CAUSES OF LOSS SECTION-COVERAGES A, B, C AND D
(CAUSES OF LOSS AND REPLACEMENT COST PROVISION)

We insure against direct physical loss to covered property caused by the following causes of loss:

1. **Fire or Lightning**.
2. **Windstorm or Hail**-This does not cover loss:
   a. to the interior of a building or manufactured 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 opening in the roof or walls resulting from damage caused by the direct force of wind or hail; or
   b. 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.
3. **Explosion**.
4. **Riot or Civil Commotion**.
5. **Aircraft**.
6. **Vehicles** meaning only direct loss from actual physical contact of a vehicle with covered property. This does not cover loss to fences, driveways or walks caused by vehicles owned or operated 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, industrial operations or fireplaces.
8. (Optional Peril) **Vandalism and Malicious Mischief-**(This peril is subject to an additional premium charge and applies only if stated on the Declarations).
   This does not cover loss:
   a. if the ***insured premises*** are vacant for more than 30 consecutive days immediately before the loss. A ***residence*** under construction is not considered vacant; or
   b. to glass or safety glazing material constituting a part of the building other than glass building blocks.

REPLACEMENT COST PROVISION

(***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. domestic appliances;
   b. curtains and drapes;
   c. detachable building items including screens, awnings, storm doors and windows, and window air conditioners; or
   d. 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 building 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 policy indicates that Residence Replacement Cost Coverage applies (see Declarations Page or Endorsement) and 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 practicable; 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.