RENTERS PROTECTION POLICY

QUICK REFERENCE

This policy packet is not complete unless issued with the **Declarations Page** and **General Provisions Form.**

Only the coverages you have purchased and that are shown with a premium on the **Declarations Page** will be covered by this policy. Optional coverages you have purchased will be shown on the **Declarations Page** with appropriate premium. However, these coverages are subject to those limitations and restrictions explained in the policy.

The **Quick Reference** will help you readily locate parts of the policy to which you wish to refer.

We have tried to make this policy easy to read and understand. But should you need clarification on some point, we will be glad to provide it. You can reach us at 00-800-531-81110 or usaa.com.

QUICK REFERENCE

DECLARATIONS PAGE (RP-EUSA)

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Named Insured and Basing Address
Limits of Liability, applicable Deductibles and Premiums are shown for the following (if purchased):

- Personal Property
- Personal Liability
- Additional Coverages

Credits Discounts and Surcharges
Applicable Forms and Endorsements

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GENERAL PROVISIONS

General Provisions contains the definitions and provisions that apply to this policy but only for the coverages for which the Declarations page shows a premium. This insurance policy is underwritten by USAA EU DAC.

AGREEMENT

In return for **your** payment of premium and subject to all the terms of this policy, **we** will provide the insurance described.

DEFINITIONS

To help **you** understand **your** policy:

"We," "us" and **"our"** refer to the company providing this insurance.

"You" and **"your"** refer to the named insured shown on the Declarations page. It also means **your** spouse or registered civil partner when a member of **your** household.

In addition, this policy defines the following words and phrases as follows:

1. **"Actual cash value"** means the amount it would cost to repair or replace covered property at the time of loss or damage with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **Actual cash value** applies to valuation of covered property regardless of whether that property has sustained partial loss or total loss. The **actual cash value** of lost or damaged property may be significantly less than its replacement cost.

2. **"Aircraft"** means any conveyance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo.

3. **"Bicycle"** means:

   - A vehicle propelled by human pedaling and steered with handlebars.
   - E-bike classes L1e-A (EU) and Class 1 (UK, USA) with power assist up to 250 watts with speeds up to 25 km/h.

   Bicycle also includes affixed equipment. **Bicycle** does not include stationary exercise bicycles, or vehicles propelled by an engine, like mopeds or scooters.

4. **"Bodily injury"** means physical injury, sickness or disease, and includes required care, loss of services and death that results. **Bodily injury** does not include mental injuries such as emotional distress, mental anguish, humiliation, mental distress, or any similar injury unless it arises out of physical injury to the person claiming a mental injury.

5. **"Business"** means any full or part-time activity arising out of or related to any trade, profession or occupation of any **insured**.

6. **"Damages"** means compensatory damages the **insured** is legally obligated to pay as a result of **bodily injury** or **property damage** covered by this insurance. **Damages** does not include punitive, exemplary or multiple damages. Also, **damages** does not include prejudgment interest, fines or penalties awarded against an **insured**.

7. **"Family member"** means a person related to **you** by blood, marriage, civil partnership or adoption who resides primarily in **your** household. This includes a ward or foster child.

8. **"Fungus"** means any microorganism or by-product of any microorganism, including but not limited to mold, mildew, fungi, mycotoxins and spores.

9. **"Hovercraft"** means a self-propelled motorized ground effect vehicle and includes but is not limited to flarecraft and air cushion vehicles.

10. **"Identity Fraud"** means the act of knowingly transferring or using without lawful authority a means of identification of any **insured** with the intent to commit or to aid or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

11. **"Insured"** means:

    a. the named insured shown on the Declarations page of this policy,

    b. the spouse when a member of the same household, and

    c. **family members**, and

    d. other persons under the age of 21 and in the care of **you** or a **family member**.

    Under **Personal Liability**, **insured** also means:

    e. With respect to animals, **watercraft** or **personal watercraft** to which this policy applies, any person or organization legally responsible for these animals, **watercraft** or **personal watercraft** that are owned by **you** or any person included in paragraphs 10.a, b, c or d above, except where they are using or having custody of these animals, **watercraft** or **personal watercraft** without consent of the owner.

    f. With respect to any vehicle or conveyance to which this policy applies:

        (1) **residence employees** while engaged in **your** employ or that of any person included in paragraphs 10.a, b, c or d above; or

        (2) other persons using the vehicle on an **insured location** with **your** consent.

12. **"Insured location"** means:

    a. Any part of a building, structure or grounds used by **you** as a residence. This includes any premises used by **you** in connection with **your** residence;

b. Any part of a premises not owned by an **insured** where **you** are temporarily residing;

c. Vacant land, other than farm land, owned by or rented to an **insured**;

d. 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**;

e. Individual or family cemetery plots or burial vaults of an **insured**; or

f. Any part of a premises occasionally rented to an **insured** for other than **business** use.

13. **"Motor vehicle(s)"** means:

    a. any type of motorized land or amphibious vehicle or conveyance not including a **bicycle**; or

    b. any trailer or semitrailer that is being carried on, towed by or hitched for towing by any vehicle described in paragraph a above.

14. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which during the policy period results in:

    a. **Bodily injury** or

    b. **Property damage**.

15. **"Personal watercraft"** means a conveyance used or designed for use on water that uses a jet pump as the primary source of propulsion.

16. **"Property damage"** means physical damage to or destruction of tangible property, including loss of use of this property.

17. **"Professional services"** means any type of service to the public that requires members rendering a service to obtain an advanced degree and/or obtain a license or other legal authorization to provide the service. This includes but is not limited to services rendered by:

    a. Dentists,

    b. Naturopaths,

    c. Chiropractors,

    d. Physicians and surgeons,

    e. Doctors of dentistry,

    f. Physical and occupational therapists,

    g. Podiatrists,

    h. Optometrists,

    i. Nurses and nurse-midwives,

    j. Veterinarians,

k. Pharmacists,

l. Architects and landscape architects,

m. Engineers,

n. Accountants,

o. Land surveyors,

p. Psychologists,

q. Attorneys-at-law, or

r. Therapists, counselors and social workers.

18. **"Real property"** means property consisting of land or buildings. It includes land, anything growing on the land, and structures and equipment integrated or permanently attached to the land or buildings.

19. **"Replacement cost value"** means the cost at the time of loss of a new item identical to the one damaged, destroyed or stolen. If an identical item is no longer manufactured or cannot be obtained, **replacement cost value** will be the cost of a new item that is:

    a. similar to the insured article, and

    b. of like quality and usefulness.

20. **"Residence employee"** means:

    a. an employee of any **insured** whose primary duties are related to the maintenance or use of an **insured's** residence, including household or domestic services; or

    b. one who performs similar duties elsewhere on behalf of an **insured** but not related to any **business** of an **insured**.

21. **"Sudden and accidental"** means an abrupt, fortuitous event that is unexpected or unintended from the perspective of a reasonable person.

22. **"Terrorism"** means the unlawful use of force or violence against persons or property in order to coerce or intimidate a government or the civilian population in furtherance of political or social objectives.

23. **"Vicarious liability"** means to make one or more persons or entities legally responsible for the actions or conduct of another person or entity because of the personal or special relationship between them.

24. **"War"** means war whether declared or undeclared, civil war, rebellion, revolution, any warlike act by friendly or enemy forces, and destruction or seizure for a military purpose.

25. **"Watercraft"** means a conveyance principally designed to be propelled on or in water by wind, current, paddles, oars, engine power or electric motor.

POLICY PERIOD

This policy applies only to loss that occurs during the policy period shown on the Declarations page.

CONCEALMENT, MISREPRESENTATION OR FRAUD

We may void the entire policy and/or deny any claim, if in response to information requested or questions asked by **us**, any **insured**:

a. intentionally conceals or misrepresents any material fact or circumstance or

b. makes false statements or engages in fraudulent conduct relating to this insurance.

LIBERALIZATION CLAUSE

If **we** make a change that 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** country, provided the implementation date falls within 60 days prior to or during the policy period stated on the Declarations page.

This **Liberalization Clause** does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether **we** implement that general program through introduction of:

a. a subsequent edition of this policy or

b. an amendatory endorsement.

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 any investigation, appraisal or examination will not waive any of **our** rights.

CANCELLATION AND NONRENEWAL

Cancellation

a. **You** may cancel this policy at any time, but the effective date of cancellation cannot be earlier than the date of **your** request unless **we** agree to an earlier date.

b. **We** may cancel this policy only for the reasons stated below by sending notice to the named insured shown on the Declarations page. This cancellation notice may be delivered to the named insured mailed by postal mail to the most recent address **you** provided to **us** or sent electronically if **we** have **your** consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. **We** will provide electronic notice by placing it on **our** website pursuant to an electronic transaction agreement or upon directing it to an electronic mailbox or voice channel that **you** designate for receiving mail.

(1) When **you** have not paid the premium, **we** may cancel at any time by letting the named insured know at least 10 days before the date that cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by letting the named insured know at least 60 days before the date that cancellation takes effect.

(3) When this policy has been in effect for 60 days or more or at any time if it is a renewal with **us**, **we** may cancel:

(a) upon discovery of fraud, concealment or misrepresentation made by or with the knowledge of any **insured** in obtaining this policy, continuing the policy or presenting a claim under this policy; or

(b) if the risk has changed substantially since the policy was issued;

(c) upon discovery that the **insured** does not meet USAA Group membership eligibility requirements; or

(d) for any other reason allowed by law.

We may cancel this policy by notifying the named insured shown on the Declarations page at least 60 days before the date cancellation takes effect.

(4) When **you** or **we** cancel this policy, **we** will refund a pro-rata premium for the period from the date of cancellation to the expiration date. **We** will refund it within a reasonable time after the date cancellation takes effect. However, making or offering to make the refund is not a condition of cancellation.

Nonrenewal

We may elect not to renew this policy. **We** may do so by letting the named insured shown on the Declarations page know in writing 60 days before policy termination. This nonrenewal notice may be delivered to the named insured mailed by postal mail to the most recent address **you** provided to **us** or sent electronically if **we** have **your** consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. **We** will provide electronic notice by placing it on **our** website pursuant to an electronic transaction agreement or upon directing it to an electronic mailbox or voice channel that **you** designate for receiving mail.

RECOVERY FROM OTHERS

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

If **we** seek an assignment of rights of recovery, an **insured** may be required to:

a. sign and deliver all related papers,

b. cooperate with **us** in a reasonable manner, and

c. do nothing after a loss to prejudice **our** right of recovery.

If **we** make a payment under this policy and the person to or for whom payment was made also recovers damages from another, that person shall hold in trust for **us** the proceeds of the recovery and reimburse **us** to the extent of **our** payment.

SPOUSE ACCESS

The named insured shown on the Declarations page, and **we** agree that the named insured and spouse are "customers" for purposes of local and federal privacy laws. The spouse or civil partner will have access to the same information available to the named insured and may initiate the same transactions as the named insured.

The named insured may notify **us** that he/she no longer agrees that the spouse or civil partner shall be treated as a "customer" for purposes of local and federal privacy laws, and **we** will not permit the spouse or civil partner to access policy information.

ASSIGNMENT

Assignment of any claim or this policy will not be valid unless **we** give **our** written consent.

DEATH

If the named insured shown on the Declarations page dies or the spouse if a member of the same household:

a. **We** insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under this policy at the time of death;

b. For the purpose of this condition, **insured** includes:

(1) any member of **your** household who is an **insured** at the time of **your** death but only while a resident of **your** household; and

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

CHANGES, INCLUDING CONTACT INFORMATION

You agree to notify **us**, as soon as reasonably possible of any changes to **your** circumstances that may affect **your** policy including but not limited to:

1. **your** postal address or contact information, to include electronic media or communication channels;

2. **your** spouse or registered civil partner when a member of **your** household;

3. any **business** pursuits or in-home **business**.

CONFORMITY TO STATUTE

Where there is a conflict between the local law and the law under which this policy is written, the local law shall apply to the relevant terms of the policy. This provision applies only to the extent that the jurisdiction provides written law prohibiting modification of another law by an insurance policy.

COMPLAINTS AGAINST US

If **you** are not satisfied with **our** service or with **our** handling of a claim, you may contact **us** at:

USAA EU DAC
35 Shelbourne Road
Ballsbridge
Dublin, D04 A4E0
Ireland
Tel: 00-800-531-81110

We will acknowledge **your** complaint and attempt to resolve the situation as quickly as possible. When warranted, **we** will provide **you** with a suggested resolution within 8 days from receipt of the complaint. **We** will inform **you** if **your** complaint cannot be resolved within 8 days, and communicate a suggested resolution within 30 days after the initial notification.

If, after receiving **our** written response, **you** remain dissatisfied, **you** have the right to contact the Financial Services and Pensions Ombudsman (FSPO) at:

Financial Services and Pensions
Ombudsman
Lincoln House
Lincoln Place
Dublin 2, D02 VH29
Phone: +353 1 567 7000
Email: info@fspo.ie

The Financial Services and Pensions Ombudsman provides a free mediation service for unresolved disputes between insurance companies and consumers. Further information is available at .fspo.ie.

Further complaint information specific to services obtained online or via email is available on the Online Dispute Resolution platform at http://ec.europa.eu/consumers/odr/.

DETAILS ABOUT OUR REGULATORS

You may contact the supervisory authority responsible for **us**. USAA EU DAC is regulated by the Central Bank of Ireland.

Central Bank of Ireland
N Wall Quay
North Wall
Dublin, D01 F7X3
Ireland
+353 1 224 6000

In Germany, **we** are also subject to secondary supervision by:

Bundesantstalt fuer Finanzdientleistungsaufsicht (BaFin)
Graurheindorfer Strasse 108
53117 Bonn
Germany
+49 (0) 228 4108-0

APPLICABLE LAW

If any of the terms of this policy conflict with local law, local law will apply.

For policies based in Spain: In the event of USAA EU DAC's winding-up and liquidation, Spanish rules would not apply. Only the winding-up and liquidation laws of the Republic of Ireland would apply.

BANKRUPTCY

Bankruptcy or insolvency of any **insured** as defined in this policy does not relieve **us** of **our** obligations under this policy.

PERSONAL PROPERTY

Personal Property describes the coverage **you** have in the event of loss to **your** household goods and other personal property.

This policy is not complete without the **General Provisions** and **Quick Reference**. Coverage is in effect only when the Declarations page shows a premium and limit of liability for **Personal Property**.

PROPERTY WE COVER

Subject to the **Property We Do Not Cover** and **Losses We Do Not Cover** provisions in this policy, **we** cover tangible personal property anywhere in the world owned by:

1. Any **insured** or
2. Someone else when it is at **your** residence or in **your** custody.

DEDUCTIBLE

Unless otherwise noted in this policy, **we** will pay only that amount of a covered loss that exceeds the deductible amount shown on the Declarations page.

DOLLAR LIMITS ON SOME PROPERTY

The dollar limit shown below for each group is the most **we** will pay in the event of a claim for a loss to one or more items in that group.

1. $3,000 for motorized golf carts and their equipment and accessories.
2. $2,500 for theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
3. a. $2,500 for **business** property at **your** residence.

   b. $250 for **business** property away from **your** residence.
4. $2,000 for theft of firearms and their equipment and accessories.
5. $1,000 for theft of jewelry, watches, furs and precious and semi-precious stones.
6. $1,000 for securities, accounts, deeds, evidences of debt, personal records, letters of credit, notes other than bank notes, manuscripts, passports, airline or other transportation tickets, stamps including postage stamps, and other philatelic property.

This limit applies to these categories regardless of the medium. This limit includes the cost to research, replace or restore the information from the lost or damaged material.

7. $1,000 for trailers not used with **watercraft**.
8. $1,000 for **watercraft** including their trailers, their attached equipment and accessories, and outboard motors.
9. $200 for money, bank notes, digital currency, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals, food stamps, gasoline coupons and tokens.
10. $1,500 for all **bicycles**, per loss. If the replacement value of the **bicycle** exceeds $250, the **bicycle** must be secured with a lock when not in use. If the **bicycle** is in a locked room that is exclusively used by **you**, there is no obligation to use an independent lock.

These limits do not increase the amount of coverage shown on the Declarations page for **Personal Property**.

PROPERTY WE DO NOT COVER

The following are not covered by this policy:

1. **Aircraft** and parts.
2. Animals, birds or fish.
3. Building materials and supplies for construction, reconstruction or remodeling of a building or structure.
4. Any building or structure that is owned by any **insured**. This includes any structures, fixtures and fittings permanently attached to the building or structure.
5. **Business** data, records, recordings, images and photographs including such data stored in:

   a. Books of account, drawings or other paper records; or

   b. Electronic or digital storage media.

   Refer to **Other Losses We Cover** - **Data and image storage media** for limited coverage.
6. Controlled substances included on Schedule I as defined by 21 United States Code Section 812, and as changed, updated and republished by 21 Code of Federal Regulations Part 1308 at the time of loss. This exclusion applies whether or not the law in the location where the loss occurs allows use or sale of the substance.
7. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds.
8. Grave markers, including mausoleums.
9. **Hovercraft** and parts.
10. **Motor vehicle(s)**. This includes but is not limited to the following:

a. equipment, accessories, and parts while in or upon a **motor vehicle**; or

b. any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures when permanently installed in a **motor vehicle**; or

c. antennas, cords, tapes, wires, discs or other media designed for use with a device or instrument described in paragraph 10.b above but only while in or upon a **motor vehicle**.

Refer to **Other Losses We Cover** - **Motor vehicles** and **Dollar Limits on Some Property**, section 1 for limited coverage.

11. Personal data, records, recordings, images and photographs, regardless of storage media. This includes songs, movies and other audio or video media that **you** purchase and download onto a computer or portable electronic media player.

    Refer to **Other Losses We Cover** - **Data and image storage media** for limited coverage.

12. Personal property of lessees, roomers, roommates, boarders, other tenants, or the guest or servant of any of these.

13. Property in the custody of a government mail or private mail or package delivery service.

14. Property rented to others or held for rental except property **you** leave in **your** permanent residence when **you** temporarily rent the residence.

    If **you** temporarily rent **your** permanent residence to others, **we** will not pay for loss to the following:

    a. money, securities, jewelry, watches, gems, precious or semi-precious stones, and items of gold, silver or platinum; and

    b. **your** property if caused by **your** tenant, his employee(s) or a member of his household.

15. Water, steam or gas.

16. **Watercraft** or **Personal watercraft** other than rowboats, kayaks and canoes.

Refer to **Losses We Do Not Cover** for other circumstances and conditions in which this policy restricts or excludes coverage.

LOSSES WE COVER

We insure loss that is **sudden and accidental** and results in direct physical loss to covered tangible property when caused by any peril listed below, unless this policy restricts or excludes coverage under **Losses We Do Not Cover**.

1. **Aircraft**

   This peril means damage caused by impact with:

   a. an **aircraft**, or

   b. self-propelled missiles and spacecraft.

This peril includes damage to personal property transported by an **aircraft** only when the **aircraft** itself is first involved in a collision with an object other than the property transported.

2. **Collapse of a building**

   This peril means damage to covered personal property caused by the collapse of a building or any part of a building.

3. **Discharge or overflow of water or steam**

   This peril means damage caused by water or steam due to:

   a. accidental discharge or overflow from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance;
   b. **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; or
   c. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

   Refer to **Losses We Do Not Cover** - **Gradual seepage** and **Freezing** for exceptions.

4. **Earthquake**

   This peril includes land shock waves or tremors before, during or after a volcanic eruption. One or more earthquake shocks that occur within a 72-hour period will constitute a single loss due to earthquake.

5. **Explosion**

6. **Falling objects**

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

7. **Fire or lightning**

   This peril includes direct loss by fire resulting from nuclear reaction, nuclear radiation or radioactive contamination.

   Refer to **Losses We Do Not Cover** - **Nuclear hazard** for exceptions.

8. **Flood and water**

   a. Flood means:

      (1) the overflow of inland or tidal waters;

      (2) the unusual and rapid accumulation or runoff of surface waters from any source; or

(3) mudslides that are directly caused by the overflow of inland or tidal waters that resemble a river or liquid and flowing mud on the surface of normally dry land that includes **your** residence, such as when earth is carried by a current of water and deposited along the path of the current.

b. Water means water that backs up through sewers or drains.

Refer to **Losses We Do Not Cover** - **Gradual seepage** and **Freezing** for exceptions and **Discharge or overflow of water or steam** for other coverage.

9. **Riot or civil commotion**

10. **Smoke**

This peril means **sudden and accidental** damage from smoke.

Refer to **Losses We Do Not Cover** - **Accumulative smoke** for exceptions.

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

12. **Theft**

This peril includes loss caused by:

a. loss from a known place and time when it is likely the property has been stolen;

b. pilferage, larceny, burglary, robbery, holdup and embezzlement; or

c. attempted theft.

Refer to **Losses We Do Not Cover** - **Lost or misplaced property** for exceptions.

13. **Vandalism or malicious mischief**

Property is covered against intentional and malicious damage, unless:

a. by or at the direction of an **insured**, and

b. with the intent to cause a loss.

14. **Vehicles**

This peril means damage caused by or resulting from an impact with a **motor vehicle**.

This peril includes damage to personal property transported by a **motor vehicle** only when the vehicle itself is first involved in a collision with an object other than the property transported.

15. **Volcanic eruption**

This peril does not include loss caused by earthquake, land shock waves or tremors.

16. **Wind or hail**

Refer to **Losses We Do Not Cover** - **Weather** for exceptions.

OTHER LOSSES WE COVER

Except as restricted or excluded under **Losses We Do Not Cover**, this policy includes the following coverages.

1. **Building additions and alterations**

   When a premises is rented to or leased by any **insured** as a residence, **we** will pay for damage from a covered loss to building improvements or installations made or acquired at **your** expense to that part of the residence used exclusively by any **insured**. **We** will pay no more than 10% of the amount for **Personal Property** shown on the Declarations page.

   This coverage applies in addition to that amount shown on the Declarations page for **Personal Property**.

2. **Data and image storage media**

   We will cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market. For **business** property, **we** will pay no more than the applicable dollar limit for **business** property for the blank media.

   Refer to **Dollar Limits on Some Property** - 3, and **Property We Do Not Cover** - 5 and 11 for exceptions.

3. **Debris removal**

   We will pay **your** reasonable expense for the removal of:

   a. debris from or consisting of covered property if damaged because of any peril covered under **Losses We Cover**; or

   b. ash, dust or particles from a volcanic eruption that has caused direct loss to covered property.

   This expense is included in the amount of insurance that applies to the damaged property.

   When the amount payable for the actual damage plus the expense for debris removal exceeds the amount of insurance for the covered property, an additional 5% of that amount of insurance will be available to cover debris removal expense.

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 responds to save or protect covered property from a peril covered under **Losses We Cover**.

   This coverage applies in addition to the amount shown on the Declarations page for **Personal Property**.

No deductible applies to this coverage.

5. **Fungus, wet or dry rot**

   If as a direct result of any peril covered under **Losses We Cover**, **we** will pay up to:

   a. $2,500 for:

      (1) the cost to treat, remove or dispose of **fungus** or wet or dry rot from covered property; and/or

      (2) the cost to test, detect, measure or evaluate air or property to confirm the absence, presence or level of **fungus** or wet or dry rot whether performed prior to, during or after removal, repair, restoration or replacement of covered property. **We** will pay for such testing only if there is a reasonable probability for the presence of **fungus**.

   b. $2,000 for the reasonable and necessary increase in costs that **you** incur to maintain **your** normal standard of living when the place where **you** reside is unfit for its normal use due to loss caused by, resulting from, or consisting of **fungus** or wet or dry rot.

   This coverage applies in addition to the amount of insurance that applies to the covered property.

   If covered property is also damaged by another cause of loss that **we** cover, and not just caused solely by **fungus** or wet or dry rot, loss payment will not be limited to the coverage provided for **Fungus, wet or dry rot**. However if **fungus** or wet or dry rot causes an increase in the loss, that increase will be subject to the terms of the coverage provided for **Fungus, wet or dry rot**.

   No deductible applies to this coverage once the policy deductible has been met.

   Refer to **Losses We Do Not Cover** - **Fungus** for exceptions.

6. **Identity fraud and financial fraud**

   We will pay up to an aggregate of $5,000 for all loss and defense costs resulting from:

   a. the legal obligation of any **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in any **insured's** name;

   b. loss resulting from theft or unauthorized use of electronic fund transfer cards or access devices used for deposit, withdrawal or transfer of funds, issued to or registered in any **insured's** name;

   c. loss to any **insured** caused by forgery or alteration of any check or negotiable instrument;

   d. loss to any **insured** through acceptance in good faith of counterfeit United States, Canadian, Euro or Sterling paper currency; or

e. expenses incurred by an **insured** as the direct result of **identity fraud** but only for the following:

(1) costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized;

(2) costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;

(3) lost wages as a result of time taken off from work to meet with or talk to law enforcement agencies, credit agencies, merchants and/or legal counsel, or to complete fraud affidavits, not to exceed $250 per day;

(4) loan application fees for re-applying for a loan or loans when original application is rejected solely because the lender received incorrect credit information;

(5) reasonable attorney fees incurred with **our** prior consent for:

(a) defense of lawsuits brought against an **insured** by merchants or their collection agencies and

(b) the removal of any criminal or civil judgments wrongly entered against an **insured**;

(6) charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss **identity fraud**;

(7) research fees charged by merchants, financial institutions or similar credit grantors, or credit agencies.

For the purposes of this coverage, **we** will consider a series of acts committed against any **insured** for the purpose of fraud as one loss. This applies regardless of the number of persons concerned or implicated in the fraud, even if a series of these acts continues into a subsequent policy period.

For losses covered by **Identity fraud and financial fraud**, **we** may provide a defense according to the following conditions:

a. **We** may investigate and settle any claim or suit that **we** decide is appropriate, or

b. **We** may provide a defense by counsel of **our** choice.

Our duty to defend a claim or suit ends when the amount **we** pay or tender for loss equals the applicable amount of insurance for **Identity fraud and financial fraud**.

This coverage applies in addition to the amount shown on the Declarations page for **Personal Property**.

A $100 deductible applies only to expenses incurred because of **identity fraud**.

No other deductible applies to this coverage.

Refer to **Losses We Do Not Cover** - **Access to financial property** for exclusions.

7. **Lock replacement**

When someone steals the door keys to **your** residence, **we** will pay the cost to:

a. change the combination in the lock cylinder of the door locks as needed or

b. change the lock hardware of the doors as needed.

The most **we** will pay for lock replacement is $250.

This coverage does not increase the amount shown on the Declarations page for **Personal Property**.

No deductible applies to this coverage.

8. **Loss of use**

We will pay no more than 40% of the amount for Personal Property shown on the Declarations page, or $2500, whichever is greater for:

a. **Additional living expenses**

If any peril covered under **Losses We Cover** makes the place where **you** reside uninhabitable, **we** cover the reasonable and 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:

(1) repair or replace the damaged property; or

(2) if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.

In either event, this coverage will not exceed 12 months from the date of the loss.

b. **Prohibited use**

If a civil authority prohibits **you** from using the place where **you** reside because of direct damage by a peril covered under **Losses We Cover** to a neighboring location, **we** will pay the **Additional living expenses** for no more than two weeks from the date of the civil authority mandate.

We do not cover any loss of use or expense due to cancellation of a lease or agreement. Nor do **we** cover any loss of use or expense as a result of the coverage provided for **War** under **Other Losses We Cover**.

Except as provided by **Other Losses We Cover** - **Fungus, wet or dry rot**, the coverage afforded under paragraphs 8.a and b do not apply to loss caused by **fungus** or wet or dry rot.

Expiration of this policy does not limit the periods of time specified in paragraphs 8.a or b above.

This coverage applies in addition to the amount shown on the Declarations page for **Personal Property**.

No deductible applies to this coverage.

9. **Military uniforms and equipment**

While **you** are on active or active-reserve duty, **we** will waive **your** deductible for covered loss to uniforms and military equipment owned by **you**. This includes but is not limited to clothing, insignia, flight cases, headsets, personal body armor and GPS devices.

This coverage does not increase the amount shown on the Declarations page for **Personal Property**.

Refer to **Other Losses We Cover** - **War** and **Losses We Do Not Cover** - **War and terrorism**. See also **Loss Settlement** - **Payments under Other Losses We Cover** -**War**, and **Personal Property Conditions** - **Duties after loss** a for additional information.

10. **Motor vehicles**

We will cover **motor vehicle(s)** not subject to motor vehicle registration that are:

a. used solely to service any residence of an **insured** that is not used for **business**, or
b. designed for assisting the handicapped.

Refer to **Dollar Limits on Some Property** - paragraph 1 and **Property We Do Not Cover** - **Motor vehicle(s)** for limits and exceptions.

11. **Moving and storage**

a. This coverage begins when **your** property passes into the custody of a public carrier, including United States government trucks, aircraft and vessels, or a storage facility. **Your** property must be described under a bill of lading, a mover's contract, baggage check, or other form of shipping or storage document.

This coverage ends when:

(1) **your** property is delivered to **your** permanent or temporary address in accordance with the shipping document, or

(2) **you** take possession of **your** property from storage.

b. In addition to the previously described **Losses We Cover**, this coverage will pay for:

(1) loss of **your** property if it cannot be located after a reasonable search when described under a bill of lading, mover's contract, baggage check, or other form of shipping or storage document;

(2) loss or damage caused by the stranding, sinking, overturning, crashing, ditching, derailment, burning, or collision of a public conveyance;

(3) loss or damage caused by water, except as excluded in paragraph 11.c below; and

(4) **your** share of general average and salvage charges.

c. This coverage does not cover loss or damage caused by or consisting of:

(1) breakage, marring, scratching or mishandling;

(2) delay during shipment;

(3) humidity or temperature changes;

(4) **fungus**, mildew or mold;

(5) inherent defect of the property;

(6) insufficient packing or address; or

(7) insects, rodents or vermin.

This coverage does not increase the amount shown on the Declarations page for **Personal Property**.

The policy deductible applies to this coverage.

12. **Property removed**

a. **We** insure covered property against direct loss from any cause while being removed from a premises endangered by a covered peril under **Losses We Cover**. **We** provide this coverage for no more than 30 days after the property has been removed.

b. **We** will pay for reasonable expenses incurred by **you** for the removal and return of the covered property.

This coverage does not increase the amount of insurance that applies to the covered property.

The policy deductible applies to this coverage.

13. **Reasonable repairs**

If any peril covered under **Losses We Cover** causes damage to covered property, **we** will pay the reasonable expense incurred by **you** for necessary measures taken solely to protect against further damage.

This coverage does not increase the amount of insurance that applies to the covered property.

The policy deductible applies to this coverage.

This coverage does not relieve **you** of **your** duties in case of a loss to covered property.

14. **Refrigerated products**

We will pay **you** up to $500 for loss to the contents of a freezer or a refrigerator located at **your** residence if caused by power failure or mechanical breakdown. The $500 limit is the most **we** will pay for any one loss.

This coverage does not increase the amount shown on the Declarations page for **Personal Property**.

No deductible applies to this coverage.

15. **War**

To the extent that coverage for war is provided here, the exclusion for **War and terrorism** under **Losses We Do Not Cover** and the war exclusion in any endorsement attached to this policy do not apply.

We will pay for the:

a. direct loss or damage to **your** personal property caused by **war**, or

b. abandonment because of **war**

subject to the following conditions:

This coverage applies only:

(1) to an **insured** who is subject to government reimbursement for loss to personal property under 31 USC 3721, commonly referred to as the Military Personnel and Civilian Employees Claims Act, as amended and supplemented, succeeded or replaced;

(2) after the U.S. Government has made its final payment to **you** under the Act referenced above; and

(3) to loss that occurs anywhere outside the United States, including Alaska and Hawaii.

This coverage does not increase the amount shown on the Declarations page for **Personal Property**.

No deductible applies to this coverage.

LOSSES WE DO NOT COVER

We do not insure for loss or damage consisting of, resulting from, or caused directly or indirectly by any of the following. Such loss is excluded regardless of whether the event or damage occurs suddenly or gradually, involves isolated or widespread damage, or occurs because of any combination of the following exclusions to produce the loss.

1. **Access to financial property**

This exclusion applies to forgery, theft or use of a credit card, electronic fund transfer card or access device:

a. by a resident of **your** household,

b. by a person who has been entrusted with the card(s) or device(s), or

c. if any **insured** has not complied with all terms and conditions under which the financial institution issued the cards or devices.

We do not cover loss arising out of **business** pursuits of any **insured**.

2. **Accumulative smoke**

This exclusion applies to loss caused by:

a. agricultural smudging or industrial smudging or operations, or

b. use of candles, oil lamps or other smoke- and soot-producing products.

3. **Criminal activity**

This exclusion applies to loss arising out of dishonesty, fraud or any criminal activity of any **insured**.

4. **Diminution in value**

This exclusion applies to any reduction in value that would remain after any **insured** repairs or replaces damaged property.

5. **Freezing**

This exclusion applies to a loss at **your** place of residence, while unoccupied, only if **you** have failed to:

a. maintain heat, or

b. shut off the water supply and drain the system and appliances of water in the building containing the covered property.

If **you** have failed to do either paragraphs a or b above, then **we** will not cover damage to covered property caused by or consisting of:

(1) freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance;

(2) discharge, leakage or overflow from within the system or appliance caused by freezing; or

(3) freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a swimming pool, hot tub, or spa, including their filtration and circulation systems.

6. **Fungus**

This exclusion applies to damage consisting of or caused by **fungus**, wet or dry rot or bacteria except as provided in **Other Losses We Cover** - **Fungus, wet or dry rot**.

7. **Gradual seepage**

   This exclusion applies to damage caused by gradual seepage of water through building or basement walls, roofs, windows, doors, foundations, or floors.

8. **Intentional loss**

   This exclusion applies to loss arising out of any act any **insured** commits or conspires to commit with the intent to cause a loss. Even **insureds** who did not commit or conspire to commit the act causing the loss are not entitled to coverage.

9. **Lost or misplaced property**

   This exclusion applies to property that an **insured** cannot locate after a reasonable search or retrieve from a known location when theft is unlikely. The act of filing a police report for missing property does not create coverage under **Losses We Cover** - **Theft** unless theft is the likely cause of the missing property.

10. **Neglect**

    This exclusion applies to any failure of an **insured** to use all reasonable means, without endangering lives, to save and preserve property at and after the time of loss or damage or the event resulting in loss or damage.

11. **Nuclear hazard**

    This exclusion applies to loss caused by any nuclear reaction, radiation or radioactive contamination, whether controlled, uncontrolled or however caused, or any consequence of any of these.

    We will not consider loss caused directly or indirectly by a nuclear hazard as loss caused by fire, explosion or smoke.

    Refer to **Losses We Cover** - **Fire and lightning** for exceptions.

12. **War and terrorism**

    This exclusion applies to any act or consequence of **war** or **terrorism**. Discharge of a nuclear weapon will be deemed a warlike or terroristic act, even if accidental.

    Refer to **Other Losses We Cover** - **War** for exceptions.

13. **Weather**

    This exclusion applies to the following personal property:

    a. rowboats, kayaks and canoes unless inside a fully enclosed building;

    b. property contained in a building unless the direct force of wind or hail causes an opening in the building walls or roof, allowing entry of weather elements through this opening; or

    c. decorative items kept outdoors such as trees, shrubs or plants.

LOSS SETTLEMENT

We do not agree upon the value of the covered property when issuing this policy; rather, the value of covered property shall be set at the time of loss or damage. **We** will not pay more than the amount shown on the Declarations page for **Personal Property**, nor will **we** pay more than any other limits stated in this policy.

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 60 days after **we** receive **your** proof of loss and:

A. **we** reach an agreement with **you**, or

B. a court enters a final judgment, or

C. **we** receive notice of an appraisal award.

1. **Property eligible for replacement cost**

   For property eligible for **replacement cost value**, it is **our** option to:

   a. replace, or pay **you our** cost to replace, the property with new property of like kind and quality; or

   b. pay **you** the cost to repair or restore the property to the condition it was in just before the loss; or

   c. pay **you** the necessary amount actually spent to repair or replace the damaged property.

   If the entire loss equals $5,000 or greater, **we** will pay no more than the **actual cash value** until the damaged property is repaired or replaced. To make a claim for the **replacement cost value**, **you** must repair or replace the covered property and submit receipts to **us** within one year from the date of the **actual cash value** payment. **You** may request an additional 180 days in writing, provided **you** notify **us** within 45 days from the date the repair or replacement is complete. If **we** receive your receipts demonstrating repair or replacement of the damaged property within the time allotted above, **we** will pay the lesser of:

   (1) the difference between the **actual cash value** initially paid to you and the **replacement cost value**, for property of like kind and quality; or

   (2) the difference between the **actual cash value** initially paid to **you** and the amount **you** actually spent to repair or replace the damaged property.

2. **Property not eligible for replacement cost**

   For property not eligible for **replacement cost value**, it is **our** option to:

a. pay **you** the **actual cash value**; or

b. replace or to pay **you our** cost to replace the property with property of like kind, age, quality and condition; or

c. pay **you** the cost to repair or restore the property to the condition it was in just before the loss.

We will not pay **replacement cost value** for the following property:

(1) items of rarity or antiquity that cannot be replaced;

(2) rare, unique, collectible, or difficult to replace, property. This includes property that is hard to find, has historical value, or is no longer widely available, such as memorabilia, souvenirs and collectors' items;

(3) motorized golf carts and their equipment and accessories;

(4) articles not maintained in good or workable condition;

(5) property that is either obsolete or useless to any **insured** at the time of loss; or

(6) property that **you** do not intend to repair, replace or restore.

3. **Payments under Other Losses We Cover - War**

To the extent that **we** cover **war** under **Other Losses We Cover** - **War**, **we** will not pay for **war** loss to personal property under this policy until the U.S. Government has made its final payment to **you** for the loss under 31 USC 3721 as amended and supplemented, or any successor or replacement act.

We will pay the total amount of **your** loss, minus the U.S. Government payment, and only after the U.S. Government has made its final payment for **your** loss.

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 60 days after **we** receive **your** proof of loss and satisfactory evidence of the amount of the U.S. Government payment, or **we** reach an agreement with **you**.

4. **Insurable interest**

Even if more than one person has an insurable interest in the property covered, **our** coverage in any one loss will be the lesser of:

a. the amount of an **insured's** interest at the time of loss, or

b. the applicable limit of coverage shown on the Declarations page or stated in the policy.

5. **Other insurance or service agreement**

   If a loss covered by this policy is also covered by:

   a. other insurance, **we** will pay only the proportion of the loss that the amount of insurance applying under this policy bears to the total amount of insurance covering the property; or

   b. a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

   c. an endorsement attached to this policy, this policy will pay only when the limit of the endorsement has been exhausted. The lowest deductible will apply.

6. **Pairs and sets**

   In case of loss or damage 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,

   b. pay the difference between the **actual cash value** of the property before and after the loss, or

   c. ask **you** to surrender the undamaged item, and **we** will pay **you** for the pair or set.

   We will not pay for the entire pair or set because of the partial loss, unless **you** surrender the undamaged item at **our** request.

PERSONAL PROPERTY CONDITIONS

1. **Abandonment**

   You may not leave damaged property for disposal by **us** unless **we** have agreed to accept the damaged property. If **you** attempt to abandon the property to **us**, **we** will not pay the replacement cost, nor will **we** pay for the disposal of the damaged property.

2. **Duties after loss**

   Where applicable, **you** must do the following if a loss occurs for which this policy may provide coverage:

   a. In the event of a loss by theft, vandalism or malicious mischief, notify the police or military authority with jurisdiction over the location where the loss occurred as soon as practically possible.

   b. In the event of **identity fraud** or financial fraud, notify the credit card or fund transfer card companies and all other relevant authorities or companies.

c. Protect the property from further damage by using all reasonable precautions without endangering lives to save and preserve the property at the time of loss.

d. Contact **us** within 91 days after **you** discover the loss. **We** will not accept **your** claim unless circumstances reasonably prevent **you** from doing so.

e. Provide the following information upon request by **us**:

(1) the price and date of purchase;

(2) the replacement value and a complete description of the article(s) involved;

(3) receipts, appraisals or other proof of ownership or value for covered property;

(4) receipts, bills or other records that support **your** claim for expenses under **Identity fraud and financial fraud**.

f. Tell **us** if there is a lien on the property and who holds it. **You** must tell **us** if other insurance exists for the property.

g. Show **us** the damage to the property and answer **our** questions under oath about any loss or damage, if required by **us**.

h. Submit a proof of loss when required by **us**.

i. In the event of a loss caused by **war**:

(1) report **your** claim to the U.S. Government, its affiliate or agency, and comply with its requirements;

(2) send **us**, within 60 days after **our** request, copies of all actual documents which outline the basis of the government's reimbursement for **your** loss including the amount paid.

3. **Personal property amount adjusted annually**

You agree that **we** will adjust the amount of coverage shown on the Declarations page for **Personal Property** at each renewal of this policy. The adjustment shall reflect the averaged rate of change of the

a. house furnishing,

b. entertainment commodities, and

c. apparel commodities

portions of the Consumer Price Index of the U.S. Department of Labor. **We** will round the resulting limit to the nearest $100, but **we** will not reduce this limit without **your** consent.

You have the right to refuse any change in the amount of coverage. To do this, **you** must notify **us** before the effective date of such change. Any change **you** request to the amount of coverage after the effective date will be effective the day after **you** request it.

4. **Property held by others**

   We will not recognize any assignment nor 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.

5. **Salvage and recovered property**

   We have an interest in the salvage value of any property for which **we** have made a payment under **Loss Settlement**. At **our** option, property for which **we** have paid to replace becomes **our** 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. **You** may retain the property and refund to **us** the loss payment or any lesser amount to which **we** agree.

6. **Suit against us**

   There is a time limit for bringing legal action against **us** concerning this policy. It must be started within the time period required by the applicable statute of limitations provided by law within **your** policy jurisdiction after the loss occurs. **You** must also comply with all policy provisions.

   For loss under **Other Losses We Cover** - **War** only, **you** may not bring any action against **us** unless **you** have complied with these policy provisions and started the action within one year after the date of final payment by the government.

PERSONAL LIABILITY

Personal Liability describes the coverage **you** have anywhere in the world, in case another party makes a claim against any **insured** for **property damage** or **bodily injury** arising out of any **insured's** personal activities or **your** residence.

This policy is not complete without the **General Provisions** and **Quick Reference**. Coverage is available only when the Declarations page shows a premium and limit of liability for **Personal Liability**.

LOSSES WE COVER

Except as listed under the heading for **Losses We Do Not Cover**, **we** cover the following types of loss:

1. **Liability**

   We pay for:

   a. **damages** for which any **insured** is legally liable; and/or

   b. an attorney of **our** choice to defend **you** in a civil action for **damages**, even if the suit is groundless, false or fraudulent.

   The **occurrence** that caused the claim or suit for **damages** from **bodily injury** or **property damage** must occur because of the personal activities of an **insured** or the ownership, maintenance, occupancy or use of an **insured location**.

   We may investigate and settle any claim or suit that **we** decide is appropriate. **We** will pay no more than the amount shown on the Declarations page for **Personal Liability**, nor will **we** pay more than any other limits stated in the policy.

2. **Claim expenses**

   We will pay:

   a. expenses **we** incur and costs billed to any **insured** related to any suit **we** defend;

   b. premiums on bonds required in a suit **we** defend, but not for bond amounts greater than the amount shown on the Declarations page for **Personal Liability-we** are not required to apply for or furnish any bond;

   c. reasonable expenses incurred by any **insured** at **our** request, including actual loss of earnings (but not loss of other income) up to $250 per day, for assisting **us** in the investigation or defense of a claim or suit;

d. interest on the entire judgment that accrues after entry of the judgment and before **we** pay or deposit in court that part of the judgment that does not exceed the limit of liability that applies;

e. prejudgment interest awarded against the insured on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of liability, **we** will not pay any prejudgment interest based on that period of time after the offer.

We pay these expenses in addition to the amount shown on the Declarations page for **Personal Liability**.

3. **Medical payments to others**

We will pay medical expenses incurred or established within three years from the date of an **occurrence** causing **bodily injury** that arises out of the personal activities of any **insured** or the ownership, maintenance, occupancy or use of an **insured location**.

Medical expenses means necessary and reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral expenses.

This coverage does not apply to **you** or residents of **your** household except **residence employees**. As to others, this coverage applies only:

a. to a person on the **insured location** with the permission of any **insured**; or

b. to a person off the **insured location**, if the **bodily injury**:

(1) arises out of a condition on the **insured location** or the ways immediately adjoining,

(2) results from the activities of any **insured**,

(3) results from the activities of a **residence employee** in the course of the **residence employee's** employment by any **insured**, or

(4) results from an animal owned by or in the care of any **insured**.

OTHER LOSSES WE COVER

We will pay for the following reasonable and necessary expenses and **damages** described below. Unless specifically addressed elsewhere in this policy, **we** do not offer any other insurance for these types of loss, nor do **we** pay for any legal defense of the following losses.

1. **Damage to government housing**

We will pay no more than **your** monthly basic pay at the time of an **occurrence** for **property damage** to government housing. **You** must be an active duty military member of the United States Air Force, Army, Coast Guard, Marine Corps or Navy at the time of damage.

a. This coverage applies only to **property damage**:

(1) to government-controlled family or unaccompanied personnel housing and its government- owned furnishings and equipment, and

(2) for which the government holds **you** responsible under the report of survey system used by the armed services.

b. **We** will not pay for **property damage**:

(1) resulting from deliberate unauthorized use of the housing, its furnishings and equipment;

(2) resulting from violation of military rules pertaining to the occupancy of the housing;

(3) to the extent of any amount recoverable under **Personal Property**, if part of this policy;

(4) associated with any government expense in routine or regular maintenance, replacement or cleanup resulting from normal use, wear and tear, or poor housekeeping.

The exclusion 15.b for **Property damage not covered** under **Losses We Do Not Cover** does not apply to this coverage.

This coverage does not increase the amount shown on the Declarations page for **Personal Liability**.

2. **Damage to property of others**

a. Except as described in paragraph b below, **we** will pay the replacement cost for **property damage** caused by an **insured** to property of others. **You** must report the damage to **us** within 91 days after the damage occurs. **We** will pay no more than $1,000 for any one loss.

b. **We** will pay the replacement cost for **property damage** caused by an **insured** to **real property** and its contents rented to or leased by an **insured** but only if charged against **you** by the landlord or its agent when **you** permanently vacate the residence. **We** will pay no more than $1,000 for any one residence.

In the event that **property damage** may be covered under both paragraphs a and b, **we** will pay no more than $1,000 in total for all combined damages.

We will not pay for **property damage**:

c. to the extent of any amount recoverable under **Personal Property**, if part of this policy;

d. caused intentionally by any **insured** who is 13 years of age or older;

e. to property owned by any **insured**;

f. to property owned by or rented to a tenant of any **insured** or a resident in **your** household;

g. to property owned by, rented to, occupied by or in the custody of any **insured** for damage resulting from wear and tear or poor housekeeping;

h. arising out of:

(1) a **business** engaged in by any **insured**;

(2) any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or

(3) the ownership, maintenance, occupancy, operation, use, loading or unloading of **aircraft**, **hovercraft**, **watercraft**, **personal watercraft** or **motor vehicle(s)**. This exclusion 2.h(3) does not apply to a **motor vehicle** that:

(a) is designed for recreational use off public roads, and

(b) is not owned by any **insured**, and

(c) is not subject to **motor vehicle** registration by law at the time and place of the **occurrence**.

We pay for **Damage to property of others** in addition to the amount shown on the Declarations page for **Personal Liability**.

3. **First aid expenses**

We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. **We** will not pay for first aid to any **insured**.

We pay these expenses in addition to the amount shown on the Declarations page for **Personal Liability**.

4. **Loss assessment**

We will pay no more than $1,000 for **your** share of loss assessment charged against **you** as owner or tenant of **your** place of residence, during the policy period by a corporation or association of property owners, when the assessment is made because of:

a. **bodily injury** or **property damage** caused by an **occurrence** not excluded under **Losses We Do Not Cover** in this policy; or

b. liability not excluded under **Losses We Do Not Cover** in this policy for an act committed by a director, officer or trustee during the policy period 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 that are solely on behalf of a corporation or association of property owners.

We will not pay:

c. for assessments charged against **you** or a corporation or association of property owners by any governmental body; or

d. more than $1,000 regardless of the number of assessments for loss arising out of one **occurrence**.

Exclusion b under **Losses We Do Not Cover** - **Contractual liability** does not apply to this coverage.

This coverage does not increase the amount shown on the Declarations page for **Personal Liability**.

LOSSES WE DO NOT COVER

1. **Aircraft or hovercraft**

   We will not pay for **Liability** or **Medical payments to others** arising out of:

   a. the ownership, maintenance, use, loading or unloading of; or

   b. the entrustment by any **insured** to any person; or

   c. **vicarious liability**, whether or not statutorily imposed, for the actions of anyone using any **aircraft** or **hovercraft**.

   This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

2. **Attorney's fees**

   We will not pay an attorney to defend **you**:

   a. against criminal charges or proceedings, or

   b. after **we** pay the amount shown on the Declarations page for **Personal Liability**, for legal liability arising out of an **occurrence**.

3. **Bodily injury to an insured or resident**

   a. **We** will not pay for **Medical payments to others** for **bodily injury** to any person who is resident of any part of the **insured location**, other than a **residence employee** of any **insured**.

   b. **We** will not pay for **Liability** or **Medical payments to others** for **bodily injury** to **you** or any other **insured**.

   Exclusion 3.b above also applies to any claim made or suit brought against **you** or an **insured**:

   (1) to repay or

   (2) share damages with

   another person who may be obligated to pay damages because of **bodily injury** to an **insured**.

4. **Bodily injury to a residence employee**

   We will not pay for **Medical payments to others** for **bodily injury** to a **residence employee** if that injury:

   a. occurs off the **insured location**, and

   b. does not arise out of or in the course of the **residence employee's** employment by an **insured**.

5. **Business pursuits**

   We will not pay for **Liability** or **Medical payments to others** arising out of or in connection with:

   a. a **business** conducted from an **insured location** or engaged in by any **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 any 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**.

      This exclusion does not apply to any part of the **insured location** used by an **insured** as a personal home office, home school, private studio, or private garage when no customers or clients come to the **insured location**.

   b. the rental or holding for rental of any part of any premises by any **insured**. This exclusion does not apply to the rental or holding for rental of any **insured location** for use only as a residence, unless intended to lodge more than two roomers or boarders.

   c. the rendering or failure to render **professional services**.

6. **Communicable disease**

   We will not pay for **Liability** or **Medical payments to others** arising out of the transmission of a communicable disease by any **insured**.

7. **Contractual liability**

   We will not pay for **Liability** or **Medical payments to others** arising out of:

   a. **your** failure, intentionally or unintentionally, to disclose information regarding the sale or transfer of **real property** or personal property;

   We will not pay for **Liability** arising out of:

   b. any loss assessment charged against **you** as a member of an association, corporation or community of property owners other than as provided in **Other Losses We Cover** - **Loss assessment**;

c. any contract or agreement-however, this exclusion for 7.c does not apply to written contracts:

(1) that directly relate to the ownership, maintenance or use of any **insured location**; or

(2) where any insured assumes the liability of others prior to an **occurrence**;

unless excluded in paragraph b above or elsewhere in this policy.

8. **Environmental hazards**

We will not pay for **Liability** or **Medical payments to others**:

a. arising out of the actual, alleged or threatened discharge, dispersal, release, escape, seepage or migration of **pollutants**, however caused and whenever occurring. This includes any loss, cost or expense arising out of any:

(1) request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, or assess the effects of **pollutants**; or

(2) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

b. arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of lead paint, dust, chips, or other lead-based products;

c. arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of asbestos; or

d. arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any **fungus**, wet or dry rot or bacteria.

9. **Illegal activity**

We will not pay for **Liability** or **Medical payments to others** arising out of:

a. or caused by the commission of, attempting to flee from, or avoiding apprehension for a criminal act for which intent is a necessary element;

b. any actual, alleged or threatened:

(1) sexual misconduct, or

(2) sexual harassment, or

(3) sexual molestation;

c. any actual, alleged, or threatened physical or mental abuse; or

d. illegal discrimination or violation of civil rights.

10. **Illegal substances**

    We will not pay for **Liability** or **Medical payments to others** arising out of the:

    a. use,

    b. sale,

    c. manufacture,

    d. delivery,

    e. transfer or

    f. possession

    by any person of any controlled substance(s) as defined by law at the time of the **occurrence**.

    A controlled substance is defined by 21 United States Code Section 812, and as changed, updated, and republished by 21 Code of Federal Regulations Part 1308 at the time of the **occurrence**. This applies regardless of the location where the incident occurs. Controlled substances include but are not limited to cocaine, LSD, marijuana, methamphetamine and 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 health care professional.

11. **Intentional acts**

    We will not pay for **Liability** or **Medical payments to others** resulting in **bodily injury** or **property damage** that any **insured** intended or should have reasonably expected to occur. This exclusion applies even if the resulting **bodily injury** or **property damage** is:

    a. of a different kind, quality or degree than initially expected or intended; or

    b. sustained by a different person, entity, **real property** or personal property, than initially expected or intended.

    However, this exclusion does not apply to **bodily injury** resulting from the use of lawful and reasonable force by any **insured** to protect persons or property.

12. **Motor vehicles**

    We will not pay for **Liability** or **Medical payments to others** arising out of:

    a. the ownership, maintenance, use, loading or unloading of **motor vehicles**, including trailers owned or operated by or rented or loaned to any **insured**;

    b. the entrustment by any **insured** of a **motor vehicle** to any person; or

c. **vicarious liability**, whether or not statutorily imposed, for the actions of anyone using a **motor vehicle** excluded in paragraphs a or b above.

This exclusion does not apply to the ownership, maintenance, permissive use, loading or unloading of:

d. a trailer not towed by or carried on a **motor vehicle**;

e. a **motor vehicle** designed for recreational use off public roads, not subject to motor vehicle registration and:

(1) not owned by an **insured**; or

(2) owned by any **insured**, provided the **occurrence** takes place on any **insured location**; or

(3) owned by any **insured** and designed or modified to operate at speeds not to exceed 15 miles per hour;

f. a motorized golf cart that is:

(1) designed to carry up to four persons; and

(2) not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground; and

(3) operated at the time of an **occurrence** within the legal boundaries of a private residential community which:

(a) is subject to the authority of a property owners' association,

(b) includes public roads upon which a motorized golf cart can legally travel, and

(c) contains an **insured's** residence.

g. a **motor vehicle** not subject to motor vehicle registration that is:

(1) used solely to service any **insured's** residence; or

(2) designed for assisting the handicapped, provided the **occurrence** is on an **insured location**; or

(3) in dead storage on an **insured location** and not capable of operation.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

13. **Nuclear hazard**

We will not pay for **Liability** or **Medical payments to others** from any of the following, whether controlled, uncontrolled or however caused:

a. nuclear reaction,

b. nuclear radiation,

c. radioactive contamination or

d. any consequence of any of the above.

14. **Other sources of compensation**

We will not pay for **Liability** or **Medical payments to others** arising out of:

a. **bodily injury** to any person eligible to receive benefits voluntarily provided or required to be provided by an **insured** under any:

(1) workers' compensation law,

(2) non-occupational disability law or

(3) occupational disease law.

b. **bodily injury** or **property damage** for which any **insured** under this policy:

(1) is also an **insured** under a nuclear energy liability policy issued by the:

(a) Nuclear Energy Liability Insurance Association,

(b) Mutual Atomic Energy Liability Underwriters,

(c) Nuclear Insurance Association of Canada, or any of their successors; or

(2) would be an **insured** under a nuclear energy liability policy but for the exhaustion of its limit of liability.

15. **Property damage not covered**

Liability does not apply to:

a. **property damage** to property owned by any **insured**; or

b. **property damage** to property rented to, occupied by, used by or in the care of any **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion.

Refer to **Other Losses We Cover** - **Damage to government housing** and **Damage to property of others** for limited cover.

16. **Premises owned by an insured**

a. **Liability** does not apply to **bodily injury** or **property damage** arising out of an **insured's** ownership of a building or structure that any **insured** uses as a residence.

b. **Liability** and **Medical payments to others** do not apply to **bodily injury** or **property damage** arising out of a premises owned by an **insured** that is not an **insured location**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

17. **Punitive damages**

We will not pay for **Liability** for punitive, exemplary or multiple damages, prejudgment interest, fines, or penalties.

18. **Rented premises**

Liability and **Medical payments to others** do not apply to **bodily injury** or **property damage** arising out of a premises:

a. rented to an **insured**, or

b. rented to others by an **insured**

that is not an **insured location**.

This exclusion does 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**.

19. **War and terrorism**

We will not pay for **Liability** or **Medical payments to others** caused directly or indirectly by **war** or **terrorism**, including any consequence of **war** or **terrorism**. Discharge of a nuclear weapon will be deemed a warlike or terroristic act even if accidental.

20. **Watercraft and personal watercraft**

We will not pay for **Liability** or **Medical payments to others** arising out of:

a. the ownership, maintenance, use, loading or unloading of; or

b. the entrustment by any **insured** to any person of; or

c. **vicarious liability**, whether or not statutorily imposed, for the actions of anyone using:

any **watercraft** or **personal watercraft**.

This exclusion does not apply to any **watercraft**:

a. while in storage, or

b. owned or borrowed by, or rented to any **insured**:

(1) with inboard, outboard or inboard-outdrive motor power of 50 horsepower or less; or

(2) that is a sailing vessel, with or without auxiliary power, that is no more than 35 feet in length.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

PERSONAL LIABILITY CONDITIONS

1. **Duties after loss**

   In case of an accident or **occurrence** for which this insurance may provide coverage, an **insured** may be required to perform the following duties that apply. If an **insured** fails to comply with the following duties, resulting in prejudice to **our** rights, then **we** will have no duty to defend any **insured** for that accident or **occurrence**. **You** will help **us** by seeing that these duties are performed.

   a. Give notice to **us** or **our** agent as soon as practically possible, 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. Cooperate with **us** in the investigation, settlement, or defense of any claim or suit.

   c. Promptly forward to **us** every notice, demand, summons, or other process relating to the accident or occurrence.

   d. 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 any **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.

   e. At **our** request under **Other Losses We Cover** - **Damage to property of others**, submit a sworn statement of loss within 60 days and show **us** the damaged property, if in an **insured's** control.

   f. An **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** or **property damage**.

   Failure to comply with these requirements may result in the claim being delayed or denied.

2. **Expectations of an injured person**

   Under **Medical payments to others**, the injured person or someone acting for the injured person may be required to:

   a. give **us** written proof of claim, under oath if required, as soon as practically possible; and

b. authorize **us** to obtain copies of medical reports and records.

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

3. **Limit of liability**

The amount shown on the Declarations page for **Personal Liability** specifies the maximum amount **we** will pay for **bodily injury** or **property damage** because of a covered **occurrence**, regardless of the number of **insureds**, claims made or persons injured. All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered one **occurrence**.

The amount shown on the Declarations page for **Medical payments to others** specifies the maximum amount **we** will pay for all medical expenses payable for **bodily injury** to one person as the result of one accident.

4. **Non-admission of liability**

Payment of a claim under **Medical payments to others** does not represent an admission of liability by any **insured** or **us**.

5. **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 amount of insurance applying under this policy bears to the total amount of insurance covering the property. This does not apply to other insurance written specifically to cover as excess over the limits of liability that apply in this policy.

6. **Severability of insurance**

The limit shown on the Declarations page for **Personal Liability** applies separately to each **insured**; however, severability does not increase **our** limit of liability for any one **occurrence**.

7. **Suit against us**

You may not bring action against **us** unless **you** have complied with **Duties after loss** and other policy provisions.

No one may assert a right to join **us** as a party to any action against an **insured**. In addition, no action with respect to **Liability** can be brought against **us** until **we** agree in writing to, or a final judgment determines, the obligations of an **insured**.