

## HOMEOWNERS 4 CONTENTS BROAD FORM

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### AGREEMENT

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This policy is issued on behalf of the Homeowners Choice Property & Casualty Insurance Company and by acceptance of this policy you agree:

1. That the statements in the Application(s) are your representations;
2. That this policy is issued in reliance upon the truth of those representations;

3. That this policy embodies all agreements existing between you and the Homeowners Choice Property & Casualty Insurance Company relating to this policy.

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

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### DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
  - a. The abrupt collapse of ground cover;
  - b. A depression in the ground cover clearly visible to the naked eye;
  - c. Structural damage to the building, including the foundation; and
  - d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.
4. "Fungi" means any type or form of fungus, including:
  - a. Mold or mildew; and
  - b. Any mycotoxins, toxins, spores, scents or by-products produced or released by fungi.

Under Section II, this does not include any fungi, yeast or bacteria that are, are on or are contained in a good or product intended for consumption.

5. "Insured" means you and residents of your household who are:
  - a. Your relatives; or

- b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to watercraft to which this policy applies, any person or organization legally responsible for watercraft which are owned by you or any person included in **5.a.** or **5.b.** above. A person or organization using or having custody of the watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:
  - (1) Persons while engaged in your employ or that of any person included in **5.a.** or **5.b.** above; or
  - (2) Other persons using the vehicle on an "insured location" with your consent.
6. "Insured location" means:
  - a. The "residence premises";
  - b. The part of other premises, other structures and grounds used by you as a residence and:
    - (1) Which is shown in the Declarations; or
    - (2) Which is acquired by you during the policy period for your use as a residence;
  - c. Any premises used by you in connection with a premises in **6.a.** and **6.b.** above;
  - d. Any part of a premises:
    - (1) Not owned by an "insured"; and
    - (2) Where an "insured" is temporarily residing;

- e. Vacant land, other than farm land, owned by or rented to an "insured";
  - f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
  - g. Individual or family cemetery plots or burial vaults of an "insured"; or
  - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
7. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
- a. "Bodily injury"; or
  - b. "Property damage."
8. "Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - e. Oral or written publication of material that violates a person's right of privacy.
9. "Personal watercraft" means a recreational watercraft powered by an inboard motor with its primary source of propulsion being a water jet pump, which is capable of carrying one or more persons in a sitting, standing or kneeling position
10. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
11. "Residence employee" means:
- a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
  - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
12. "Residence premises" means:
- a. The one family dwelling, other structures, and grounds; or
  - b. That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations.
- "Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.
12. "Sinkhole activity" means:
- a. Settlement or systematic weakening of the earth supporting property covered under Section I of your policy.
  - b. The settlement or systematic weakening must result from movement or raveling of soils, sediments, or rock material into subterranean voids created by the effect of water on limestone or similar rock formations.
13. "Sinkhole loss" means:  
Actual physical damage caused by "Sinkhole activity".
14. "Unoccupied" means the dwelling is not being inhabited as a residence.

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## SECTION I – PROPERTY COVERAGES

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### COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence

premises," is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater.

Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

#### Special Limits of Liability.

These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps, trading cards, and comic books.

This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

3. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1,000 on trailers not used with watercraft.
5. \$1,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2,000 for loss by theft of firearms.
7. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.
10. \$1,000 for loss to electronic apparatus (for the covered perils except theft, which is hereby excluded from coverage), while in or upon a motor vehicle or other motorized land conveyance; if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 10.

11. \$1,000 for loss to electronic apparatus (for all covered perils except theft, which is hereby excluded from coverage), while not in or upon motor vehicle or other motorized land conveyance; if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance

while retaining its capability of being operated by other sources of power;

- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purposes.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 11.

12. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises."

### **Property Not Covered.**

We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of:
    - (1) Motor vehicles; or
    - (2) All other motorized land conveyances.

Electronic apparatus includes:

- (1) Accessories and antennas; or
- (2) Tapes, wires, records, discs or other media;

For use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

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

- a. Used to service an "insured's" residence; or
  - b. Designed for assisting the handicapped.
4. Aircraft and parts.  
Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
  5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

6. Property in an apartment regularly rented or held for rental to others by an "insured";
7. Property rented or held for rental to others off the "residence premises";
8. "Business" data, including such data stored in:
  - a. Books of account, drawings or other paper records; or
  - b. Electronic data processing tapes, wires, records, discs or other software media.However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;
9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.; or
10. Personal property stored in freezers or refrigerators located off the "residence premises".

#### COVERAGE D – Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

If a loss covered under SECTION I – PROPERTY COVERAGES makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning:

- a. Any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to:

Repair or replace the damage; or

If you permanently relocate, the shortest time required for your household to settle elsewhere.

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

If a loss covered under SECTION I - PROPERTY COVERAGES makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the Fair Rental Value, meaning:

- a. The fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

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

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy,

we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than 2 weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

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

#### ADDITIONAL COVERAGES

##### 1. Debris Removal.

We will pay your reasonable expense for the removal of:

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

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure.

The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

##### 2. Reasonable Repairs.

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

This coverage:

- a. Does not increase the limit of liability that applies to the covered property;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I – CONDITION 2.d.

**3. Trees, Shrubs and Other Plants.**

We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant.

We do not cover property grown for "business" purposes.

This coverage is additional insurance.

**4. Fire Department Service Charge.**

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

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

**5. Property Removed.**

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

**6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;

- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

**7. Loss Assessment.**

We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under COVERAGE C – PERSONAL PROPERTY, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS, does not apply to this coverage.

### 8. Collapse.

We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- a. Perils Insured Against in COVERAGE C - PERSONAL PROPERTY;
- b. Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- d. Weight of contents, equipment, animals or people;
- e. Weight of rain which collects on a roof; or
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, dock, cisterns or similar structures is not included under items **b.**, **c.**, **d.**, **e.** and **f.** above; unless the loss is a direct result of the collapse of a building.

Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or any part of the building cannot be occupied for its intended purpose.

A building or any part of a building is not considered in a state of collapse, and therefore is not covered; if a building or any part of the building is:

- a. In danger of falling down or caving in;
- b. Standing even if it has separated from another part of the building; or

- c. Standing even if it shows evidence of settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion.

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

### 9. Glass or Safety Glazing Material.

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (2) The breakage caused directly by Earth Movement and Settlement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken; except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss; except when the breakage results directly from Earth Movement and Settlement as provided for in **a.(2)** above.

Loss to glass covered under this Additional Coverage 9. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

### 10. Building Additions and Alterations.

We cover under Coverage C the building improvements or installations, made or acquired at your expense, to that part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage C.

This coverage is additional insurance.

### 11. "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

a. We will pay up to \$10,000 for:

- (1) The total of all loss payable under Section I – Property Coverages caused by "fungi," wet or dry rot, yeast or bacteria;
  - (2) The cost to remove "fungi," wet or dry rot, yeast or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi," wet or dry rot, yeast or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi," wet or dry rot, yeast or bacteria; whether performed prior to, during or after removal, repair, restoration or replacement.
- The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi," wet or dry rot, yeast or bacteria.

- b. The coverage described in a. only applies:
- (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and
  - (2) Only if all reasonable means were used to save and preserve the property from further

damage at and after the time the Peril Insured Against occurred.

- c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Loss of Use under this Additional Coverage regardless of the:
- (1) Number of locations insured; or
  - (2) Number of occurrences or claims made; or
  - (3) Number of "insureds."
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi," wet or dry rot, yeast or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi," wet or dry rot, yeast or bacteria causes an increase in the loss or any Loss of Use.

Any such increase in the loss or Loss of Use will be subject to the terms of this Additional Coverage.

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

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## SECTION I – PERILS INSURED AGAINST

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We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I – EXCLUSIONS.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

**3. Explosion.**

**4. Riot or civil commotion.**

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

**6. Vehicles.**

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

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

**8. Vandalism or malicious mischief.**

This peril does not include loss to property on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

**9. Theft,** including attempted theft and loss of property from the "residence premises" when it is likely that the property has been stolen.

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the "residence premises."

This peril does not include loss caused by theft:

- a. While property is off the "residence premises";
- b. Committed by an "insured";

- c. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- d. From that part of a "residence premises" rented by an "insured" to other than an "insured."

**10. Falling objects.**

This peril does not include loss to the property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

**11. Weight of ice, snow or sleet** which causes damage to the property contained in the building.

**12. Accidental Discharge Or Overflow Of Water Or Steam.**

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
  - (1) To the system or appliance from which the water or steam escaped;
  - (2) Caused by or resulting from freezing except as provided in Perils Insured Against 14. Freezing;
  - (3) On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
  - (4) Otherwise excluded.

In this peril, a plumbing system or household appliance does not include a sump, sump pump, irrigation system or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

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

This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

**14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while "unoccupied," unless you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

**15. Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

**16. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

**17. Catastrophic Ground Cover Collapse.**

- a. We insure for direct physical loss to property covered under Section I caused by the peril of "catastrophic ground cover collapse."
- b. Coverage C applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse," unless the loss is excluded elsewhere in this policy.
- c. Structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse."
- d. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the insured premises.

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

The SECTION I – Earth Movement and Settlement exclusion 2. does not apply to "catastrophic ground cover collapse."

**18. Sinkhole Loss.**

- a. We insure for direct physical loss to property covered under Section I caused by the peril of "sinkhole loss";

In accordance with the recommendations of the professional engineer, who verifies the presence of a "sinkhole loss" in compliance with Florida sinkhole testing standards, and in consultation with you.

The professional engineer must be selected or approved by us.

- b. This peril does not apply to the costs to stabilize the land and building or to repair the building foundation.
- c. This peril does not increase the limit of liability applying to the covered property.

The SECTION I – Earth Movement and Settlement exclusion 2. does not apply to "sinkhole loss."

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**SECTION I - EXCLUSIONS**

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We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

**1. Ordinance or Law**, meaning any ordinance or law:

- a.** Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris.

This Exclusion 1. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;

- b.** The requirements of which result in a loss in value to property; or

- c.** Requiring any "insured" or others to:

- (1) Test for;
- (2) Monitor;
- (3) Clean up;
- (4) Remove;
- (5) Contain;
- (6) Treat;
- (7) Detoxify;
- (8) Neutralize; or
- (9) In any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant, or contaminant, including:

- (1) Smoke;
- (2) Vapor;
- (3) Soot;
- (4) Fumes;
- (5) Acids;
- (6) Alkalis;
- (7) Chemicals; and
- (8) Waste.

Waste includes materials to be recycled, reconditioned, or reclaimed.

This Exclusion 1. applies whether or not the property has been physically damaged.

**2. Earth Movement and Settlement**, meaning:

- a.** Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b.** Landslide;

- c.** Mine subsidence;
- d.** Mudflow or mudslide;
- e.** Earth sinking, rising or shifting;
- f.** Clay shrinkage or other expansion or contraction of soils or organic materials;
- g.** Decay of buried or organic materials;
- h.** Settling, cracking or expansion of foundations; or
- i.** Scouring;

Whether caused by natural or man-made activities; unless direct loss by:

- a.** Fire; or
- b.** Explosion;

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

**3. Water Damage**, meaning:

- a.** Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;

- b.** Water which:

- (1) Backs up through sewers or drains; or
- (2) Overflows or is discharged from a sump, sump pump or related equipment;

- c.** Water below the surface of the ground, including water which exerts pressure on or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or

- d.** Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this Exclusion.

This Exclusion 3. applies regardless of whether any of the above, in 3.a. through 3.d., is caused by or results from human or animal forces or any act of nature.

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason of water or waterborne material from a dam, levee, seawall or any other boundary or containment system

However, direct loss by fire, explosion or theft resulting from any of the above in 3.a. through 3.d. above is covered.

- 4. Power Failure**, meaning:  
The failure of power or other utility service if the failure takes place off the "residence premises."  
But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises," we will pay for the loss or damage caused by that Peril Insured Against.
- 5. Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. War**, including the following and any consequence of any of the following:
- Undeclared war, civil war, insurrection, rebellion or revolution;
  - Warlike act by a military force or military personnel; or
  - Destruction, seizure or use for a military purpose.
- Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- 7. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I – CONDITIONS.
- 8. Intentional Loss**, meaning any loss arising out of any act committed:
- By or at the direction of an "insured"; and
  - With the intent to cause a loss.
- 9. "Fungi," Wet Or Dry Rot, Yeast Or Bacteria** meaning:  
The presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, yeast or bacteria.  
This Exclusion 9. does not apply:
- When "fungi," wet or dry rot, yeast or bacteria results from fire or lightning; or
  - To the extent coverage is provided for in the "Fungi," Wet Or Dry Rot, Yeast Or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.
- Direct loss by a Peril Insured Against resulting from "fungi," wet or dry rot, yeast or bacteria is covered.
- 10. Existing Damage**, meaning:
- Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
  - Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception; or
  - Visible physical damage caused by "sinkhole activity" occurring prior to the inception of this policy.
- This Exclusion 10. does not apply in the event of a total loss caused by a Peril Insured Against.
- 11. Smog, Rust, Decay or Other Corrosion.**  
This policy does not include loss caused by smog, rust, decay or other corrosion.
- 12. Inherent Vice, Latent Defect, Defect or Mechanical Breakdown.**  
This policy does not include loss caused by inherent vice, latent defect, defect or mechanical breakdown.
- 13. Constant or repeated seepage or leakage** of water or steam, or the presence or condensation of humidity, moisture or vapor; which occurs over a period of 14 or more days, whether hidden or not.
- 14. Accidental discharge or overflow of water or steam** from:
- Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
  - Within a household appliance for heating water; or
  - Within a household appliance.
- This Exclusion 14. applies only while the dwelling is vacant, "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:
- Shut off the water supply; and
  - Drain the system and appliances of water.
- Systems and appliances of water do not include outdoor swimming spas or outdoor irrigation wells.
- 15. Criminal or Illegal Activity** meaning:  
Any and all criminal or illegal acts performed by any insured that result in damage to your personal property.

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SECTION I - CONDITIONS

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**1. Insurable Interest and Limit of Liability.**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

**2. Duties After Loss.**

You must see that the following are done in the event of loss or damage to covered property:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft;
- c. Notify the credit card or fund transfer card company in case of loss as provided for in Additional Coverage **6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** under Section **I** – Property Coverages;
- d. Protect the property from further damage. If repairs to the property are required, you must:
  - (1) Make reasonable and necessary repairs to protect the property; and
  - (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. Prepare an inventory of damaged personal property showing the:
  - (1) Quantity;
  - (2) Description;
  - (3) Actual cash value; and
  - (4) Amount of loss.

Attach all bills, receipts and related documents that justify the figures in the inventory;

- g. As often as we reasonably require:
  - (1) Show the damaged property;
  - (2) Provide us with records and documents we request and permit us to make copies;
  - (3) You or any "insured" under this policy must:
    - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
    - (b) Sign the same;

- (4) If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

- (a) Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and

- (b) Sign the same;

- (5) Anyone you hire in connection with your claim and anyone insured under this policy, other than an "insured" in (3) or (4) above, must:

- (a) Submit to examinations under oath and recorded statements, while not in the presence of any "insured"; and

- (b) Sign the same;

- h. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interests of all "insureds" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.f. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under Additional Coverage **6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** under Section **I** - Property Coverages, stating the amount and cause of loss.

**3. Loss Settlement.**

Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

If you have submitted a sinkhole claim without good faith grounds for submitting such claim and

such claim is not withdrawn prior to our ordering a sinkhole analysis to investigate your claim, you are required, after we obtain written certification that there is no "sinkhole activity", to reimburse us for 50% of the actual costs, up to \$2,500, of the analysis and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss; pursuant to Florida Statutes 627.7072 and 627.7073.

**4. Loss to a Pair or Set.**

In case of loss to a pair or set we may elect to:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between actual cash value of the property before and after the loss.

**5. Glass Replacement.**

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

**6. Mediation or Appraisal.**

a. Mediation. If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- (1) The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
- (2) The settlement in the course of the mediation is binding only if:
  - (a) Both parties agree, in writing, on a settlement; and
  - (b) You have not rescinded the settlement within 3 business days after reaching settlement.
- (3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.
- (4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.

- (5) However, if we fail to appear at a mediation conference, we will pay:

- (a) Your actual cash expenses incurred while attending the conference; and
- (b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal. If you and we fail to agree on the amount of loss, either may request an appraisal of the loss by presenting the other party with a written request for appraisal of the amount of loss. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed pursuant to the terms of a written agreement between the parties.

With respect to a loss to property caused by the peril of "Sinkhole loss", Mediation or Appraisal condition 6. is deleted and replaced with the following:

**6. Neutral Evaluation Program**

With respect to a claim for alleged "Sinkhole loss," a neutral evaluation program is available as follows:

- a. Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department).
- b. For alleged "Sinkhole loss" to property, this program applies instead of the Mediation and Appraisal condition set forth elsewhere in this policy.
- c. You or we may file a request with the Department for neutral evaluation; the other party must comply with such request.
- d. We will pay the costs associated with the neutral evaluation regardless of which party makes the request.
- e. The neutral evaluator will be selected from a list maintained by the Department.  
The recommendation of the neutral evaluator will not be binding on you or us.
- f. Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Suit Against Us Condition 8. in this policy.

**7. Other Insurance.**

If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

**8. Suit Against Us.**

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms under Section I of this policy; and
- b. The action is started within 5 years after the date of the loss;

Except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or 5 years, whichever is later.

**9. Our Option.**

If at the time of loss:

- a. The damaged property is insured for Actual Cash Value loss settlement as described in your Loss Settlement conditions and we give or mail you written notice within 30 days after we receive your signed, sworn proof of loss:

- (1) We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
- (2) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

- b. The damaged property is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

- (1) We will pay the amount of loss, whether or not you repair or replace the damaged property.

**10. Loss Payment.**

We will adjust all losses with you.

We will pay you unless some other person is named in the policy or is legally entitled to receive payment.

Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you;  
or
- b. 60 days after we receive your proof of loss; and
  - (1) There is an entry of a final judgment; or
  - (2) There is a filing of an appraisal award or a mediation settlement with us.
- c. Within 90 days after we receive the notice of a property insurance claim from you, where we

shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

However, our failure to comply with this subsection shall not form the sole basis for a private cause of action against us.

**11. Abandonment of Property.**

We need not accept any property abandoned by an "insured."

**12. No Benefit to Bailee.**

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

**13. Nuclear Hazard Clause.**

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

**14. Recovered Property.**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery.

At your option, the property will be returned to or retained by you or it will become our property.

If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

**15. Volcanic Eruption Period.**

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

**16. Adjustment to Property Coverage Limits.**

If your policy is a renewal with us, the limit of liability for Coverages C and D may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or
- b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

**17. Deductible.**

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

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

**18. Claims Instructions**

In the event of a covered property loss under this policy, other than a catastrophic loss (i.e., Hurricane, tornado, hail) we will, with your authorization, instruct one of our pre-approved, licensed contractors to contact you promptly to arrange for an inspection of your property in order to assess the damages, as well as take steps to protect your property from further damage.

Also, with your authorization, the contractor will make arrangements necessary to commence covered repairs in order to expedite your claim.

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**SECTION II – LIABILITY COVERAGES**

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**COVERAGE E – Personal Liability**

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

- 1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
- 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

**COVERAGE F – Medical Payments To Others**

We will pay the necessary medical expenses that are incurred or medically ascertained within three years

from the date of an accident causing "bodily injury." Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

- 1. To a person on the "insured location" with the permission of an "insured"; or
- 2. To a person off the "insured location," if the "bodily injury":
  - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
  - b. Is caused by the activities of an "insured";
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
  - d. Is caused by an animal owned by or in the care of an "insured."

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**SECTION II – EXCLUSIONS**

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- 1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":
  - a. Which is expected or intended by one or more "insureds";
  - b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";
  - c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
    - (1) On an occasional basis if used only as a residence;
    - (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
    - (3) In part, as an office, school, studio or private garage;

- d.** Arising out of the rendering of or failure to render professional services;
- e.** Arising out of a premises:
  - (1)** Owned by an "insured";
  - (2)** Rented to an "insured"; or
  - (3)** Rented to others by an "insured";that is not an "insured location";
- f.** Arising out of:

- (1)** The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
- (2)** The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
- (3)** Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph **(1)** or **(2)** above.

This exclusion does not apply to:

- (1)** A trailer not towed by or carried on a motorized land conveyance.
- (2)** A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a)** Not owned by an "insured"; or
  - (b)** Owned by an "insured" and on an "insured location";
- (3)** A motorized golf cart when used to play golf on a golf course;
- (4)** A vehicle or conveyance not subject to motor vehicle registration which is:
  - (a)** Used to service an "insured's" residence;
  - (b)** Designed for assisting the handicapped; or
  - (c)** In dead storage on an "insured location";

- g.** Arising out of:
  - (1)** The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
  - (2)** The entrustment by an "insured" of an excluded watercraft described below to any person; or

- (3)** Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, including personal watercraft, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1)** That are not sailing vessels and are powered by:
  - (a)** Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b)** Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c)** One or more outboard engines or motors with 25 total horsepower or less;
  - (d)** One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e)** Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i)** You acquire them prior to the policy period; and:
      - (a)** You declare them at policy inception; or
      - (b)** Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii)** You acquire them during the policy period.

This coverage applies for the policy period.

- (2)** That are sailing vessels, with or without auxiliary power:
  - (a)** Less than 26 feet in overall length;
  - (b)** 26 feet or more in overall length, not owned by or rented to an "insured."
- (3)** That are stored;

- h.** Arising out of:
  - (1)** The ownership, maintenance, use, loading or unloading of an aircraft;

- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

- i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

- j. Which arises out of the transmission of a communicable disease by an "insured";
- k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law.

Controlled Substances include, but are not limited to:

- (1) Cocaine;
- (2) LSD;
- (3) Marijuana; and
- (4) All narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

- m. Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to "bodily injury" or "property damage" arising:

- (1) Out of the ingestion of paint that has lead in it;
- (2) Out of the ingestion of paint that has lead compounds in it;
- (3) Out of the inhalation of paint that has lead in it;

- (4) Out of the inhalation of paint that has lead compounds in it;
- (5) From radon, or any other substance that emits radiation;
- (6) In any manner (including liability imposed by law) from the discharge, disposal, release or escape of:
  - (a) Vapors or fumes;
  - (b) Gas or oil;
  - (c) Toxic chemicals, liquid or gas;
  - (d) Waste materials; and
  - (e) Irritants, contaminants or pollutants.

All other conditions are the same.

Exclusions e., f., g., and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

- 2. Coverage E – Personal Liability, does not apply to:

- a. Liability:

- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:

- (a) That directly relate to the ownership, maintenance or use of an "insured location"; or
- (b) Where the liability of others is assumed by the "insured" prior to an "occurrence";

unless excluded in (1) above or elsewhere in this policy;

- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
  - (1) Voluntarily provided; or
  - (2) Required to be provided;by the "insured" under any:
  - (1) Workers' compensation law;

- (2) Non-occupational disability law; or
- (3) Occupational disease law;

e. "Bodily injury" or "property damage" for which an "insured" under this policy:

- (1) Is also an insured under a nuclear energy liability policy; or
- (2) Would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- (1) American Nuclear Insurers;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada, or any of their successors;

f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined; or

g. "Bodily injury" or "property damage" caused by or arising out of any animal owned or kept by an "insured" whether or not the injury occurs on your premises or any other location<sup>3</sup>. **Coverage F – Medical Payments to Others**, does not apply to "bodily injury":

a. To a "residence employee" if the "bodily injury":

- (1) Occurs off the "insured location"; and
- (2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";

b. To any person eligible to receive benefits:

- (1) Voluntarily provided; or
  - (2) Required to be provided;
- under any:
- (1) Workers' compensation law;
  - (2) Non-occupational disability law; or
  - (3) Occupational disease law;

c. From any:

- (1) Nuclear reaction;

(2) Nuclear radiation; or

(3) Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

(4) Any consequence of any of these; or

d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

#### 4. Personal Injury.

This insurance does not apply to "personal injury":

a. Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";

b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;

c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

d. Arising out of a criminal act committed by or at the direction of an "insured";

e. Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership maintenance or use of the premises;

f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";

g. Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured," whether or not the "business" is owned or operated by an "insured" or employs an "insured."

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the "business."

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## SECTION II – ADDITIONAL COVERAGES

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We cover the following in addition to the limits of liability:

### 1. Claim Expenses.

We pay:

a. Expenses we incur and costs taxed against an "insured" in any suit we defend;

b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the

limit of liability for Coverage **E**. We need not apply for or furnish any bond;

- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and
- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

**2. First Aid Expenses.**

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured."

**3. Damage to Property of Others.**

We will pay, at replacement cost, up to \$500 per "occurrence" for "property damage" to property of others caused by an "insured."

We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section **I** of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
  - (1) A "business" engaged in by an "insured";
  - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location"; or
  - (3) The ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to

motor vehicle registration and not owned by an "insured."

**4. Loss Assessment.**

We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. "Bodily injury" or "property damage" not excluded under Section **II** of this policy; or
- b. Liability for an act of a director, officer, or trustee in the capacity as a director, officer or trustee, provided:
  - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charges against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following does not apply to this coverage:

- a. Section **II** – Coverage **E** – Personal liability Exclusion **2.a.(1)**; and
- b. Condition **1**. Policy Period, under SECTIONS **I** AND **II** – CONDITIONS.

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**SECTION II - CONDITIONS**

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**1. Limit Of Liability.**

- a. Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations.

This limit is the same regardless of the number of "insureds," claims made or persons injured.

All "bodily injury" and "property damage" resulting from any one accident or from conti-

nuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence."

- b. Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** limit of liability shown in the Declarations.

**c. Sub-limit Of Liability.**

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:

- (1) Inhalation of;
- (2) Ingestion of;
- (3) Contact with;
- (4) Exposure to;
- (5) Existence of; or
- (6) Presence of any "fungi," wet or dry rot, yeast or bacteria;

will not be more than the Section **II** – Coverage **E** Aggregate Sublimit of Liability of \$50,000 for "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability.

It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

This condition does not apply with respect to damages arising out of "fungi," wet or dry rot, yeast or bacteria when Endorsement **HO 03 34** is attached.

**2. Severability Of Insurance.**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability of \$50,000 described under Sec-

tion **II**, Conditions **1.c.** – Sublimit of Liability for "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

This condition will not increase the limit of liability for this coverage.

**3. Duties After Loss.**

In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a. Give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) The identity of the policy and "insured";
  - (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
  - (3) Names and addresses of any claimants and witnesses;
- b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";
- c. At our request, help us:
  - (1) To make settlement;
  - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
  - (3) With the conduct of suits and attend hearings and trials; and
  - (4) To secure and give evidence and obtain the attendance of witnesses;
- d. Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;
- e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."

**4. Duties of an Injured Person – Coverage F – Medical Payments to Others.**

The injured person or someone acting for the injured person will:

- a. Give us written proof of claim, under oath if required, as soon as is practical; and
- b. Authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

**5. Payment of Claim – Coverage F – Medical Payments to Others.**

Payment under this coverage is not an admission of liability by an "insured" or us.

**6. Suit Against Us.**

No action can be brought against us unless there has been compliance with the policy provisions.

No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been

determined by final judgment or agreement signed by us.

**7. Bankruptcy of an Insured.**

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

**8. Other Insurance – Coverage E – Personal Liability.**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

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**SECTIONS I AND II – CONDITIONS**

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**1. Policy Period.**

This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.**

a. Under SECTION I – PROPERTY COVERAGES, with respect to all "insureds" covered under this policy, we provide no coverage for loss under SECTION I – PROPERTY COVERAGES if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
  - (2) Engaged in fraudulent conduct; or
  - (3) Made false statements;
- relating to this insurance.

b. Under SECTION II - LIABILITY COVERAGES, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
  - (2) Engaged in fraudulent conduct; or
  - (3) Made false statements;
- relating to this insurance.

**3. Liberalization Clause.**

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

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

**4. Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**5. Cancellation.**

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

b. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date the cancellation takes effect.

c. When this policy has been in effect for 90 days or less:

(1) We may cancel immediately if there has been:

- (a) A material misstatement or misrepresentation; or
- (b) Failure to comply with underwriting requirements;

and your residential structure has not been insured by us for at least a 5 year period immediately prior to the date of the written notice.

(2) We may also cancel this policy subject to the following provisions.

A written cancellation notice, together with the specific reason(s) for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

We may cancel for any reason, except we may not cancel:

- (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (c) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim.

However, we may cancel this policy if:

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

- (3) Except as provided in items **5.b.** and **5.c.(1)** above, we will let you know of our action at least:

- (a) 180 days written notice before the date cancellation takes effect when your residential structure has been insured by us for at least a 5 year period immediately prior to the date of the written notice; or
- (b) At least 20 days before the date the cancellation takes effect in all other cases.

- d. When the policy has been in effect for more than 90 days, we may cancel:

- (1) If there has been a material misstatement;
- (2) If the risk has changed substantially since the policy was issued;
- (3) In the event of failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
- (4) If the cancellation is for all insureds under policies of this type for a given class of insureds.

However, we may not cancel:

- (1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (2) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (3) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim.

However, we may cancel this policy, if:

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

Except as provided in **5.b.** above, we will let you know of our action at least 100 days before the date the cancellation takes effect.

However:

- (1) We shall give at least 100 days written notice; or
- (2) When required by law, written notice by June 1, whichever is earlier, for any cancellation that would be effective between June 1 and November 30; except that:

(3) We shall give at 180 days written notice before the date cancellation takes effect when your residential structure has been insured by us for at least a 5 year period immediately prior to the date of the written notice.

- e. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- f. If the return premium is not returned with the policy notice of cancellation or when this policy is returned to us, we will refund it within 15 days after the date cancellation takes effect.
- g. An insurer that cancels a property insurance policy on property secured by a mortgage due to the failure of the lender to timely pay the premium when due shall reinstate the policy as required by § 501.137, Florida Statutes.

#### 6. Nonrenewal.

We may elect not to renew this policy.

- a. We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reason(s) for nonrenewal.
- b. When nonrenewal is for a policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you, we shall give at least 100 days written notice before the expiration of this policy.
- c. For all other nonrenewals:
  - (1) We shall give at least 100 days written notice before the expiration of this policy, or
  - (2) When required by law, written notice by June 1 for any nonrenewal between June 1 and November 30;

whichever is earlier; unless:

- (3) Your residential structure has been insured by us for at least a 5 year period immediately prior to the date of the written notice for nonrenewal, then we shall give at least 180 days written notice before the date nonrenewal takes effect.

Proof of mailing will be sufficient proof of notice.

d. We will not nonrenew this policy:

- (1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as

requested to prevent recurrence of damage to the insured property;

- (2) On the basis of a single claim which is a result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (3) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

- (a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

- (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

#### 7. Assignment.

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

#### 8. Subrogation.

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

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

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

#### 9. Death.

If any person named in the Declarations or the spouse, if a resident of the same household, dies:

- a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
- b. "Insured" includes:

- (1) Any member of your household who is an "insured" at the time of your death, but on-

ly while a resident of the "residence premises"; and

- (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**10. Renewal Notification.**

If we elect to renew this policy, we will let you know, in writing:

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

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

Proof of mailing will be sufficient proof of notice.

**11. Our Right to Recover Payment**

- a. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

- (1) Whatever is necessary to enable us to exercise our rights; and
- (2) Nothing after a loss to prejudice them.

- b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

- (1) Hold in trust for us the proceeds of the recovery, and
- (2) Reimburse us to the extent of our payment.

**IN WITNESS WHEREOF, Homeowners Choice Property & Casualty Insurance Company has executed and attested these presents.**



**President, Homeowners Choice Property & Casualty Insurance Company**