covered by any scheduled insurance;

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b. animals, insects, birds and fish;
c. ***motorized vehicles*** including their parts and equipment, except those vehicles:
   1) used exclusively to service the ***insured premises*** subject to the Limitations on Certain Property; or
   2) designed and used for assisting the handicapped;
d. ***aircraft***, ***hovercraft*** and parts and accessories;
e. ***business*** property while away from the ***insured premises*** (except as shown under Limitations on Certain Property above);
f. property of roomers, boarders and other tenants;
g. antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers;
h. trees, plants, shrubs and lawns;
i. electronic devices, accessories or antennas designed for operation solely from the electrical system of a ***motorized vehicle***, farm equipment or ***watercraft***. This includes films, tapes, wires, discs, records or other media for use with such devices;
j. loss that results from ***credit cards***;
k. property in an apartment regularly rented or held for rental to others by an ***insured,*** except as specifically covered under this policy;
l. property rented or held for rental to others off the ***insured premises,*** except as specifically covered under this policy; or
m. 1) books of account, drawings or other paper records; or
   2) electronic data processing tapes, wires, records, discs or other software media containing ***busines****s* data. But, ***we*** do cover the cost of blank or unexposed records and media.

Coverage D-Additional Expense and Loss of Rent Coverage

We pay any necessary and reasonable increase in expenses ***you*** incur to maintain the normal standard of living of ***your*** household if the ***insured premises*** or a portion of the ***insured premises*** is made unfit for occupancy by a covered loss. ***We*** pay only for the period of time reasonably required to make the ***insured premises*** 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 premises*** rented to others is made unfit for occupancy due to a covered loss. ***We*** pay only for the period of time reasonably required to make the ***insured premises*** fit for occupancy or until ***your*** household is permanently relocated, whichever is less. Loss of rents is the amount ***you*** would have received less the charges and expenses that do not continue while the ***insured premises*** are unfit for occupancy. This period of time is not limited by the policy period.

We pay ***your*** additional expenses and loss of rents for a period of up to two weeks if the premises immediately adjoining the ***insured premises*** are damaged by a cause of loss covered by this policy, and ***you*** are prohibited by order of civil authority from using the ***insured premises***. This period of time is not limited by the policy period.

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

INCIDENTAL COVERAGES

This policy provides the following Incidental Coverages. These incidental coverages are subject to all of the ***terms*** of the applicable provisions of the policy, including but not limited to the General Policy Provisions and Liability Coverage Section. These incidental coverages do not increase the amount of insurance for the Principal Property Coverages or the limit of liability for the Liability Coverage Section of the policy, unless it is otherwise specifically stated in the Incidental Coverages that there is additional insurance.

1. **Removal**
   a. **Emergency Removal**-***We*** pay for loss to covered property while removed from the ***insured premises*** for preservation from damage from covered causes of loss. Such property is covered against direct physical loss, not specifically excluded under this policy, for a period up to five days. It is covered against loss from covered causes of loss for an additional 25 days. This coverage does not extend past the expiration date of the policy.
   b. **Debris Removal**-***We*** pay for the removal of debris of covered property following a covered loss. This coverage does not include costs to:
      1) extract pollutants from land or water; or
      2) remove, restore or replace polluted land or water.

   We will also pay ***your*** reasonable expense for the removal of fallen trees from the ***insured premises*** if:

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a. coverage is not afforded under Incidental Coverages-Trees, Plants, Shrubs and Lawns for the cause of loss; or
b. the tree is not covered by this policy;

provided the tree damages property described under Coverage A-***Residence*** or a related private structure solely owned by ***you*** located on the ***insured premises*** and a covered cause of loss under Coverage C causes the tree to fall.

2. **Reasonable Repairs-*We*** will pay the reasonable cost incurred by ***you*** for necessary repairs made solely to protect covered property from further damage if a covered cause of loss causes the loss. This coverage does not increase the amount of insurance that applies to the property being repaired.
3. **Fire Department Service Charge** (not applicable in Arizona, New Hampshire, New Mexico or New York)-***We*** pay up to $500 for charges ***you*** are obligated to pay when a fire department is called to protect the ***insured premises*** from covered causes of loss.
4. ***Credit Card*, Forgery and Counterfeit Money**:
   a. ***We*** pay up to $1,000 for loss sustained by an ***insured*** when such ***insured****:*
      1) becomes legally obligated to pay for the unauthorized use of ***credit cards*** issued or registered in the ***insured's*** name;
      2) suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
      3) accepts, in good faith, counterfeit United States or Canadian paper currency.
   b. ***We*** do not pay for loss if:
      1) the ***insured*** has not complied with the ***terms*** under which the ***credit card*** was issued;
      2) the loss is caused by the dishonesty of an ***insured***;
      3) the loss results from ***business*** activities of an ***insured***;
      4) the loss occurs while a person, not an ***insured***, has possession of the ***credit card*** with an ***insured's*** permission.
5. **Trees, Plants, Shrubs and Lawns-*You*** may apply up to 10 percent of the Coverage C amount of insurance to cover trees, plants, shrubs and lawns on the ***insured premises***. ***We*** pay only for loss caused by the following causes of loss: Fire, Lightning, Explosion, Riot, Civil Commotion, ***Aircraft***, Vehicles not owned or operated by an occupant of the ***insured premises***, and (if covered under this policy) Vandalism, Malicious Mischief or Theft. ***We*** do not pay more than $500 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 lawn:
   a. grown for ***business*** purposes; or
   b. located more than 250 feet from the ***residence*** on the ***insured premises***.
6. **Antenna Coverage-*We*** pay up to $500 for direct loss by covered causes of loss to antennas (including satellite dishes and their control apparatus) their lead-in wiring, accessories, masts and towers.
7. **Ordinance or Law-*We*** will pay up to 10 percent of the amount of insurance available under Coverage A - ***Residence*** or $2,500, whichever is greater, when ***you*** incur increased costs due to the enforcement by a municipality of any ordinance or law which requires or regulates:
   a. the construction, demolition, repair, remodeling or renovation of that part of property covered by Coverage A – ***Residence*** when damaged by a covered cause of loss;
   b. the demolition and reconstruction of that part of undamaged property covered by Coverage A – ***Residence*** when such demolition is required because of damage by a covered cause of loss to another part of property covered under Coverage A – ***Residence***;
   c. the remodeling, removal or replacement of the portion of the undamaged property covered under Coverage A necessary to complete the remodeling, repair or replacement of that portion of the property damaged by a covered cause of loss and covered by Coverage A – ***Residence***.

   All or part of this coverage may be used at ***your*** election to cover the increased costs ***you*** incur to remove debris resulting from construction, reconstruction, demolition, repair, remodeling, renovation or replacement of property damaged by a covered cause of loss and covered by Coverage A – ***Residence***.

   However, ***we*** do not cover:
   a. Reduction in value of ***your*** property, assessed, market or otherwise, resulting from the requirements of ordinance or law;
   b. Costs incurred by ***you*** to comply with any ordinance or law requiring an ***insured*** or a third party to test for, monitor, contain, remove, clean up, detoxify or neutralize, or in any way respond to the effects of pollutants in or on any property covered by Coverage A – ***Residence***.

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1) Pollutant means smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants or contaminants that directly or indirectly discharge, disperse, release or escape into or upon land, the atmosphere or any watercourse, body of water, bog, marsh, swamp or wetlands.
2) This limitation does not apply to ***bodily injury*** or ***property damage*** caused by heat, smoke or fumes from a hostile fire. For the purpose of this limitation, hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.

8. **Loss Assessment**-***We*** will pay up to $2,500 of ***your*** share of an assessment by ***your*** condominium association or cooperative owners association charged against all condominium or cooperative apartment unit-owners. This loss assessment coverage is additional insurance.
   Coverage applies only when:
   a. the assessment results from direct loss to condominium property owned in common by all unit-owners caused by a covered cause of loss;
   b. the assessment results from an ***occurrence*** covered under the Liability Coverage Section of this policy;
   c. the assessment is for damages and legal fees the association is obligated to pay because of acts of a director (or trustee) resulting from the exercise of their duties on behalf of the association; or
   d. the assessment results from damages the association is legally obligated to pay because of personal injury. Personal injury means injury, other than ***bodily injury***, for which the association is liable because of:
      1) false arrest, detention, imprisonment, or malicious prosecution;
      2) wrongful entry into or eviction of a person from, a room, dwelling or premises that the person occupied; or
      3) a publication or utterance which
         a) libels or slanders a person or organization or disparages a person's or organization's goods, products or services;
         b) is in violation of an individual's right to privacy.

   Only one deductible shall apply to any one loss under this coverage regardless of the number of assessments. ***We*** will not pay more than $1,000 of ***your*** assessment that results from a deductible in the insurance policy purchased by a corporation or association of property owners.
   However, ***we*** do not cover:
   a. loss assessments charged against ***you*** or a corporation or association of property owners arising from:
      1) earthquake;
      2) land shock waves or tremors, before, during and after a volcanic eruption, unless specifically insured; or
      3) action by any governmental body.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

We do not pay for loss caused directly or indirectly by any of the following exclusions. The loss is excluded regardless of any other causes or events that contribute to or aggravate the loss either before the loss, at the same time as the loss or after the loss.

1. **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, except to the extent provided in the Incidental Coverages. 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.
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 cause of loss excluded by this policy.
3. **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 covered cause of loss covered 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.
4. **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.
5. **Neglect**-This means neglect by an ***insured*** to use all reasonable means to save and preserve covered property at and after the time of a loss. It also means neglect by any ***insured*** to use all reasonable means to save and preserve covered property when endangered by a covered cause of loss.

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6. **Earth Movement of any Kind**-This includes, but is not limited to, earthquake, landslide, mudflow, earth sinking and earth rising or shifting, subsidence, sinkhole, erosion, expanding or contracting, volcanic eruption or effusion including outpouring of lava or ash. Sinkhole collapse and volcanic action may be separately addressed by this policy.
   We pay for direct loss by fire, explosion, and (if covered by this policy) theft resulting from earth movement. Explosion does not include volcanic eruption or effusion.
7. **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 or drains; 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 under this policy) theft which may result. Explosion does not include volcanic eruption or effusion.
8. **Power Interruption**-This means loss from the interruption of power or other utility services resulting from any cause, whether covered under this policy or not, if the interruption takes place away from the ***insured premises***. ***We*** pay for direct loss by a covered cause of loss which occurs on the ***insured premises*** as a result of any interruption of power.
9. ***Business* Interruption**-This means loss resulting from the interruption of ***business***.
10. **Wear and Tear**-This includes damage caused by marring, deterioration, inherent vice, latent defects, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog unless loss or damage arises from a cause of loss covered by this policy.
11. **Errors, Omissions and Defects**-means an act, error or omission (negligent or not) relating to:
    a. land use and planning including zoning, development, surveying or siting;
    b. the design, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction;
    c. materials used in repair, construction, renovation or remodeling; or
    d. maintenance of property (including land structures or improvements) whether on or off the ***insured premises***.
    We pay for an ensuing loss unless the ensuing loss itself is excluded.
12. **Intentional Acts**-***We*** do not pay for loss which results from an act committed by or at the direction of an ***insured*** and with the intent to cause a loss.
13. **Acts or Decisions**-means the acts or decisions of any person, group, organization or government body (including the failure to act or decide).
14. **Weather Conditions**-this exclusion only applies if weather conditions contribute in any way with a cause or event excluded above to produce the loss.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

1. **Under Property Coverages**:
   a. Property losses are settled on the basis of actual cash value including deduction for depreciation, however caused. If at the time of loss or claim, ***your*** policy indicates that settlement for loss will be made on the basis of actual cash value and if ***your*** amount of insurance for Coverage A-***Residence*** is equal to or exceeds 80% of the replacement value of the ***residence***, then the ***insured*** may elect:
      1) to exercise his/her option for the actual cash value settlement including deduction for depreciation; or
      2) to exercise his/her option for settlement under the Replacement Cost Provision shown in the Causes of Loss Section.

      If the Replacement Cost option is selected by the ***insured,*** then losses under Coverage A-***Residence*** will be settled according to the ***terms*** of the Replacement Cost Provision set forth in the Causes of Loss Section.
   b. ***Our* Amount of Insurance**-For loss to property, ***we*** pay the lesser of the following amounts:
      1) the applicable amount of insurance;
      2) an amount not greater then ***your*** interest in the property;
      3) the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
      4) the amount computed after applying the deductible or other limitation applicable to the loss; or
      5) the actual cash value of the property at the time of loss (except as provided under the Replacement Cost Provision, if applicable).
   c. **Deductible**:

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1) The deductible applies to the following Principal Property Coverages: Coverage A-***Residence*** and Coverage C-Personal Property. It also applies to the following Incidental Coverages: Debris Removal; Trees, Plants, Shrubs and Lawns; Antenna Coverage; Ordinance or Law and Loss Assessment. The deductible applies to covered causes of loss, except as excluded or limited, unless otherwise stated in the Declarations or any endorsement.
2) ***We*** pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per ***occurrence***.
3) If coverage is otherwise restricted by special amounts of insurance, ***our*** liability must be separately computed under both the deductible and the special amount of insurance. ***We*** pay the lesser of the two amounts.

d. **Loss to a Pair or Set**-If there is 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.

2. **Under Personal Liability and Medical Payments to Others Coverages**-The limits of liability stated in the Declarations are the maximum amounts ***we*** pay for loss in a single ***occurrence*** under these coverages, regardless of the number of:
   a. persons covered under this policy;
   b. parties who sustain injury or damage;
   c. claims made or suits brought; or
   d. number of policies.

   Payment of a claim under the Medical Payments to Others coverage does not constitute an admission of liability under the Personal Liability coverage.
3. **Insurance Under More Than One Coverage**-If more than one coverage of this policy covers the same loss, ***we*** pay no more than the actual claim, loss or damage sustained.
4. **Insurance Under More Than One Policy**-Where property coverage is involved, if there is other collectible insurance that applies to the loss, ***we*** pay ***our*** share of the loss. ***Our*** share is that part of the loss that the amount of insurance stated in the policy bears to the total amount of insurance that applies to the loss. When a loss is also covered by the master policy of a condominium association or cooperative association, this insurance is excess.

   Where personal liability and medical payments to others is involved, this insurance is excess over other valid and collectible insurance that applies to the loss or claim.
5. **Restoration of Limit of Liability**-Any loss ***we*** pay under this policy does not reduce the amount of insurance.

PAYMENT OF LOSS OR CLAIM

1. **Property Coverages***:*
   a. ***Your*** **Property**-***We*** will adjust all losses with ***you***. A covered loss will be payable 45 days after an acceptable proof of loss is received and the amount of the loss has been established either by written agreement with ***you*** or the filing of an appraisal award with ***us***. Payment will be made to ***you*** unless another loss payee is named in the policy.
   b. **Additional Expenses**-If the ***insured premises*** are made unfit for occupancy for more than one month, covered expenses will be paid on a monthly basis upon submission of reasonable proof of the ***insured's*** expenses.
   c. **Damage to Personal Property of Others**-At ***our*** option, a covered loss to property of others may be:
      1) adjusted with and paid to ***you*** for the account of the owner of the property; or
      2) adjusted with and paid to the owner. Payment to the owner discharges ***our*** obligation to an ***insured*** as to this property.
   d. ***Our*** **Options**:
      1) ***We*** have the option to:
         (a) pay the loss in money; or
         (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 30 days after receipt of an acceptable proof of loss.
      2) ***We*** may take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become ***our*** property.
2. **Liability Coverages**-Any person who has secured a judgment against an ***insured*** for a covered loss or has liability established by a written agreement between the claimant, an ***insured*** and ***us***, is entitled to recover under this policy to the extent of coverage provided.

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3. **Liens for Unpaid Taxes-*We*** are required by the Insurance Law to deduct the claim of any tax district from the amount ***we*** pay ***you*** for a loss by fire.
   To the extent ***we*** pay any tax district the amount certified as ***your*** unpaid taxes, ***we*** are no longer obligated to pay this amount to ***you***.
   Our payment of such claim to the tax district within 30 days of the receipt of a certificate of lien shall be considered by ***you*** and ***us*** that such claim was valid and properly paid. This does not apply to a loss by fire.

WHAT *YOU* MUST DO IN CASE OF LOSS

1. **Notice**:
   a. In case of a loss or if an ***insured*** becomes aware of anything that indicates there might be a claim under this policy, the ***insured*** must:
      1) promptly give ***us*** or ***our*** agent notice (in writing if requested);
      2) notify the police when the act causing the loss is also a violation of law; or
      3) 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) names and addresses of any potential claimants and witnesses.
2. **Cooperation**-The ***insured*** must cooperate with ***us*** in performing all acts required by this policy. In the event of a loss, ***we*** reserve the right to take samples of the damaged building(s) and personal property for inspection and analysis.
3. **Volunteer Payments**-The ***insured*** must not, except at the ***insured's*** own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as specifically permitted in Additional Duties – Property Coverages.
4. **Additional Duties-Property Coverages**:
   a. The ***insured*** must also:
      1) take all reasonable steps to protect covered property at and after a covered loss to avoid further damage. (***We*** pay for repairs which are reasonable and necessary to protect the property from further damage, provided the ***insured*** keeps an accurate record of such expenses. These payments do not increase the amount of insurance otherwise applicable to the loss); and
      2) submit to ***us*** a statement of loss (under oath if requested) within 60 days after the loss or accident.
   b. At ***our*** request, the ***insured*** (and mortgagee, when applicable) must also:
      1) submit an acceptable proof of loss, within 60 days after ***our*** request, containing the following information:
         a) the time, place and circumstances of loss;
         b) the ***insured's*** interest and the interest 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 the 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.
      2) submit to examination under oath, to be administered separately to each ***insured***, in matters connected with the loss or claim as often as ***we*** reasonably request;
      3) exhibit the damaged property as often as ***we*** reasonably request;
      4) produce records, including tax returns and bank microfilms 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;
      5) assist in enforcing any right of recovery which the ***insured*** may have against any party causing the loss;
      6) produce records supporting loss of rents and receipts to support any additional living expenses; and
      7) submit evidence or affidavit supporting a claim under ***Credit Card***, Forgery, and Counterfeit Money coverage stating the amount and cause of loss.
5. **Additional Duties-Personal Liability Coverage**-In the event of an ***occurrence*** which might result in a claim for ***bodily injury*** or ***property damage*** liability under this policy, the ***insured*** must also do the following:
   a. promptly forward to ***us*** copies of all notices, demands or legal papers received in connection with the ***occurrence***;

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b. at ***our*** request, assist in:
   1) making settlements;
   2) the conduct of suits including attending trials and hearings;
   3) enforcing any right of contribution or indemnification against any party who may be liable to any ***insured*** for the injury or damage;
   4) securing and giving evidence; and
   5) obtaining the attendance of witnesses.

6. **Additional Duties-Medical Payments to Others Coverage**-In case of a medical payments loss, the following are also required:
   a. The injured person or someone acting on such person's behalf must:
      1) give ***us*** written proof of claim (under oath if requested) as soon as practical; and
      2) authorize ***us*** to obtain copies of medical reports and records.
   b. The injured person shall submit to physical examinations by physicians selected by ***us*** when and as often as ***we*** reasonably require.

POLICY CONDITIONS

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

CONDITIONS APPLICABLE TO ALL COVERAGES

1. **Assignment**-Assignment of this policy is not valid without ***our*** written consent.
2. **Cancellation**:
   With respect to cancellation and non-renewal, ***Required Policy Period*** means a period of three years from the date the policy is first issued or voluntarily renewed.
   a. **By *You*-*You*** may cancel this policy at any time by giving ***us*** written notice or returning the policy to ***us*** and stating when thereafter the cancellation is to be effective.
   b. **By *Us*-*We*** may cancel this policy by written notice delivered to or mailed to ***you*** at the mailing address shown in the Declarations. Proof of delivery or mailing is sufficient proof of notice. This notice must be delivered or mailed the required number of days prior to the effective date of the cancellation or nonrenewal. For a description of the number of days of required notice, refer to: 1) Nonpayment of Premium, 2) New Policy, 3) Policy with a Term over One Year, 4) Nonrenewal, and 5) All Other Situations.
   c. **When *We* May Cancel or Nonrenew-*We*** may cancel or nonrenew the policy under the following conditions:
      1) Non-Payment of Premium-If the premium has not been paid when due, ***we*** may cancel at any time by giving the required notice at least 15 days before cancellation is effective.
      2) New Policy-If this is a new policy which has been in effect less than 60 days and is not a renewal, ***we*** may cancel by providing a statement giving the specific reason or reasons for cancellation and by giving the required notice at least 30 days before cancellation is effective. A renewal of a policy issued by ***us*** is not a new policy.
      3) Policy with Term over One Year-If this policy is written for a term longer than one year, ***we*** may cancel for any reason by giving ***you*** the required notice at least 45 days (but not more than 60 days) before the anniversary date of the ***required policy period***.
      4) Nonrenewal-***We*** may elect not to renew or continue this policy by giving written notice of ***our*** intent at least 45 days (but not more than 60 days) before the end of the ***required policy period***. This notice shall contain ***our*** specific reason(s) for nonrenewal or conditional renewal. The notice may be delivered to or mailed to ***you*** at the mailing address shown in the Declarations. Proof of delivery or mailing shall be sufficient proof of notice.
      5) All Other Situations-If this policy has been in effect 60 days or more or is a renewal of a policy issued by ***us***, ***we*** may cancel only for the reasons set forth below and by giving the required notice at least 30 days before cancellation is effective.
         The reasons are:
         a) conviction of a crime arising out of acts increasing the hazard insured against;
         b) discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
         c) discovery of willful or reckless acts or omissions increasing the hazard insured against;
         d) physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with the insurer's

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objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or

e) a determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of this chapter. (Chapter 28 of the Consolidated Laws-Insurance Law).

d. ***We*** refund premium for the unexpired policy period on a pro-rata basis. Any unearned premium amounts under $5.00 will be refunded only on ***your*** request.

e. **Refund of Premium**-Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to ***you*** within a reasonable time.

3. **Conditional Reinstatement**-If ***we*** issue a cancellation notice because ***you*** didn't pay the required premium when due and ***you*** then tender a check, draft or other remittance which is not honored on presentation, ***your*** policy will terminate on the date and time shown on the cancellation notice and any notice ***we*** issue which waives the cancellation or reinstates the policy is void. This means that ***we*** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice. ***We*** will give ***you*** notice of the dishonor of ***your*** remittance as soon as practicable but this shall not interrupt the cancellation of 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 appraisal or examination under oath does not waive any of ***our*** rights.

   If ***we*** adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy.

   If this policy is issued on a continuous basis, (with no specified expiration date) ***we*** may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with ***our*** manual rules in effect at the time.

   If the change in forms or endorsements reduces coverage or limits, ***we*** must notify ***you*** as provided under the Nonrenewal ***terms*** contained in this endorsement.
5. **Conformity with Statute**-***Terms*** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.
6. **Misrepresentation, Concealment or Fraud**-***We*** do not provide coverage if, whether before or after a loss:
   a. An ***insured*** has willfully concealed or misrepresented:
      1) any material fact or circumstance concerning this insurance; or
      2) an ***insured's*** interest herein.
   b. There has been fraud or false swearing by an ***insured*** regarding any matter relating to this insurance or the subject thereof.
7. **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.
8. **Policy Premium**-If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to ***us*** on or before each anniversary date.

   Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.
9. **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 limit of liability 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.
10. **Subrogation**:
    a. If ***we*** make a payment under this policy, ***we*** may require that the ***insured*** 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 everything necessary to make this assignment and secure ***our*** rights.
    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.

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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 reimburse ***us*** as provided under Recoveries.

11. **Suit Against *Us***:
    a. **Property Coverages**-No suit to recover for any property claim may be brought against ***us*** unless:
        1) the ***terms*** of this policy have been fully complied with; and
        2) the suit is commenced within 2 years after the loss.
    b. **Liability Coverage**-No suit may be brought against ***us*** to recover amounts due for ***bodily injury*** or ***property damage*** liability unless:
        1) the ***terms*** of this policy have been fully complied with; and
        2) the amount of any ***insured's*** liability has been conclusively fixed:
            (a) by a final judgment against the ***insured***; or
            (b) by written agreement of the ***insured***, the claimant and ***us***.

    No person shall have any right under this policy to join or implead ***us*** in any action brought to determine an ***insured's*** liability.
12. **Bankruptcy of an *Insured***-Bankruptcy or insolvency of any ***insured*** or his or her estate does not relieve ***us*** of any of ***our*** obligations under this policy.

CONDITIONS APPLICABLE TO PROPERTY COVERAGES ONLY

13. **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.
14. **Appraisal**-If ***you*** and ***we*** do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, ***you*** or ***we*** can ask a judge of a court of record in the state where the property is located to select an umpire.
    The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to ***us,*** the amount agreed upon will be the amount of the damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by ***you*** and ***us***.
15. **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.
16. **Secured Party Coverage-APPLIES ONLY TO COVERAGE ON PERSONAL PROPERTY**. (This entire clause is void unless the name of a secured party is inserted in the Declarations. This clause applies only to the interest of a secured party and does not affect the ***insured's*** rights or duties under the policy).
    If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and ***you*** as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.
    If ***we*** deny ***your*** claim, that denial shall not apply to valid claim of a secured party, if such party has:
    a. notified ***us*** of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
    b. paid any premium due under the policy on demand if ***you*** have not made such payment; and
    c. submitted a signed, sworn proof of loss within 60 days if an ***insured*** has failed to do so.

    Policy conditions relating to Appraisal, Suit Against ***Us*** and Payment of Loss or Claim apply to the secured party. If the policy is canceled by ***us***, the secured party shall be notified at least 10 days before the date cancellation takes effect.
    If ***we*** pay the secured party for any loss for which ***we*** have denied payment to ***you:***
    a. ***we*** are subrogated to all the rights of the secured party granted under the security agreement; or
    b. at ***our*** option, ***we*** may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.

    However, the secured party's interest is not covered for conversion, embezzlement or secretion by an ***insured*** in possession of the encumbered property, unless specifically insured against and premium paid for such.

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17. **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 in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect the ***insured's*** rights or duties under this policy.)

    Loss, if any, under this policy, shall be payable to the mortgagee (or trustee), named on the Declarations Page of this policy, as interests may 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.

    Provided, also, that the mortgagee (or trustee) shall notify ***us*** of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

    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 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 mortgage 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.

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