

SERFF Tracking Number: APCG-125184196 State: Arkansas  
 Filing Company: American International Insurance Company State Tracking Number: AR-PC-07-025478  
 Company Tracking Number: 07-HO-AR-001F  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: Homeowners 09/06 Rewrite/07-HO-AR-001F

## Filing at a Glance

Company: American International Insurance Company

Product Name: Homeowners SERFF Tr Num: APCG-125184196 State: Arkansas  
 TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: AR-PC-07-025478  
 Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: 07-HO-AR-001F State Status:  
 Combinations  
 Filing Type: Form Co Status: Reviewer(s): Becky Harrington,  
 Betty Montesi, Brittany Yielding  
 Author: Darren O'Toole Disposition Date: 11/14/2007  
 Date Submitted: 07/17/2007 Disposition Status: Approved  
 Effective Date Requested (New): 11/01/2007 Effective Date (New):  
 Effective Date Requested (Renewal): 01/30/2008 Effective Date (Renewal):  
 01/30/2008

## General Information

Project Name: Homeowners 09/06 Rewrite Status of Filing in Domicile: Pending  
 Project Number: 07-HO-AR-001F Domicile Status Comments:  
 Reference Organization: Reference Number:  
 Reference Title: Advisory Org. Circular:  
 Filing Status Changed: 11/14/2007  
 State Status Changed: 07/18/2007 Deemer Date:  
 Corresponding Filing Tracking Number:

### Filing Description:

American International Insurance Company is submitting, for your approval, revisions to our Private Client Group Homeowners Program. The revisions include amendments to our Homeowners policy language along with new and revised endorsements which are enclosed. These revisions are the result of working with our program for a period of time and receiving feedback from our brokers as to where our program can be amended to reflect the needs of our insureds. Also, please note that we are withdrawing various endorsements from our program. Please see the attached Side-By-Side Comparison for a list of forms filed and withdrawn.

The rules associated with this filing are included in corresponding filing 07-HO-AR-001R.

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Enclosed are an Explanatory/Actuarial Memorandum and Side-by-Side Comparison for a detailed explanation of the revisions.

## Company and Contact

### Filing Contact Information

Darren O'Toole, Contract Analyst darren.o'toole@aig.com  
 70 Pine Street, 22nd Floor (212) 770-3550 [Phone]  
 New York, NY 10270 (212) 770-7261[FAX]

### Filing Company Information

American International Insurance Company	CoCode: 32220	State of Domicile: New York
70 Pine Street	Group Code: 12	Company Type: Property & Casualty
New York, NY 10270	Group Name: AIG	State ID Number:
(212) 770-5730 ext. [Phone]	FEIN Number: 13-3333609	
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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
32037568	\$50.00	07/13/2007

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	11/14/2007	11/14/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	07/18/2007	07/18/2007	Darren O'Toole	10/24/2007	11/12/2007

*SERFF Tracking Number:*      *APCG-125184196*                      *State:*                      *Arkansas*  
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## **Disposition**

Disposition Date: 11/14/2007

Effective Date (New):

Effective Date (Renewal): 01/30/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Before and After - Forms	Approved	Yes
Supporting Document	Explanatory Memo	Approved	Yes
Supporting Document	Marked Copy of PCHO-FLD (06/05)	Approved	Yes
Form	Homeowners Policy	Approved	Yes
Form	Equipment Breakdown	Approved	Yes
Form	AIG Fraud SafeGuard	Approved	Yes
Form	Named Insured as Trust or Legal Liability Corporation	Approved	Yes
Form	Additional Insured - LLC or Trust	Approved	Yes
Form	Exclusion of Animal-Related Liability	Approved	Yes
Form	Domestic Animals Deductible	Approved	Yes
Form	Other Permanent Structures - Condominium & Cooperative Owner	Approved	Yes
Form	Course of Construction Conditions	Approved	Yes
Form	Fungi Liability Exclusion	Approved	Yes
Form	Landscaping Coverage Increased Limits	Approved	Yes
Form	Landscaping Wind Coverage Extension	Approved	Yes
Form	Landscaping Limitation	Approved	Yes
Form	Earthquake Coverage Extension	Approved	Yes
Form	Privacy Notice	Approved	Yes
Form	Sinkhole Collapse Coverage Extension	Approved	Yes
Form	Loss Payable Clause	Approved	Yes
Form	Personal Injury Exclusion	Approved	Yes
Form	Limited Additional Coverages	Approved	Yes
Form	Construction Coinsurance Clause	Approved	Yes
Form	Additional Insured - Limited COverage Endorsement	Approved	Yes
Form	Political Activity Exclusion	Approved	Yes
Form	Increased Ensuing Fungi or Bacteria - Arkansas	Approved	Yes
	Residence Rental Theft Exclusion	Approved	Yes

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**Form**

<b>Form</b>	AIG Household SafeGuard	Approved	Yes
<b>Form</b>	AIG Household SafeGuard (Stalking Excluded)	Approved	Yes
<b>Form</b>	Flood Coverage	Approved	Yes
<b>Form</b>	Extended Rebuilding Cost Coverage	Approved	Yes
<b>Form</b>	Deductible Waiver for Large Losses	Approved	Yes
<b>Form</b>	Contents Coverage Special Limit	Approved	Yes
<b>Form</b>	Thoroughbred Horse Liability Extension	Approved	Yes
<b>Form</b>	Additions & Alteration Extended Replacement Cost	Approved	Yes
<b>Form</b>	Earthquake Coverage Extension for Loss Assessment	Approved	Yes
<b>Form</b>	Increased Limit on Personal Property	Approved	Yes
<b>Form</b>	Increased Limits Business Property	Approved	Yes
<b>Form</b>	Fungi Liability Extension	Approved	Yes
<b>Form</b>	Identity Fraud Expense Coverage	Approved	Yes
<b>Form</b>	Increased Loss Assessment Coverage	Approved	Yes
<b>Form</b>	Business Property Extension	Approved	Yes
<b>Form</b>	Wind or Hail Percentage Deductible	Approved	Yes
<b>Form (revised)</b>	Homeowners Amendatory Endorsement - Arkansas	Approved	Yes
<b>Form</b>	Homeowners Amendatory Endorsement - Arkansas		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 07/18/2007

Submitted Date 07/18/2007

Respond By Date

Dear Darren O'Toole,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Homeowners Policy (Form)

Comment: The replacement cost provision for total loss does not appear to comply with Arkansas Code Annotated §23-88-101, Valued Policy Law.

### Objection 2

- Homeowners Policy (Form)

Comment: The subrogation clause must be amended to comply with Arkansas Supreme Court decision, Franklin v. Healthsource of Arkansas, 942 S.W. 2nd 837 (Ark. 1997). It must specifically state that the insurer would be entitled to recovery only after the insured has been fully compensated for the loss sustained.

### Objection 3

- Homeowners Amendatory Endorsement - Arkansas (Form)

Comment: Please amend the mortgage clause to comply with Arkansas Code Annotated §23-88-105. 30-days notice must be given in cases of non-renewal.

### Objection 4

- Flood Coverage (Form)

Comment: Explain the differences in endorsement PCHO-FLD to those of the endorsement of the same name withdrawn from a previous filing.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State

*SERFF Tracking Number:*      *APCG-125184196*                      *State:*                      *Arkansas*  
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*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0000 Homeowners Sub-TOI Combinations*  
*Product Name:*              *Homeowners*  
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**Response Letter Date**                      **10/24/2007**  
**Submitted Date**                      **11/12/2007**

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 Product Name: Homeowners  
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Dear Becky Harrington,

**Comments:**

This is in response to your letter dated 7/18/07 on the above captioned filing.

**Response 1**

Comments: We have revised the Mortgage Clause by giving 30-days notice in cases of non-renewal in order to comply with Arkansas Code Annotated §23-88-105. Please see revised Homeowners Amendatory Endorsement PCHO-AEAR (09/06) attached.

**Related Objection 1**

Applies To:

- Homeowners Amendatory Endorsement - Arkansas (Form)

Comment:

Please amend the mortgage clause to comply with Arkansas Code Annotated §23-88-105. 30-days notice must be given in cases of non-renewal.

**Changed Items:**

No Supporting Documents changed.

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Homeowners Amendatory Endorsement - Arkansas	PCHO - AEAR	0906	Endorsement/Amendment/Conditions	Replaced		0	PCHO-AEAR_08-02_ - Homeowners Amendatory - Arkansas-MRK-II.pdf,PCHO-AEAR_09-06_ -

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 Arkansas-  
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**Previous Version**

Homeowners	PCHO - 0906	Endorsement/Amendment Replaced	0	PCHO-
Amendatory	AEAR	/Conditions		AEAR-
Endorsement -				0906-
Arkansas				Homeown ers Amendato ry - Arkansas. pdf,PCHO -AEAR _08-02_ - Homeown ers Amendato ry - Arkansas- MRK.pdf

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No Rate/Rule Schedule items changed.

## Response 2

Comments: We have revised our Replacement Cost provision for total loss in order to comply with Arkansas Code Annotated §23-88-101, Valued Policy Law. The words "up to" have been removed as per our discussion on October 19th. Please see revised Homeowners Amendatory Endorsement PCHO-AEAR (09/06) attached.

### Related Objection 1

Applies To:

- Homeowners Policy (Form)

Comment:

The replacement cost provision for total loss does not appear to comply with Arkansas Code Annotated §23-88-101, Valued Policy Law.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 3

Comments: We have revised our Recovery clause in order to comply with Arkansas Supreme Court decision, Franklin v. Healthsource of Arkansas, 942 S.W. 2nd 837 (Ark. 1997). It now states that the insurer is entitled to recovery only after the insured has been fully compensated for the loss sustained.

### Related Objection 1

Applies To:

- Homeowners Policy (Form)

Comment:

The subrogation clause must be amended to comply with Arkansas Supreme Court decision, Franklin v. Healthsource of Arkansas, 942 S.W. 2nd 837 (Ark. 1997). It must specifically state that the insurer would be entitled to recovery only after the insured has been fully compensated for the loss sustained.

### Changed Items:

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No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 4

Comments: Please see the attached marked copy of the previously filed and withdrawn Flood endorsement that indicates all changes.

### Related Objection 1

Applies To:

- Flood Coverage (Form)

Comment:

Explain the differences in endorsement PCHO-FLD to those of the endorsement of the same name withdrawn from a previous filing.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Marked Copy of PCHO-FLD (06/05)

Comment: Attached is a marked copy of our previously filed and withdrawn Flood endorsement PCHO-FLD (06/05) indicating all changes incorporated into our 09/06 edition of the endorsement.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

We hope that you will find this satisfactory and look forward to the approval of our filing. If you have any additional questions, please feel free to contact me.

Sincerely,  
Darren O'Toole

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Homeowners Policy	PCHO	0906	Policy/Coverage Form Replaced	Replaced Form #:0.00 PCHO 0802 Previous Filing #:		PCHO_09-06_ - PCG Homeowners Policy.pdf PCHO_09-06_ - PCG Homeowners Policy-MRK.pdf
Approved	Equipment Breakdown	PCHO-EB	0906	Endorsement/Amendment/Conditions New		0.00	PCHO-EB_09-06_ Equipment Breakdown Coverage.pdf
Approved	AIG Fraud SafeGuard	PCHO-FRDSG	0906	Endorsement/Amendment/Conditions New		0.00	PCHO-FRDSG_09-06_ Fraud SafeGuard Endorsement.pdf
Approved	Named Insured as Trust or Legal Liability Corporation	PCHO-TLLC	0906	Endorsement/Amendment/Conditions New		0.00	PCHO-TLLC_09-06_ Named Insured as Trust or Legal Liability Corporation.pdf
Approved	Additional Insured - LLC or Trust	PCHO-ADINLLC	0906	Endorsement/Amendment/Conditions New		0.00	PCHO-ADINLLC_09-06_

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				ons		Additional Insured - LLC or Trust.pdf	
Approved	Exclusion of Animal-Related Liability	PCHO-ANIMEX	0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-ANIMEX_09-06_Animal Exclusion.pdf
Approved	Domestic Animals Deductible	PCHO-DOMANI MDED	0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-DOMANIMDED_09-06_Domestic Animal Deductible.pdf
Approved	Other Permanent Structures - Condominium & Cooperative Owner	PCHO-OPSCON DO	0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-OPSCONDO_09-06_OPS Condo-Coop Owner.pdf
Approved	Course of Construction Conditions	PCHO-COCC	0906	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCHO-COCC 0405 Previous Filing #:	PCHO-COCC_04-05_ - Course of Construction Conditions-MRK.pdf PCHO-COCC_09-06_ - Course of Construction Conditions.pdf
Approved	Fungi Liability	PCHO-	0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-FLEX

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	Exclusion	FLEX		nt/Amendm ent/Condi ons			_09-06_ - Fungi Liability Exclusion.pdf
Approved	Landscaping Coverage Increased Limits	PCHO- LCIL	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-LCIL 800 Previous Filing #:		PCHO-LCIL _8-00_ - Landscaping Coverage Increased Limit- MRK.pdf PCHO-LCIL _09-06_ - Landscaping Coverage Increased Limit.pdf
Approved	Landscaping Wind Coverage Extension	PCHO- LWCE	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-LWCE 800 Previous Filing #:		PCHO- LWCE _8- 00_ - Landscaping Wind Coverage Extension- MRK.pdf PCHO- LWCE _09- 06_ - Landscaping Wind Coverage Extension.pdf
Approved	Landscaping Limitation	PCHO- LANLIM	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-LANLIM 0802 Previous Filing #:		PCHO- LANLIM _08-02_ - Landscaping

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Limitation-  
 MRK.pdf  
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 Landscaping  
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Approved	Earthquake Coverage Extension	PCHO- ECE	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-ECE 800 Previous Filing #:	PCHO-ECE _8-00_ - EQ Coverage Extension- MRK.pdf PCHO-ECE _09-06_ - EQ Coverage Extension.pd f
Approved	Privacy Notice	PCG- GLBA	0306	Disclosure/ Replaced Notice	Replaced Form #:0.00 GLBA 501 PCG2 Previous Filing #:	glb0501pcg2 -MRK.pdf PCG-GLBA _03-06_ Privacy Notice.pdf
Approved	Sinkhole Collapse Coverage Extension	PCHO- SHC	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-SC 800 Previous Filing #:	PCHO-SC _8-00_ - Sinkhole Collapse Coverage Extention- MRK.pdf PCHO-SHC _09-06_ - Sinkhole Collapse Coverage Extention.pdf

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Approved	Loss Payable Clause	PCG-LPCL	0802	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCG-LPCL 0701 Previous Filing #:	PCG-LPCL_07-01_ - Loss Payable Clause-MRK.pdf PCG-LPCL_08-02_ - Loss Payable Clause.pdf
Approved	Personal Injury Exclusion	PCHO-PIEX	0802	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCHO-PIEX 0701 Previous Filing #:	PCHO-PIEX_07-01_ - Personal Injury Exclusion-MRK.pdf PCHO-PIEX_08-02_ - Personal Injury Exclusion.pdf
Approved	Limited Additional Coverages	PCHO-LAC	0906	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCHO-LAC 800 Previous Filing #:	PCHO-LAC_8-00_ - Limited Additional Coverages-MRK.pdf PCHO-LAC_09-06_ - Limited Additional Coverages.pdf
Approved	Construction Coinsurance Clause	PCHO-COCCOIN	0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-COCCOIN_09-06_ -

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Approval	Description	Policy	Code	Endorsement	Value	File Name
Approved	Additional Insured - Limited Coverage Endorsement	PCHO-ADINLCE	0906	Endorsement/Conditions	0.00	Construction Coinsurance Clause.pdf
Approved	Political Activity Exclusion	PCHO-POLACTEX	0306	Endorsement/Conditions	0.00	PCHO-ADINLCE_09-06_Additional Insured - Limited Coverage Endt.pdf PCHO-POLACTEX_03-06_Political Activity Exclusion.pdf
Approved	Increased Ensuing Fungi or Bacteria - Arkansas	PCHO-IEF-AR	1205	Endorsement/Conditions	Replaced Form #:0.00	PCHO-IEF-AR_07-02_- Increased Ensuing Fungi Wet Dry Coverage - Arkansas mrk.pdf PCHO-IEF-AR_12-05-Increased Ensuing Fungi Wet Dry Coverage - Arkansas.pdf
Approved	Residence Rental Theft Exclusion	PCHO-RT 802		Endorsement/Conditions	Replaced Form #:0.00	PCHO-RT_8-00_- Residence

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Rental Theft  
 Exclusion-  
 MRK.pdf  
 PCHO-RT  
 \_8-02\_ -  
 Residence  
 Rental Theft  
 Exclusion.pdf

Approved	AIG Household SafeGuard	PCHO-HS 0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-HS_09-06_Household SafeGuard.pdf
Approved	AIG Household SafeGuard (Stalking Excluded)	PCHO-HS-STE 0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-HS-STE_09-06_Household SafeGuard-Stalking Excluded.pdf
Approved	Flood Coverage	PCHO-FLD 0906	Endorsement/Amendment/Conditions	New	0.00	PCHO-FLD_09-06_ - Flood Coverage.pdf
Approved	Extended Rebuilding Cost Coverage	PCHO-ERCC 0906	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCHO-ERCC 800 Previous Filing #:	PCHO-ERCC_8-00_ - Extended Rebuilding Cost Coverage-MRK.pdf PCHO-ERCC_09-06_ - Extended

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Approval	Description	Policy	Year	Endorsement	Value	File Name
Approved	Deductible Waiver for Large Losses	PCHO-DWLL	0906	Endorsement/Conditions Replaced	Replaced Form #:0.00 PCHO-DWLL 0802 Previous Filing #:	Rebuilding Cost Coverage.pdf PCHO-DWLL_08-02_ - Deductible Waiver Large Losses-MRK.pdf PCHO-DWLL_09-06_ - Deductible Waiver Large Losses.pdf
Approved	Contents Coverage Special Limit	PCHO-CCSL	0906	Endorsement/Conditions New	0.00	PCHO-CCSL_09-06_ Contents Coverage Special Limit.pdf
Approved	Thoroughbred Horse Liability Extension	PCHO-THL	0906	Endorsement/Conditions New	0.00	PCHO-THL_09-06_ Thoroughbred Horse Liability Extension.pdf
Approved	Additions & Alteration Extended Replacement Cost	PCHO-AERC	0906	Endorsement/Conditions Replaced	Replaced Form #:0.00 PCHO-AERC 0701 Previous Filing #:	PCHO-AERC_07-01_ - Additions or Alterations

SERFF Tracking Number: APCG-125184196 State: Arkansas  
 Filing Company: American International Insurance Company State Tracking Number: AR-PC-07-025478  
 Company Tracking Number: 07-HO-AR-001F  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: Homeowners 09/06 Rewrite/07-HO-AR-001F

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Approved	Earthquake Coverage Extension for Loss Assessment	PCHO- EQAS	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-EQAS 800 Previous Filing #:	PCHO- EQAS _8- 00_ - Earthquake Coverage Extension for Loss Assessment- MRK.pdf PCHO- EQAS _09- 06_ - Earthquake Coverage Extension for Loss Assessment. pdf
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Approved	Increased Limit on Personal Property	PCHO- ILPP	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-ILPP 0701 Previous Filing #:	PCHO-ILPP _07-01_ - Increased Limit on Personal Property- MRK.pdf PCHO-ILPP _09-06_ -
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SERFF Tracking Number: APCG-125184196 State: Arkansas  
 Filing Company: American International Insurance Company State Tracking Number: AR-PC-07-025478  
 Company Tracking Number: 07-HO-AR-001F  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: Homeowners 09/06 Rewrite/07-HO-AR-001F

							Increased Limit on Personal Property.pdf
Approved	Increased Limits Business Property	PCHO- ILBP	0906	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 PCHO-ILIB 800 Previous Filing #:		PCHO-ILIB _8-00_ - Increased Limits Incidental Business Property- MRK.pdf PCHO-ILBP _09-06_ - Increased Limits Business Property.pdf
Approved	Fungi Liability Extension	PCHO- FLE	0702	Endorseme Withdrawn nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:		PCHO-FLE _07-02_ - Fungi Liability Extension.pd f
Approved	Identity Fraud Expense Coverage	PCHO- IFEC	0701	Endorseme Withdrawn nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:		PCHO-IFEC _07-01_ - Identity Fraud Expense Coverage.pd f
Approved	Increased Loss Assessment Coverage	PCHO- ILAC	800	Endorseme Withdrawn nt/Amendm ent/Condi ons	Replaced Form #:0.00 Previous Filing #:		PCHO-ILAC _8-00_ - Increased Loss Assessment Coverage.pd f

SERFF Tracking Number: APCG-125184196 State: Arkansas  
 Filing Company: American International Insurance Company State Tracking Number: AR-PC-07-025478  
 Company Tracking Number: 07-HO-AR-001F  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: Homeowners 09/06 Rewrite/07-HO-AR-001F

Approved	Business Property Extension	PCHO- BPET	0701	Endorseme nt/Amendm ent/Condi tions	Withdrawn Replaced Form #:0.00  Previous Filing #:	PCHO-BPET _07-01_ - Business Property Extension.pdf
Approved	Wind or Hail Percentage Deductible	PCHO- WHLPD	0906	Endorseme nt/Amendm ent/Condi tions	Replaced Replaced Form #:0.00 PCHO-WPD 800 Previous Filing #:	PCHO-WPD 8- 00_Windstor m Percentage Deductible.p df
Approved	Homeowners Amendatory Endorsement - Arkansas	PCHO - AEAR	0906	Endorseme nt/Amendm ent/Condi tions	Replaced Replaced Form #:0.00 PCHO-AEAR 0906 Previous Filing #:	PCHO- AEAR _08- 02_ - Homeowner s Amendatory - Arkansas- MRK-II.pdf PCHO- AEAR _09- 06_ - Homeowner s Amendatory - Arkansas- II.pdf





**H O M E O W N E R S**



H O M E O W N E R S

## HOMEOWNERS COVERAGE

### QUICK REFERENCE

Declarations Page

Your Name and Address

Transaction

Policy Period

Coverage Limits

Premium

Forms

Coverage is provided by the American International Group, Inc., member company named on the Declarations Page. Each is a stock company.

<u>Policy Provisions</u>	<u>Beginning on Page</u>
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<b>PART II – Property</b>	<b>2</b>
<b>A. Insuring Agreement</b>	
<b>B. Payment of a Loss</b>	
<b>C. Additional Coverages</b>	
<b>D. Exclusions</b>	
<b>PART III – Liability</b>	<b>9</b>
<b>A. Insuring Agreement</b>	
<b>B. Payment of a Loss</b>	
<b>C. Defense Coverage and Claim Expense</b>	
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The Contract together with the Declarations Page and Endorsements, if any, complete the policy.

**HOMEOWNERS COVERAGE – POLICY PROVISIONS**

The insurance company named on your Declarations Page will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART IV – CONDITIONS.

**PART I - DEFINITIONS**

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

In this policy, the words “you”, “your” and “yours” refer to the person or persons named on the Declarations Page and his or her “spouse” who lives in the same household. The words “we”, “us”, “our” and “ours” mean the insurance company named on the Declarations Page.

As used herein, a Declarations Page includes any schedule that supplements it.

Also, in this policy the words:

**Aircraft** means any contrivance used or designed for flight, except model or hobby craft not used or designed to carry people or cargo.

**Bodily Injury** means bodily harm, including resulting sickness or disease, required care, loss of services or death.

**Business** means a part-time or full-time trade, occupation or profession, including farming or ranching, other than **incidental business**.

**Contents** means personal property owned by, or in the possession of, you or a **family member**.

For any **residence** listed on the Declarations Page that is a condominium or cooperative, or rental unit, **contents** includes additions, alterations, items of real property, installations or fixtures that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.

**Damages** means the sum required to satisfy any claim covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.

**Family Member** means a person related to you by blood, marriage or adoption that lives in your household including a ward or foster child.

**Fungi** means any type or form of fungus, including but not limited to all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas or substance, including any by-products, produced or released by **fungi**.

**House** means the owned one, two, three or four family dwelling at which you reside, intend to reside, or any location named on the Declarations Page that is not a condominium or a cooperative.

**Incidental Business** means a **business** activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers’ compensation or other similar disability laws, and conforms to federal, state and local laws.

**Incidental business** includes the **business** of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture. **Incidental business** includes **residences** listed on the Declarations Page that you own and rent to others.

**Insured person** means:

- a. You or a **family member**;
- b. An Additional Insured named in the policy;
- c. Any person given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use; or
- d. A **spouse**. A **spouse** is a marriage partner. The term **spouse** also includes an individual registered under state law as a domestic partner of the **insured person** shown on the Declarations Page.

**Landscaping** means your trees, lawn, shrubs, and other plants, not including forestry or brush, on the grounds of your **residence**.

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

**Occurrence** means:

- a. A loss or an accident, to which this insurance applies, including continuous or repeated exposure to substantially the same general harmful conditions, which occurs during the Policy Period and results in **personal injury** or **property damage**; or
- b. An offense, to which this insurance applies, including a series of related offenses, committed during the Policy Period that results in **personal injury** or **property damage**.

**Other Permanent Structures** means outdoor structures you own that are situated on the grounds of your **residence**.

**Personal Injury** means the following injuries, or resulting death:

- a. **Bodily injury**;
- b. Wrongful detention, false imprisonment or false arrest;
- c. Shock, emotional distress, mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

**Property Damage** means physical injury to, destruction of, or loss of use of tangible property and the resulting loss of its use.

**Reconstruction Cost** means the lesser of the amount at the time of the loss required to:

- a. Restore or repair a structure; or
- b. Replace or rebuild a structure at the same location;

with materials of like kind and quality. **Reconstruction cost** does not include any amount required for the excavation, replacement or stabilization of land under or around a structure.

**Recreational Motor Vehicle** means:

- a. A motorized land vehicle designed for use off public roads and not subject to motor vehicle registration or operator licensing;
- b. A motorized land vehicle in dead storage at your **residence**; or
- c. A motorized land vehicle used solely on and to service a location shown on the Declarations Page.

**Residence** means any of the following which is listed on the Declarations Page:

- a. Any **house, other permanent structures** and grounds that you own;
- b. Any condominium unit, cooperative, or apartment that you own or reside in; or
- c. Any other type of home you rent to live in.

**Residence Employee** means:

- a. Your employee 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 your **business**.

**Watercraft** means a boat or craft designed for use on, over or under water.

**PART II – PROPERTY**

**A. Insuring Agreement**

This policy covers you against all risks of direct physical loss or damage to your **house, contents** and **other permanent structures** unless an exclusion applies.

**B. Payment of a Loss**

**1. Amount of Coverage for Your House and Other Permanent Structures**

The amount of coverage for each **house** and for **other permanent structures** at each location shown on the Declarations Page is determined by the payment basis shown on the Declarations Page:

**a. Guaranteed Rebuilding Cost Coverage**

We will pay Guaranteed Rebuilding Cost when shown on the Declarations Page of this policy. Guaranteed Rebuilding Cost coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, for each **occurrence**, even if this amount is greater than the amount of coverage shown on the Declarations Page. However, you must begin to repair or rebuild your **house** or **other permanent structures** within two years from the date of loss at the same location. If not, the maximum payable is the coverage limit shown for that location on the Declarations Page.

**b. Replacement Cost Coverage**

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, the payment basis for your **house** or **other permanent structures** is the **reconstruction cost** less depreciation. This limitation will not apply if we otherwise give our prior written consent.

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

## 2. Amount of Coverage For Your **Contents**

The coverage amount for your **contents** for each covered **residence** is listed on your Declarations Page. The amount we will pay for a covered loss will depend on where the covered loss occurs:

At a **Residence**;

- a. If a loss occurs to **contents** located at a **residence** with **contents** coverage:
  - i. Listed on the Declarations Page of this policy:

We will pay up to the coverage limit for **contents** for that location, for each **occurrence**; or

- ii. Under another Homeowners policy in force with us:

We will not pay any amount under this policy.

- b. If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a **house**, condominium, cooperative or rental unit owned or rented by the **insured person** not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to 10% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

Away From a **Residence**;

- c. If a loss occurs to **contents** located away from any **residence** or location you own or live at:

We will pay up to the highest coverage limit for **contents** for any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

The most we will pay for a covered loss is the lesser of the amount required to repair the damage or the full cost to replace the **contents** without deduction for depreciation, up to the coverage limit.

However, the most we will pay for a covered loss is the cost to repair or replace the **contents** less depreciation, up to the coverage limit, if the **contents** are obsolete or unusable for the purpose for which they were originally intended because of their age or condition.

If, after a covered loss to both **house** and **contents**, we pay more than the coverage limit for **house** coverage because of Guaranteed Rebuilding Cost, we will automatically increase the amount of **contents** coverage for that loss by the same percentage that we increased the amount of **house** coverage.

The amount of coverage for your **contents** will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **contents** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

### 3. Deductible

The deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**.

Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail, or named storm.

Construction deductible. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, a 5% construction special deductible will apply to each **occurrence** in lieu of a base deductible. This deductible applies to your **house**, **other permanent structures**, **contents**, and additional coverages. The dollar amount of this deductible is based on the **house** coverage limit shown on the Declarations Page for that location at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver for large losses endorsement was selected, that endorsement will not apply. The construction deductible will not apply to the loss if we otherwise give our prior written consent.

### 4. Pairs, Sets and Parts

For a covered loss to a pair or set, we will pay whichever is less:

- a. The cost to replace the lost or damaged property;
- b. The cost to restore or repair the damaged property to its pre-loss condition;

- c. The difference between the market value of the pair or set before the loss and after the loss; or
- d. The amount of coverage.

However, we will pay you the full replacement cost of the entire pair or set if you agree to surrender the remaining article(s) of the pair or set to us.

### 5. Special Limits of Liability

a. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of **contents**. These special limits do not increase the amount of coverage of your **contents**.

- i. Money, bank notes, money orders, drafts, checks or gold, silver or platinum bullion or ingots \$2,500
- ii. **Watercraft**, including their outboard motors, equipment and furnishings \$5,000
- iii. Trailers \$5,000
- iv. Grave markers and Mausoleums \$50,000

b. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of **contents** unless they are stored in a bank vault or bank safe deposit box, in which case we will pay up to the total amount for **contents** coverage listed in the policy for each **occurrence**. These special limits do not increase the amount of coverage of your **contents**.

- i. Stamps, Coins & Medals \$5,000
- ii. Negotiable papers, securities, accounts, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, tickets \$5,000

c. We will pay up to the coverage limit for **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless they are lost, misplaced or stolen, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.

- i. Jewelry, watches,                                 \$5,000  
precious stones or semi-  
precious stones, whether  
set or unset
  - ii. Furs   \$5,000
  - iii. Guns   \$5,000
  - iv. Silverware, goldware,                         \$10,000  
pewterware or trophies
- d. We will pay up to the total amount of **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless the loss is caused by breakage, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.
- i. Crystal, china,                                     \$50,000  
porcelains, figurines,  
statues, sculptures,  
mirrors, wine bottles,  
glassware and similar  
items.

**C. Additional Coverages**

These coverages are offered in addition to the amount of coverage shown on the Declarations Page unless stated otherwise. Your deductible applies to these coverages unless stated otherwise. Exclusions are described in section D. Exclusions and limits of liability, are described in section B., 5. Special Limits of Liability apply to these coverages.

**1. Additional Living Expense**

If a covered loss makes your **residence** uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your **residence** to a habitable condition or for your household to permanently locate elsewhere. If your **residence** is under construction and you are living in the **residence** at the time of loss, additional living expenses will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the **residence** or have

moved out because of construction or renovations, then additional living expenses for this location will not apply.

We will also pay reasonable expenses associated with the kenneling of your domestic animals only.

**2. Assessments**

We will pay up to \$100,000 per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. Your deductible does not apply to this coverage.

**3. Fair Rental Value**

If you are not able to rent out your **residence**, or a part of your **residence**, that you usually rent to others because of a loss covered by this policy, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence**, or that part of your **residence**, to a habitable condition.

**4. Forced Evacuation**

If you are forced by civil authority to evacuate your **residence** as a direct result of a loss or a reasonable threat of a loss covered by this policy, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence** is rented to others.

## 5. Landscaping

We will pay up to 5% of the coverage limit for the **house** or, if **house** coverage is not available, 5% of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant. **Landscaping** does not include forestry or brush.

We will pay only for losses caused by:

- a. **Aircraft**;
- b. Fire, lightning or explosion;
- c. Riot or civil commotion;
- d. A vehicle not owned or operated by someone who lives at the **residence**; or
- e. Theft, attempted theft, vandalism or malicious mischief.

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

## 6. Land

In the event of a covered loss to your **house** or **other permanent structures** we will pay for required stabilization, excavation, or replacement of land under or around your **house** or **other permanent structures**. We will pay up to 10% of the amount of a covered loss to your **house** or **other permanent structures** for this coverage.

## 7. Construction Materials

We cover materials and supplies owned by you at each location shown on the Declarations Page for use in the repair, alteration, or construction of your **residence** unless stated otherwise or an exclusion applies. These payments do not increase the amount of your coverage.

## 8. Precautionary Repairs

After a loss covered by this policy, we will pay the reasonable expenses you incur for necessary repairs to protect your **residence** against further loss. These payments do not increase the amount of your coverage.

## 9. Debris Removal

We will pay the reasonable expenses to remove debris of a covered loss and the property that caused that covered loss. We

will also pay up to a total of \$1000 to remove trees from the **residence** if felled by the peril of windstorm, hail, weight of ice or snow or sleet when there is no damage to covered property.

## 10. Lock Replacement

We will pay for the cost of replacing the locks in a **residence** listed on the Declarations Page if the keys to that **residence** are lost or stolen. Your deductible does not apply to this coverage.

## 11. Rebuilding to Code

We will pay the extra expenses to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by a covered loss.

## 12. Mine Subsidence

We cover direct loss to your **house** and **other permanent structures** caused by lateral or vertical movement of a man-made underground line or mine-related excavations.

## 13. Property Removal for Safekeeping

We will pay for any reasonable expenses incurred for the moving and storing of **contents** from a **residence** because the **contents** are in danger as a result of a covered loss.

## 14. Data Replacement

We will reimburse you up to \$5,000 for expenses you incur as a result of a covered loss to replace lost personal data stored on a personal computer or portable computing device that you own or lease.

## 15. Business Property

We will pay up to \$25,000 for a covered loss to **business** property you own or lease.

## 16. Fire Department Charges

We will pay for the charges imposed by law or assumed by written agreement when a fire department answers a call to save or protect a **residence** listed on the Declarations Page. Your deductible does not apply to this coverage.

## 17. Back Up of Sewers and Drains

We will pay up to the coverage limits shown on the Declarations Page for physical loss or damage to property caused by:

- a. Water which backs up through sewers or drains on the **residence** premises. A sewer or drain is a pipe mechanically connected to the **residence** plumbing system, gutters or downspouts, or other drainage pipe located on the **residence** premises used to drain water and waste away from the **residence**. A backup is not due to the inability of a sewer or drain to handle the amount of rainwater, surface water or groundwater trying to enter the sewer or drain.
- b. Water which overflows from a sump pump pit if such overflow results from the mechanical breakdown of the sump pump. This additional coverage is intended to cover damage caused by water that overflows the sump pit due to mechanical breakdown of the sump pump, but not damage caused by surface or groundwater before it enters the sump pit. This coverage does not apply to direct physical loss or damage of the sump pump or related equipment, which is caused by mechanical breakdown.

These payments do not increase the amount of your coverage.

**18. Property of Domestic Staff and Guests**

We cover the personal property of your domestic staff and guests while it is on the premises of any **residence** listed on the Declarations Page. These payments do not increase the amount of your coverage.

**19. Loss by Animals**

We cover loss to your **house, other permanent structures, and contents** caused by domestic animals.

**20. Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered by this policy. The \$5,000 limit is the most we will pay, regardless of the number of persons providing information. This coverage is additional insurance.

**21. Food Spoilage**

We cover food spoilage due to a temperature change in a refrigerator or freezer caused by an interruption of the power supply, originating either on or off-premises, or due to the mechanical

breakdown of refrigeration equipment at any **residence** you live at or own. Wine or spirits are not considered food. These payments do not increase your amount of coverage. This coverage is subject to a \$250 deductible.

**22. Ensuing Fungi or Bacteria**

We will pay up to \$10,000 in total for a loss caused by **fungi** or bacteria resulting from a covered loss, including:

- a. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;
- b. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi** or bacteria;
- c. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
- d. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of **occurrences**, the number of locations insured, or the number of claims-made. We will not make any additional payments for Ensuing **Fungi** or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

**23. Loss Prevention Device**

After a loss is covered by this policy, we will pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss prevention device to protect your **residence** against the same loss in the future. Approved loss prevention devices include fire alarms systems, fire suppression systems, security systems, sump pumps, automatic water shut-off

devices, lightning suppression systems, back-up power systems and hail resistant roofing materials. These payments do not increase the amount of coverage.

This additional coverage only applies if the loss exceeds the location deductible.

#### D. Exclusions

The following exclusions apply to PART II – PROPERTY section of your policy:

##### 1. Pollution or Contamination

We do not cover any loss, directly or indirectly, and regardless of any cause or event contributing concurrently or in any sequence to the loss, caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A “pollutant” is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and “waste”. A “contaminant” is an impurity resulting from the mixture of or contact with a foreign substance. “Waste” includes materials to be disposed of, recycled, reconditioned or reclaimed.

##### 2. Gradual or Sudden Loss

We do not cover any loss caused by gradual deterioration, wet or dry rot, warping, smog, rust, or other corrosion. In addition, we do not cover any loss caused by inherent vice, wear and tear, mechanical breakdown or latent defect. However, we do insure ensuing covered loss unless another exclusion applies.

##### 3. Fungi or Bacteria

We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of **fungi** or bacteria including the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **fungi** or bacteria.

This exclusion does not apply to:

- a. Coverage provided under PART II - PROPERTY. Additional Coverage. Ensuing **Fungi** or Bacteria; or
- b. Ensuing covered loss unless another exclusion applies.

##### 4. Loss by Rodents, Insects, Birds or Vermin

We do not cover any loss caused by rodents, insects, birds or vermin except loss to glass that is part of a building, storm door or window. However, we do insure ensuing covered loss unless another exclusion applies.

##### 5. Structural Movement

We do not cover any loss caused by bulging, expansion, shrinking or settling, including resultant cracking, of foundation, floors, walls, patios, pavements, ceilings or roofs. However, we do insure ensuing covered loss unless another exclusion applies.

##### 6. Surface and Ground Water Damage

We do not cover any loss caused by:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

This exclusion does not apply to:

- a. **Contents** away from any **residence** or location you own or live at; or
- b. Ensuing covered loss unless another exclusion applies.

##### 7. Water or Ice Damage to Certain **Other Permanent Structures**

We do not cover loss to certain **other permanent structures** caused by freezing, thawing, or the pressure or weight of water or ice, whether driven by wind or not. However, we do insure ensuing covered loss unless another exclusion applies. The **other permanent structures** to which this exclusion applies are swimming pools, fences, tennis courts, hot tubs, patios, pavements, foundations, septic systems, retaining walls, wharves, docks, piers, bridges or bulkheads.

##### 8. Faulty, Inadequate or Defective Planning

We do not cover any loss caused by faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;

- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- c. Materials used in repair, construction, renovation or remodeling; or
- d. Maintenance;

of part or all of any property whether on or off the **residence**.

However, we do insure ensuing covered loss unless another exclusion applies.

#### 9. Earthquake

We do not cover any loss to your **house** or **other permanent structures** caused by earthquake. However, we do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

#### 10. Earth Movement

We do not cover any loss to your **house** or **other permanent structures** caused by earth movement including volcanic eruptions, landslides, mudflows, and the sinking, rising, or shifting of land. We do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

#### 11. Business Property

We do not cover any loss to **business** property. This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, **Business** Property.

#### 12. Motorized Land Vehicles

We do not cover any loss to motorized land vehicles including their equipment and accessories or any electronic devices designed to be operated solely by power from the electrical system of that vehicle. However, we do cover vehicles not subject to motor vehicle registration which are:

- a. Used to service any **residence** you own or live at;
- b. Designed to assist the handicapped; or
- c. Designed for recreational use off public roads.

#### 13. Renovations and Repairs

We do not cover loss caused by renovating, refinishing or repairing any kind of

**contents**. This exclusion does not apply to jewelry, watches, and furs.

#### 14. Watercraft Accidents

We do not cover any loss caused by the stranding, swamping or sinking of a **watercraft** or its trailer, or outboard motor.

We also do not cover any loss caused by collision of a **watercraft** other than collision with a land vehicle unless another exclusion applies.

#### 15. Tenant Property

We do not cover any loss to property of roomers, boarders, or other tenants.

#### 16. Temperature or Dampness

We do not cover any loss caused by extremes of temperature, dampness or dryness of atmosphere, or water vapor to your **house**, **other permanent structures** or **contents**.

This exclusion does not apply to:

- a. Loss caused directly by rain, sleet, snow or hail; or
- b. Coverage provided under PART II – PROPERTY, Additional Coverage, Food Spoilage.

#### 17. Aircraft

We do not cover any loss to **aircraft** or **aircraft** parts.

#### 18. Confiscation

We do not cover any loss caused by the destruction, confiscation or seizure by any government or public authority.

#### 19. Acts of War

We do not cover any direct loss or ensuing loss to property caused by any kind of warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

#### 20. Loss to Fish, Birds or Animals

We do not cover any loss to fish, birds or animals.

#### 21. Intentional Acts

We do not cover any loss caused by any act, whose consequences could have been foreseen by a reasonable person, committed:

- a. By or at the direction of you, your spouse or a **family member**; and
- b. With the intent to cause loss or damage.

**22. Dishonest Acts**

We do not cover any loss caused by any dishonest or criminal act by, or at the direction of, you or any **family member**.

**23. Nuclear Hazard**

We do not cover any loss caused directly or indirectly by "nuclear hazard". 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. However, ensuing covered loss due to fire resulting from a nuclear hazard is covered unless another exclusion applies.

**24. Back Up of Sewers or Drains**

We do not cover any loss due to a back up or overflow of a sewer or drain including any loss that contributes to any event. This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, Back Up of Sewers and Drains.

**25. Contents Under Another Policy**

We do not cover any loss to **contents** that are insured under a private collections policy, valuable articles or similar policy not issued by us or one of our affiliated companies.

**26. Uninsured Owned Location**

We do not cover any loss caused directly or indirectly by wind to **contents** located at an owned **house**, condominium or cooperative that does not have **contents** coverage listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies.

**Contents** at a newly acquired location are not subject to this exclusion for sixty (60) days after you begin to move **contents** there.

**PART III - LIABILITY**

**A. Insuring Agreement**

We will pay **damages** an **insured person** is legally obligated to pay for **personal injury** or **property damage** caused by an **occurrence** covered by this policy anywhere in the world, unless stated otherwise or an exclusion applies.

**B. Payment of a Loss**

The most we will pay for all claims for **personal injury** and **property damage** as a result of any one **occurrence** is the Liability coverage limit shown on the Declarations Page of this policy. This insurance applies separately to each **insured person** against whom a claim is made or suit is brought, but we will not pay more than the limit shown on the Declarations Page for any single **occurrence** regardless of the number of **insured persons**, claims made or persons injured. There is no restriction to the number of **occurrences** during the Policy Period for which claims may be made.

Payments under provision **C.**, **Defense Coverage and Claim Expense**, except a settlement payment, are in addition to the Liability coverage limit in the policy shown on the Declarations Page.

**C. Defense Coverage and Claim Expense**

We will pay the costs to defend an **insured person** against any suit seeking covered **damages** for **personal injury** or **property damage**, even if the suit is false, fraudulent or groundless. You may choose counsel from a panel of firms selected by us. If a panel counsel is not established in the jurisdiction where the suit is brought, we reserve the right to select counsel.

We may investigate and settle any claim or suit at our discretion.

Additionally, we will pay:

1. All court costs and expenses on judgments assessed against any **insured person**;
2. Reasonable expenses incurred by an **insured person** at our request up to a total of \$10,000 for assisting us in the investigation or defense of a claim or suit;
3. The cost of bail bonds required of an **insured person** because of a covered loss;
4. All premiums on bonds required in a suit we defend, but not for bond amounts more than the coverage amount (we need not apply for or furnish any bond);

5. All expenses incurred by us;
6. 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 amount of coverage; and
7. All prejudgment interest awarded against an **insured person** on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of coverage.

In jurisdictions where we are prevented from defending an **insured person** for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior written consent for the **insured person's** defense.

Our duty to defend any claim or suit arising out of a single **occurrence** ends when the amount we have paid in **damages** for that **occurrence** equals the Liability coverage limit shown on the Declarations Page of this policy.

#### D. Additional Coverages

##### 1. Damaged Property

If an **insured person** destroys or damages other people's property we will pay the replacement cost for that property up to \$10,000 per **occurrence**.

##### 2. Credit Cards, Forgery, and Counterfeiting

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

- a. Any amount an **insured person** is legally obligated to pay resulting from:
  - i. Theft or loss of a bankcard or credit card issued in the name of you or a **family member**; or
  - ii. Loss caused by forgery or alteration of any check or negotiable instrument.

A loss will not be covered unless all the terms for using the card, check or negotiable instrument, are complied with.

- b. Loss caused by accepting in good faith any counterfeit paper currency.

At our option we may defend a claim or suit against you or a **family member** for forgery or counterfeiting. We will defend a claim or suit against you or a **family member** for loss or theft of a bankcard or credit card.

##### 3. Medical Payments to Others

Regardless of liability, we will pay the necessary **medical expenses** that are incurred or medically ascertained within three (3) years from the date of an accident causing **bodily injury** up to a total of \$10,000 for each person. This coverage does not apply to you or a **family member** and only applies to an accident that:

- a. Occurs to a person, at a **residence** with liability coverage listed on the Declarations Page, with permission from you or a **family member** to be there;
- b. Arises from a condition at a **residence**, or at the steps, driveways or sidewalks immediately adjoining a **residence**, listed on the Declarations Page with liability coverage;
- c. Is caused by an animal owned by or in the care of an **insured person**; or
- d. Is caused by an **insured person** or a **residence employee** in the course of his or her employment by an **insured person**.

##### 4. Limited **Residence** Premises **Business** Liability

We cover **personal injury** or **property damage** arising out of the physical condition of a **residence** shown on the Declarations Page when **business** or professional activities are legally conducted by any **insured person** at that **residence**. The most we will pay for any covered loss is the Liability coverage limit shown on the Declarations Page. Coverage is subject to the following:

- a. You do not have any employees conducting **business** activities at your **residence** who are subject to workers' compensation or other similar disability laws;
- b. You are not a home day care provider; and
- c. There is no other valid collectible insurance.

#### E. Exclusions

This policy does not provide coverage for liability, defense costs or any other cost or expense for:

##### 1. Motorized Land Vehicles

**Personal injury** or **property damage** arising out of the ownership, maintenance,

use, loading or unloading of any motorized land vehicle. This exclusion does not apply to **recreational motor vehicles** except when they are used for participation in or practice for competitive racing.

## 2. Aircraft

**Personal injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading, or towing of any **aircraft**.

## 3. Watercraft

**Personal injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of any **watercraft**:

- a. That is twenty-six (26) feet or more in length or fifty (50) or more horsepower and which is owned by an **insured person** or furnished or rented to an **insured person** for longer than thirty (30) days;
- b. Used for any **business** or commercial purpose; or
- c. Used for participation in or practice for competitive racing (except sailboats less than twenty-six (26) feet in length).

## 4. Workers' Compensation or Disability

Any **damages** or benefits an **insured person** is legally obligated to provide under any workers' compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law. However, we do provide coverages in excess over any other insurance for **damages** a **covered person** is legally obligated to pay for **bodily injury** to a **residence employee** of a location listed on the Declarations Page which are not compensable under workers compensation, unless another exclusion applies.

## 5. Directors Errors or Omissions

**Personal injury** or **property damage** arising out of any **insured person's** acts, errors or omissions as an officer or member of the board of directors of any corporation or organization. This exclusion does not apply to **personal injury** or **property damage** arising out of an **insured person's** actions for a non-profit corporation or organization or for a Condominium or Cooperative Association unless another exclusion applies.

## 6. Care, Custody or Control

**Property Damage** to property owned by, rented to, occupied or used by, or in the care, custody or control of an **insured person** to the extent that the **insured person** is required by contract to provide insurance. This exclusion does not apply to **property damage** caused by fire, smoke, or explosion.

## 7. Insured Person

**Personal injury** to an **insured person** under this policy.

## 8. Discrimination

**Personal injury** arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, color, sex, creed, handicapped status, sexual preference or any other discrimination.

## 9. Sexual Molestation or Corporal Punishment

**Personal injury** arising out of any actual, alleged or threatened by any person:

- a. Sexual molestation, misconduct or harassment;
- b. Corporal punishment; or
- c. Sexual, physical or mental abuse.

## 10. Transmitted Diseases

**Personal injury** resulting directly or indirectly from any illness, sickness or disease transmitted intentionally or unintentionally by an **insured person** to anyone. We do not cover any **damages** for any threat of exposure or any consequences resulting from that illness, sickness, or disease.

## 11. Business Pursuits

**Personal injury** or **property damage** arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended to realize a profit for either an **insured person** or others. However, this exclusion does not apply to:

- a. Volunteer work for an organized charitable, religious or community group;
- b. **Incidental business** activity; or
- c. Limited **Residence Premises Business** Liability Coverage.

## 12. Professional Services

**Personal injury or property damage** arising out of an **insured person's** performing or failure to perform professional services for which any **insured person** is legally responsible or licensed.

13. War

**Bodily injury or property damage** caused directly or indirectly by war, including the following and any consequence of the following:

- a. Undeclared war, civil war, insurrection, rebellion, or revolution;
- b. Warlike acts by a military force or military personnel; or
- c. The destruction, seizure or use of property for a military purpose.

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

14. Assessments

Any assessment charged against an **insured person** as a member of an association, corporation or community of property owners.

15. Contractual

**Personal injury or property damage** arising from contracts or agreements, whether written or unwritten:

- a. Made in connection with any **insured person's business**; or
- b. In which the liability of others is assumed after a covered loss.

16. Nuclear Hazard

**Personal injury or property damage** caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.

17. Intentional Acts

**Personal injury or property damage** resulting from any criminal, willful, intentional or malicious act or omission by any person. We also will not cover claims for acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause, **property damage or personal injury**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person, than expected or intended. This exclusion does not apply to **bodily injury** if the **insured person**

acted with reasonable force to protect any person or property.

18. Wrongful Termination

**Personal injury** arising out of wrongful termination of employment.

19. Controlled Substance(s)

**Personal injury or property damage** arising out of the use, sale, manufacture, delivery or transfer or possession of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. This exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician

**PART IV - CONDITIONS**

**A. Your Duties**

- 1. Your duty is to notify your agent or broker of a change in occupancy.
- 2. Your duty is to notify your agent or broker at the beginning of any renovation or construction work and throughout the work to maintain an appropriate amount of coverage and confirm that appropriate protective safeguards are in place as determined by us.

**B. Your Duties After a Loss**

In the event of an **occurrence** which is likely to involve this policy, or if you or any other **insured person** under this policy is sued in connection with an **occurrence** which may be covered under this policy, you or an **insured person** must:

- 1. Give prompt notice to us or your agent or broker.
- 2. Notify the police in case of loss by theft.
- 3. Notify the credit card or fund transfer card company in case of loss under credit card or fund transfer card coverage.
- 4. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of all repair expenses.

5. Provide us with bills, receipts and related documents.
6. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request; and
  - c. Submit to separate examination under oath.
7. Send to us within sixty (60) days of our request, your signed sworn proof of loss which sets forth, to the best of your knowledge:
  - a. The time and cause of loss;
  - b. The interest of all others in the property;
  - c. Other insurance which may cover the loss; and
  - d. The dollar amount being claimed as your loss.
8. Provide us with the names and addresses of any known persons injured and any available witnesses.
9. Provide us with any suit papers and other documents which will help us defend any **insured person**.
10. Assist and cooperate with us in the conduct of the defense by helping us:
  - a. To make settlement;
  - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**;
  - c. To attend hearings and trials; and
  - d. To secure and give evidence and obtain the attendance of witnesses.

**C. Policy Period and Territory**

The Policy Period is stated on the Declarations Page. This policy applies to an **occurrence** which takes place anywhere in the world unless otherwise limited by the policy.

**D. Recovery**

If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or

transfer those rights to us and help us enforce them.

**E. Assignment**

No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.

**F. Changes**

No change or modification of this policy shall be effective except when made by written endorsement signed by our legal representative.

**G. Concealment or Fraud**

The entire policy will be void if, whether before or after a loss, you or an **insured person** 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.

**H. Reasonable Care**

You must use reasonable care to maintain heat in your **residence** or shut off and drain the water system or appliances if the home is vacant, unoccupied or being constructed. We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system or household appliance if reasonable care has not been exercised.

**I. Conformity to Statutes**

Any provision of this policy, which is in conflict with state or local law, is amended to conform to the law.

**J. Liberalization**

If we broaden the coverages provided by your policy without an additional premium charge, the changes will automatically apply to your policy as of the effective date on which the changes are adopted in your state.

**K. Bankruptcy or Death**

The **insured person's** bankruptcy or insolvency shall not relieve us of any of our obligations. Further, if the **insured person** dies or becomes bankrupt or insolvent during the Policy Period, this policy, unless cancelled, will cover the **insured person's** legal representative for the remainder of the Policy Period.

**L. Legal Action Against Us.**

No action shall be brought against us unless the **insured person** has complied with this policy's provisions and for Liability coverage, not until final judgment or agreement has set the amount of the **insured person's** legal obligation to us.

You also agree to bring any action against us within one year after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined.

For Liability coverage, no one has the right to join us in any action against any other **insured person**.

#### M. Appraisals

If you and we fail to agree on the amount of loss, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within twenty (20) days. The independent appraisers will select an arbitrator within fifteen (15) days. If an arbitrator is not agreed upon within that time, either party may request the arbitrator be selected by a judge. The independent appraisers will then appraise the loss and submit any differences to the arbitrator. A decision in writing agreed to by the two appraisers or either appraiser and the arbitrator will be binding. Each appraiser will be paid by the party that has selected the appraiser. You and we will share the expenses of the arbitrator equally.

#### N. 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.

#### O. Mortgage Clause.

The word mortgagee includes trustee. If a mortgagee is named in this policy, any covered loss will be paid to you and the mortgagee as interests appear. If there is more than one mortgagee named in this policy, the order of payment will be identical to the order of precedence.

If your claim is denied, the denial will not apply to a valid claim submitted by the mortgagee if they:

1. Notify us of any change in ownership or substantial change in risk of which they are aware;
2. Pay any premium due on this policy or on demand if you have neglected to pay the premium; and
3. Submit a sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so.

If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect.

If we deny payment to you but pay the mortgagee:

1. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
2. At our option, we may pay the mortgagee the entire principal on the mortgage plus any accrued interest. In this event we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount under the mortgagee's claim.

#### P. Your Cancellation

You may cancel this policy or any part of it at any time by notifying us in writing of the future date that the cancellation is to take effect.

#### Q. Our Cancellation

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

**1. Nonpayment of Premium**

If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan.

**2. Misrepresentation**

We may cancel this policy with thirty (30) days notice if there has been a material misrepresentation of fact or omission of fact either of which, if known to us, would have caused us not to issue the policy.

**3. Increase in Hazard**

We may cancel this policy with thirty (30) days notice in the event or circumstance of a material increase in, or a change to, the covered property that increases the hazard insured against.

**4. Conviction of Crime**

We may cancel this policy with thirty (30) days notice if you have been convicted of a crime arising out of an act that increases the hazard insured against.

**R. Nonrenewal**

If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of nonrenewal not less than thirty (30) days before the end of the Policy Period as stated on the Declarations Page.

Regardless, this policy will terminate at the end of the Policy Period stated on the Declarations Page if you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy, or if you have notified us or our agent that you do not wish this policy to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

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In witness whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.

AIG Advantage Insurance Company  
(Signatures)

AIG Preferred Insurance Company  
(Signatures)

AIG Premier Insurance Company  
(Signatures)

AIU Insurance Company  
(Signatures)

American Home Assurance Company  
(Signatures)

American International Insurance Company, Inc.  
(Signatures)

Audubon Indemnity Company  
(Signatures)

Audubon Insurance Company  
(Signatures)



**AIG Private Client Group**

Insurance provided by members of  
American International Group, Inc.

~~RISK MANAGEMENT FOR LIFE<sup>SM</sup>~~



H O M E O W N E R S



## HOMEOWNERS COVERAGE

### QUICK REFERENCE

Declarations Page

Your Name and Address

Transaction

Policy Period

Coverage Limits

Premium

Forms

Coverage is provided by the American International Group, Inc., member company named on the Declarations Page. Each is a stock company.

#### Policy Provisions

#### Beginning on Page

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**PART II – Property**

**2**

- A. Insuring Agreement**
- B. Payment of a Loss**
- C. Additional Coverages**
- D. Exclusions**

**PART III – Liability**

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- A. Insuring Agreement**
- B. Payment of a Loss**
- C. Defense Coverage and Claim Expense**
- D. Additional Coverages**
- E. Exclusions**

**PART IV – Conditions**

**12**

The Contract together with the Declarations Page and Endorsements, if any, complete the policy.

## HOMEOWNERS COVERAGE – POLICY PROVISIONS

The insurance company named on your Declarations Page will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART IV – CONDITIONS.

### PART I - DEFINITIONS

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

In this policy, the words “you”, “your” and “yours” refer to the person or persons named on the Declarations Page and his or her “spouse” who lives in the same household. The words “we”, “us”, “our” and “ours” mean the insurance company named on the Declarations Page.

As used herein, a Declarations Page includes any schedule that supplements it.

Also, in this policy the words:

**Aircraft** means any contrivance used or designed for flight, except model or hobby craft not used or designed to carry people or cargo.

~~**Auto** means any motorized land vehicle which requires motor vehicle registration or operator licensing. This includes self-propelled motor homes, motorcycles and attached trailers or semi-trailers.~~

**Bodily Injury** means bodily harm, including resulting sickness or disease, required care, loss of services or death.

**Business** means a part-time or full-time trade, occupation or profession, including farming or ranching, other than **incidental business**.

**Contents** means personal property owned by, or in the possession of, you or a **family member**.

For any **residence** listed on the Declarations Page that is a condominium or cooperative, or rental unit, **contents** includes additions, alterations, items of real property, installations or fixtures that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.

**Damages** means the sum required to satisfy any claim covered by this policy, whether settled ~~or~~ and agreed to in writing by us or resolved by judicial procedure review.

**Family Member** means a person related to you by blood, marriage or adoption that lives in your household including a ward or foster child.

**Fungi** means any type or form of fungus, including but not limited to all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas or substance, including any by-products, produced or released by **fungi**.

**House** means the owned one, two, three or four family dwelling at which you reside ~~at~~ intend to reside, ~~—any or any~~ location named on the Declarations Page that is not a condominium or a cooperative.

**Incidental Business** means a **business** activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers’ compensation or other similar disability laws, and conforms to federal, state and local laws.

**Incidental business** includes the **business** of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture. **Incidental business** includes **residences** listed on the Declarations Page that you own and rent to others.

**Insured person** means:

- a. You or a **family member**;
- b. An Additional Insured named in the policy; ~~or~~
- c. Any person given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use; or
- d. A spouse. A spouse is a marriage partner. The term spouse also includes an individual registered under state law as a domestic partner of the insured person shown on the Declarations Page.

**Landscaping** means your trees, lawn, shrubs, and other plants, not including forestry or brush, on the grounds of your **residence**.

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

**Occurrence** means:

- a. A loss or an accident, to which this insurance applies, including continuous or repeated exposure to substantially the same general harmful conditions, which occurs during the Policy Period and results in **personal injury** or **property damage**; or
- b. An offense, to which this insurance applies, including a series of related offenses, committed during the Policy Period that results in **personal injury** or **property damage**.

**Other Permanent Structures** means outdoor structures you own that are situated on the grounds of your **residence**.

**Personal Injury** means the following injuries, or resulting death:

- a. **Bodily injury**;
- b. Wrongful detention, false imprisonment or false arrest;
- c. Shock, emotional distress, mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

**Property Damage** means physical injury to, destruction of, or loss of use of tangible property and the resulting loss of its use.

**Reconstruction Cost** means the lesser of the amount at the time of the loss required to:

- a. Restore or repair a structure; or
- b. Replace or rebuild a structure at the same location;

with materials of like kind and quality. **Reconstruction cost** does not include any amount required for the excavation, replacement or stabilization of land under or around a structure.

**Recreational Motor Vehicle** means:

- a. A motorized land vehicle designed for use off public roads and not subject to motor vehicle registration or operator licensing;
- b. A motorized land vehicle in dead storage at your **residence**; or
- c. A motorized land vehicle used solely on and to service a location shown on the Declarations Page.

**Residence** means any of the following which is listed on the Declarations Page:

- a. Any **house, other permanent structures** and grounds that you own;
- b. Any condominium unit, cooperative, or apartment that you own or reside in; or
- c. Any other type of home you rent to live in.

**Residence Employee** means:

- a. Your employee 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 your business.

**Watercraft** means a boat or craft designed for use on, over or under water.

<b>PART II – PROPERTY</b>
---------------------------

**A. Insuring Agreement**

This policy covers you against all risks of direct physical loss or damage to your **house, contents** and **other permanent structures** unless an exclusion applies.

**B. Payment of a Loss**

1. Amount of Coverage for Your **House** and **Other Permanent Structures**

The amount of coverage for each **house** and for **other permanent structures** at each location shown on the Declarations Page is determined by the payment basis shown on the Declarations Page:

a. *Guaranteed Rebuilding Cost Coverage*

We will pay Guaranteed Rebuilding Cost when shown on the Declarations Page of this policy. Guaranteed Rebuilding Cost coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, for each **occurrence**, even if this amount is greater than the amount of coverage shown on the Declarations Page.

However, you must begin to repair or rebuild your **house** or **other permanent structures** within two years from the date of loss at the same location. If not, the maximum payable is the coverage limit shown for that location on the Declarations Page.

**b. Replacement Cost Coverage**

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

~~Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, the payment basis for your **house** or **other permanent structures** is the **reconstruction cost** less depreciation. This limitation will not apply if we otherwise give our prior written consent. For a covered loss, the most we will pay in settlement is the lesser of the **reconstruction cost** less depreciation or the coverage limit shown for that location on the Declarations Page, if at any time during any period of coverage under this policy you are constructing additions or renovations to your **house** or **other permanent structure** that results in your living out of the **house** during any part of~~

~~the construction. This limitation will not apply if we otherwise give our prior written consent.~~

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

**2. Amount of Coverage For Your Contents**

The coverage amount for your **contents** for each covered **residence** is listed on your Declarations Page. The amount we will pay for a covered loss will depend on where the covered loss occurs:

At a **Residence**;

**a.** If a loss occurs to **contents** located at a **residence** with **contents** coverage:

**i.** Listed on the Declarations Page of this policy:

We will pay up to the coverage limit for **contents** for that location, for each **occurrence**; or

**ii.** Under another Homeowners policy in force with us:

We will not pay any amount under this policy.

**b.** If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a **house**, **condominium**, **cooperative** or **rental unit** owned or rented by the **insured person** not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to 10% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

Away From a **Residence**;

**c.** If a loss occurs to **contents** located away from any **residence** or location you own or live at:

We will pay up to the highest coverage limit for **contents** for any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

The most we will pay for a covered loss is the lesser of the amount required to repair the damage or the full cost to replace the **contents** without deduction for depreciation, up to the coverage limit.

However, the most we will pay for a covered loss is the cost to repair or replace the **contents** less depreciation, up to the coverage limit, if the **contents** are obsolete or unusable for the purpose for which they were originally intended because of their age or condition.

If, after a covered loss to both **house** and **contents**, we pay more than the coverage limit for **house** coverage because of **Extended Guaranteed** Rebuilding Cost, we will automatically increase the amount of **contents** coverage for that loss by the same percentage that we increased the amount of **house** coverage.

The amount of coverage for your **contents** will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **contents** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

### 3. Deductible

The deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**.

Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail, or named **storm**.

Construction deductible. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, a 5% construction special deductible will apply to

each **occurrence** in lieu of a base deductible. This deductible applies to your **house**, **other permanent structures**, **contents**, and **additional** coverages. The dollar amount of this deductible is based on the **house coverage limit shown on the Declarations Page for that location** at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver for **large losses** endorsement was selected, that endorsement will not apply. **The construction deductible will not apply to the loss if we otherwise give our prior written consent.**

### 4. Pairs, Sets and Parts

For a covered loss to a pair or set, we will pay whichever is less:

- a. The cost to replace the lost or damaged property;
- b. The cost to restore or repair the damaged property to its pre-loss condition;
- c. The difference between the market value of the pair or set before the loss and after the loss; or
- d. The amount of coverage.

However, we will pay you the full replacement cost of the entire pair or set if you agree to surrender the remaining article(s) of the pair or set to us.

### 5. Special Limits of Liability

a. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of **contents**. These special limits do not increase the amount of coverage of your **contents**.

- |      |   |                           |
|------|---|---------------------------|
| i.   | Money, bank notes, money orders, drafts, checks or gold, silver or platinum bullion or ingots | \$1,500<br><u>\$2,500</u> |
| ii.  | <b>Watercraft</b> , including their outboard motors, equipment and furnishings                | \$2,000<br><u>5,000</u>   |
| iii. | Trailers  | \$3,000<br><u>\$5,000</u> |
| iv.  | Grave markers and <u>Mausoleums</u>   | \$50,000                  |

b. The limit shown for each of the following categories is the maximum we will pay for a

covered loss to that type of **contents** unless they are stored in a bank vault or bank safe deposit box, in which case we will pay up to the total amount for **contents** coverage listed in the policy for each **occurrence**. These special limits do not increase the amount of coverage of your **contents**.

- i. Stamps, Coins & Medals \$5,000
- ii. Negotiable papers, securities, accounts, ~~deeds~~, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, tickets \$5,000

c. We will pay up to the coverage limit for **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless they are lost, misplaced or stolen, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.

- i. Jewelry, watches, precious stones or semi-precious stones, whether set or unset \$5,000
- ii. Furs \$5,000
- iii. Guns \$5,000
- iv. Silverware, goldware, pewterware or trophies \$10,000

d. We will pay up to the total amount of **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless the loss is caused by breakage, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.

- i. Crystal, china, porcelains, figurines, statues, sculptures, mirrors, wine bottles, glassware and similar items. \$50,000

### C. Additional Coverages

These coverages are offered in addition to the amount of coverage shown on the Declarations Page unless stated otherwise. Your deductible

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applies to these coverages unless stated otherwise. Exclusions are described in section D. Exclusions and limits of liability, are described in section B., 5. Special Limits of Liability apply to these coverages.

#### 1. Additional Living Expense

If a covered loss makes your **residence** uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your **residence** to a habitable condition or for your household to permanently locate elsewhere. If your residence is under construction and you are living in the residence at the time of loss, additional living expenses will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the residence or have moved out because of construction or renovations, then additional living expenses for this location will not apply.

We will also pay reasonable expenses associated with the kenneling of your domestic animals only.

#### 2. Assessments

We will pay up to ~~\$50,000~~ ~~-\$100,000~~ per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. We will not pay more than ~~\$1,000~~ ~~-\$10,000~~ for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an

assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. Your deductible does not apply to this coverage.

**3. Fair Rental Value**

If you are not able to rent out your **residence**, or a part of your **residence**, that you usually rent to others because of a loss covered by this policy, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence**, or that part of your **residence**, to a habitable condition.

**4. Forced Evacuation**

If you are forced by civil authority to evacuate your **residence** as a direct result of a loss or a reasonable threat of a loss covered by this policy, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence** is rented to others.

**5. Landscaping**

We will pay up to 5% of the coverage limit for the **house** or, if **house** coverage is not available, 5% of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant. Landscaping does not include forestry or brush.

We will pay only for losses caused by:

- a. Aircraft;**
- b. Fire, lightning or explosion;**
- c. Riot or civil commotion;**
- d. A vehicle not owned or operated by someone who lives at the **residence**;**  
or
- e. Theft, attempted theft, vandalism or malicious mischief.**

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

**6. Land**

In the event of a covered loss to your **house** or **other permanent structures** we will pay for required stabilization,

excavation, or replacement of land under or around your **house** or **other permanent structures**. We will pay up to 10% of the amount of a covered loss to your **house** or **other permanent structures** for this coverage.

**7. Construction Materials**

We cover materials and supplies owned by you at each location shown on the Declarations Page for use in the repair, alteration, or construction of your **residence** unless stated otherwise or an exclusion applies. These payments do not increase the amount of your coverage.

**8. Precautionary Repairs**

After a loss covered by this policy, we will pay the reasonable expenses you incur for necessary repairs to protect your **residence** against further loss. These payments do not increase the amount of your coverage.

**9. Debris Removal**

~~We will pay your reasonable expenses for removal of debris that results from a covered loss and the property that caused the covered loss. We will also pay up to \$1,000 to remove a tree from the **residence** if felled by the peril of windstorm or hail, or the weight of ice, snow or sleet and is an **occurrence** unrelated to another covered loss.~~

We will pay the reasonable expenses to remove debris of a covered loss and the property that caused that covered loss. We will also pay up to a total of \$1000 to remove trees from the **residence** if felled by the peril of windstorm, hail, weight of ice or snow or sleet when there is no damage to covered property.

**10. Lock Replacement**

We will pay for the cost of replacing the locks in a **residence** listed on the Declarations Page if the keys to that **residence** are lost or stolen. Your deductible does not apply to this coverage.

**11. Rebuilding to Code**

We will pay the extra expenses to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by a covered loss.

**12. Mine Subsidence**

We cover direct loss to your **house** and **other permanent structures** caused by lateral or vertical movement of a man-made underground line or mine-related excavations.

**13. Property Removal for Safekeeping**

We will pay for any reasonable expenses incurred for the moving and storing of **contents** from a **residence** because the **contents** are in danger as a result of a covered loss.

**14. Data Replacement**

We will reimburse you up to \$5,000 for expenses you incur as a result of a covered loss to replace lost personal data stored on a personal computer or portable computing device that you own or lease.

**15. ~~Incidental Business~~ Property**

We will pay up to ~~\$40,000~~\$25,000 for a covered loss to **business** property you own or lease. ~~used for an incidental business conducted at a residence listed on the Declarations Page.~~

**16. Fire Department Charges**

We will pay for the charges imposed by law or assumed by written agreement when a fire department answers a call to save or protect a **residence** listed on the Declarations Page. Your deductible does not apply to this coverage.

**17. Back Up of Sewers and Drains**

We will pay up to the coverage limits shown on the Declarations Page for physical loss or damage to property caused by:

a. Water which backs up through sewers or drains on the residence premises. A sewer or drain is a pipe mechanically connected to the residence plumbing system, gutters or downspouts, or other drainage pipe located on the residence premises used to drain water and waste away from the residence. A backup is not due to the inability of a sewer or drain to handle the amount of rainwater, surface water or groundwater trying to enter the sewer or drain.~~Water which backs up through sewers or drains; or~~

b. Water which overflows from a sump pump pit if such overflow results from the mechanical breakdown of the sump pump. This additional coverage is intended to cover damage caused by

water that overflows the sump pit due to mechanical breakdown of the sump pump, but not damage caused by surface or groundwater before it enters the sump pit. This coverage does not apply to direct physical loss or damage of the sump pump or related equipment, which is caused by mechanical breakdown.

~~b. Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.~~

These payments do not increase the amount of your coverage.

**18. Property of Domestic Staff and Guests**

We cover the personal property of your domestic staff and guests while it is on the premises of any **residence** listed on the Declarations Page. These payments do not increase the amount of your coverage.

**19. Loss by Animals**

We cover loss to your **house, other permanent structures, and contents** caused by domestic animals.

**20. Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered by this policy. The \$5,000 limit is the most we will pay, regardless of the number of persons providing information. This coverage is additional insurance.

**21. Food Spoilage**

We cover food spoilage due to a temperature change in a refrigerator or freezer caused by an interruption of the power supply, originating either on or off-premises, or due to the mechanical breakdown of refrigeration equipment at any **residence** you live at or own. Wine or spirits are not considered food. These payments do not increase your amount of coverage. This coverage is subject to a \$250 deductible.

**22. Ensuing Fungi ~~Wet or Dry Rot,~~ or Bacteria**

We will pay up to \$10,000 in total for a loss caused by **fungi** ~~wet or dry rot,~~ or bacteria resulting from a covered loss, including:

1.a. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** ~~wet or dry rot,~~ or bacteria;

2.b. 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,~~ or bacteria;

3.c. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi**, ~~wet or dry rot,~~ 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,~~ or bacteria; and

4.d. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of **occurrences**, the number of locations insured, or the number of claims-made. We will not make any additional payments for Ensuing **Fungi**, ~~Wet or Dry Rot,~~ or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

### 23. Loss Prevention Device

After a loss is covered by this policy, we will pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss prevention device to protect your residence against the same loss in the future. Approved loss prevention devices include fire alarms systems, fire suppression systems, security systems, sump pumps, automatic water shut-off devices, lightning suppression systems, back-up power systems and hail resistant roofing materials. These payments do not increase the amount of coverage.

This **additional** coverage only applies if the loss exceeds the location deductible.

## D. Exclusions

The following exclusions apply to PART II – PROPERTY section of your policy:

### 1. Pollution or Contamination

We do not cover any loss, directly or indirectly, and regardless of any cause or event contributing concurrently or in any sequence to the loss, caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" is an impurity resulting from the mixture of or contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed.

### 2. Gradual or Sudden Loss

We do not cover any loss caused by gradual deterioration, wet or dry rot, warping, smog, rust, or other corrosion. In addition, we do not cover any loss caused by inherent vice, wear and tear, mechanical breakdown or latent defect. However, we do insure ensuing covered loss unless another exclusion applies.

### 3. **Fungi**, ~~Wet or Dry Rot~~ or Bacteria

We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of **fungi**, ~~wet or dry rot,~~ or bacteria— ~~including~~ the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **fungi**, ~~wet or dry rot,~~ or bacteria.

This exclusion does not apply to:

a. Coverage provided under PART II - PROPERTY. Additional Coverage. Ensuing **Fungi**, ~~Wet or Dry Rot,~~ ~~Or~~ Bacteria; or

b. Ensuing covered loss unless another exclusion applies.

### 4. Loss by Rodents, Insects, Birds or Vermin

We do not cover any loss caused by rodents, insects, birds or vermin except loss to glass that is part of a building, storm door or window. However, we do insure

ensuing covered loss unless another exclusion applies.

#### 5. Structural Movement

We do not cover any loss caused by bulging, expansion, shrinking or settling, including resultant cracking, of foundation, floors, walls, patios, pavements, ceilings or roofs. However, we do insure ensuing covered loss unless another exclusion applies.

#### 6. Surface and Ground Water Damage

We do not cover any loss caused by:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

This exclusion does not apply to:

- a. **Contents** away from any **residence** or **location** you own or live at; or
- b. Ensuing covered loss unless another exclusion applies.

#### 7. Water or Ice Damage to Certain **Other Permanent Structures**

We do not cover loss to certain **other permanent structures** caused by freezing, thawing, or the pressure or weight of water or ice, whether driven by wind or not. However, we do insure ensuing covered loss unless another exclusion applies. The **other permanent structures** to which this exclusion applies are swimming pools, fences, tennis courts, hot tubs, patios, pavements, foundations, septic systems, retaining walls, wharves, docks, piers, bridges or bulkheads.

#### 8. Faulty, Inadequate or Defective Planning

We do not cover any loss caused by faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- c. Materials used in repair, construction, renovation or remodeling; or

#### d. Maintenance;

of part or all of any property whether on or off the **residence**.

However, we do insure ensuing covered loss unless another exclusion applies.

#### 9. Earthquake

~~Earthquake.~~—We do not cover any loss to your **house** or **other permanent structures** caused by earthquake. However, we do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

#### 10. Earth Movement

We do not cover any loss to your **house** or **other permanent structures** caused by earth movement including volcanic eruptions, landslides, mudflows, and the sinking, rising, or shifting of land. We do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

#### 11. Business Property

We do not cover any loss to **business property** ~~unless it is incidental business property covered as an Additional Coverage.~~ This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, **Business Property**.

#### 12. Motorized Land Vehicles

We do not cover any loss to motorized land vehicles including their equipment and accessories or any electronic devices designed to be operated solely by power from the electrical system of that vehicle. However, we do cover vehicles not subject to motor vehicle registration which are:

- a. Used to service any **residence** you own or live at;
- b. Designed to assist the handicapped; or
- c. Designed for recreational use off public roads.

#### 13. Renovations and Repairs

We do not cover loss caused by renovating, refinishing or repairing any kind of **contents**. This exclusion does not apply to jewelry, watches, and furs.

#### 14. Watercraft Accidents

We do not cover any loss caused by the stranding, swamping or sinking of a **watercraft** or its trailer, or outboard motor.

We also do not cover any loss caused by collision of a **watercraft** other than collision with a land vehicle unless another exclusion applies.

#### 15. Tenant Property

We do not cover any loss to property of roomers, boarders, or other tenants.

#### 16. Temperature or Dampness

We do not cover any loss caused by extremes of temperature, dampness or dryness of atmosphere, or water vapor to your **house, other permanent structures** or **contents**.

This exclusion does not apply to:

a. ~~Loss~~ caused directly by rain, sleet, snow or hail; or

b. Coverage provided under PART II – PROPERTY, Additional Coverage, Food Spoilage.

#### 17. Aircraft

We do not cover any loss to **aircraft** or **aircraft** parts.

#### 18. Confiscation

We do not cover any loss caused by the destruction, confiscation or seizure by any government or public authority.

#### 19. Acts of War

We do not cover any direct loss or ensuing loss to property caused by any kind of warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

#### 20. Loss to Fish, Birds or Animals

We do not cover any loss to fish, birds or animals.

#### 21. Intentional Acts

We do not cover any loss caused by any act, whose consequences could have been foreseen by a reasonable person, committed:

- a. By or at the direction of you, your spouse or a **family member**; and
- b. With the intent to cause loss or damage.

#### 22. Dishonest Acts

We do not cover any loss caused by any dishonest or criminal act by, or at the direction of, you or any **family member**.

#### 23. Nuclear Hazard

We do not cover any loss caused directly or indirectly by “nuclear hazard”. 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. However, ensuing covered loss due to fire resulting from a nuclear hazard is covered unless another exclusion applies.

#### ~~24. Wine~~

~~We do not cover any loss to wine due to temperature changes resulting from the failure of a climate control system caused by interruption of the power supply as a result of a brownout or blackout~~

#### 24. Back Up of Sewers or Drains

We do not cover any loss due to a back up or overflow of a sewer or drain including any loss that contributes to any event. This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, Back Up of Sewers and Drains.

#### 25. Contents Under Another Policy

We do not cover any loss to **contents** that are insured under a private collections policy, **valuable articles** or similar policy not issued by us or one of our affiliated companies.

#### 26. Uninsured Owned Location

We do not cover any loss caused directly or indirectly by wind to **contents** located at an **owned house, condominium, or cooperative that does not have contents coverage listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies.**

**Contents at a newly acquired location are not subject to this exclusion for sixty (60) days after you begin to move contents there.**

## PART III - LIABILITY

### A. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay for **personal injury** or **property damage** caused by an **occurrence** covered by this policy anywhere in the world, unless stated otherwise or an exclusion applies.

### B. Payment of a Loss

The most we will pay for all claims for **personal injury** and **property damage** as a result of any one **occurrence** is the Liability coverage limit shown on the Declarations Page of this policy. This insurance applies separately to each **insured person** against whom a claim is made or suit is brought, but we will not pay more than the limit shown on the Declarations Page for any single **occurrence** regardless of the number of **insured persons**, claims made or persons injured. There is no restriction to the number of **occurrences** during the Policy Period for which claims may be made.

Payments under provision **C.**, **Defense Coverage and Claim Expense**, except a settlement payment, are in addition to the Liability coverage limit in the policy shown on the Declarations Page.

### C. Defense Coverage and Claim Expense

We will pay the costs to defend an **insured person** against any suit seeking covered **damages** for **personal injury** or **property damage**, even if the suit is false, fraudulent or groundless. You may choose counsel from a panel of firms selected by us. If a panel counsel is not established in the jurisdiction where the suit is brought, we reserve the right to select counsel.

We may investigate and settle any claim or suit at our discretion.

Additionally, we will pay:

1. All court costs and expenses on judgments assessed against any **insured person**;
2. Reasonable expenses incurred by an **insured person** at our request up to a total of \$10,000 for assisting us in the investigation or defense of a claim or suit;

3. The cost of bail bonds required of an **insured person** because of a covered loss;
4. All premiums on bonds required in a suit we defend, but not for bond amounts more than the coverage amount (we need not apply for or furnish any bond);
5. All expenses incurred by us;
6. 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 amount of coverage; and
7. All prejudgment interest awarded against an **insured person** on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of coverage.

In jurisdictions where we are prevented from defending an **insured person** for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior written consent for the **insured person's** defense.

Our duty to defend any claim or suit arising out of a single **occurrence** ends when the amount we have paid in **damages** for that **occurrence** equals the Liability coverage limit shown on the Declarations Page of this policy.

### D. Additional Coverages

#### 1. Damaged Property

If an **insured person** destroys or damages other people's property we will pay the replacement cost for that property up to ~~\$1,000~~ **\$10,000** per **occurrence**.

#### 2. Credit Cards, Forgery, and Counterfeiting

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

- a. Any amount an **insured person** is legally obligated to pay resulting from:
  - i. Theft or loss of a bankcard or credit card issued in the name of you or a **family member**; or
  - ii. Loss caused by forgery or alteration of any check or negotiable instrument.

A loss will not be covered unless all the terms for using the card, check or negotiable instrument, are complied with.

- b. Loss caused by accepting in good faith any counterfeit paper currency.

At our option we may defend a claim or suit against you or a **family member** for forgery or counterfeiting. We will defend a claim or suit against you or a **family member** for loss or theft of a bankcard or credit card.

### 3. Medical Payments to Others

Regardless of liability, we will pay the necessary **medical expenses** that are incurred or medically ascertained within three (3) years from the date of an accident causing **bodily injury** up to a total of \$10,000 for each person. This coverage does not apply to you or a **family member** and only applies to an accident that:

- a. Occurs to a person, at a **residence** with liability coverage listed on the Declarations Page, with permission from you or a **family member** to be there;
- b. Arises from a condition at a **residence**, or at the steps, driveways or sidewalks immediately adjoining a **residence**, listed on the Declarations Page with liability coverage;
- c. Is caused by an animal owned by or in the care of an **insured person**; or
- d. Is caused by an **insured person** or a ~~domestic worker~~ **residence employee** in the course of his or her employment by an **insured person**.

### 4. Limited **Residence** Premises **Business** Liability

We cover **personal injury** or **property damage** arising out of the physical condition of a **residence** shown on the Declarations Page when **business** or professional activities are legally conducted by any **insured person** at that **residence**. The most we will pay for any covered loss is the Liability coverage limit shown on the Declarations Page. Coverage is subject to the following:

- a. You do not have any employees conducting **business** activities at your **residence** who are subject to workers' compensation or other similar disability laws;
- b. You are not a home day care provider; and
- c. There is no other valid collectible insurance.

## E. Exclusions

This policy does not provide coverage for liability, defense costs or any other cost or expense for:

### 1. Motorized Land Vehicles

**Personal injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of any motorized land vehicle. This exclusion does not apply to **recreational motor vehicles** except when they are used for participation in or practice for competitive racing.

### 2. Aircraft

**Personal injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading, or towing of any **aircraft**.

### 3. Watercraft

**Personal injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of any **watercraft**:

- a. That is twenty-six (26) feet or more in length or fifty (50) or more horsepower and which is owned by an **insured person** or furnished or rented to an **insured person** for longer than thirty (30) days;
- b. Used for any **business** or commercial purpose; or
- c. Used for participation in or practice for competitive racing (except sailboats less than twenty-six (26) feet in length).

### 4. Workers' Compensation or Disability

Any **damages** or benefits an **insured person** is legally obligated to provide under any workers' compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law. However, we do provide coverage in excess over any other insurance for **damages** a **covered person** is legally obligated to pay for **bodily injury** to a **residence employee** of a **location listed on the Declarations Page** which are not compensable under workers compensation, unless another exclusion applies.

### 5. Directors Errors or Omissions

**Personal injury** or **property damage** arising out of any **insured person's** acts, errors or omissions as an officer or member

of the board of directors of any corporation or organization. This exclusion does not apply to **personal injury** or **property damage** arising out of an **insured person's** actions for a non-profit corporation or organization or for a Condominium or Cooperative Association unless another exclusion applies.

#### 6. Care, Custody or Control

~~Property damage to property owned by, or in the custody, care or control of, an insured person.~~

Property Damage to property owned by, rented to, occupied or used by, or in the care, custody or control of an insured person to the extent that the insured person is required by contract to provide insurance. This exclusion does not apply to property damage caused by fire, smoke, or explosion.

#### 7. Insured Person

**Personal injury** to an **insured person** under this policy.

#### 8. Discrimination

**Personal injury** arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, color, sex, creed, handicapped status, sexual preference or any other discrimination.

#### 9. Sexual Molestation or Corporal Punishment

**Personal injury** arising out of any actual, alleged or threatened by any person:

- a. Sexual molestation, misconduct or harassment;
- b. Corporal punishment; or
- c. Sexual, physical or mental abuse.

#### 10. Transmitted Diseases

**Personal injury** resulting directly or indirectly from any illness, sickness or disease transmitted intentionally or unintentionally by an **insured person** to anyone. We do not cover any **damages** for any threat of exposure or any consequences resulting from that illness, sickness, or disease.

#### 11. Business Pursuits

**Personal injury** or **property damage** arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended

to realize a profit for either an **insured person** or others. However, this exclusion does not apply to:

- a. Volunteer work for an organized charitable, religious or community group;
- b. **Incidental business** activity; or
- c. Limited **Residence Premises Business** Liability Coverage.

#### 12. Professional Services

**Personal injury** or **property damage** arising out of an **insured person's** performing or failure to perform professional services for which any **insured person** is legally responsible or licensed.

#### 13. War

**Bodily injury** or **property damage** caused directly or indirectly by war, including the following and any consequence of the following:

- a. Undeclared war, civil war, insurrection, rebellion, or revolution;
- b. Warlike acts by a military force or military personnel; or
- c. The destruction, seizure or use of property for a military purpose.

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

#### 14. Assessments

Any assessment charged against an **insured person** as a member of an association, corporation or community of property owners.

#### 15. Contractual

**Personal injury** or **property damage** arising from contracts or agreements, whether written or unwritten:

- a. Made in connection with any **insured person's business**; or
- b. In which the liability of others is assumed after a covered loss.

#### 16. Nuclear Hazard

**Personal injury** or **property damage** caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.

#### 17. Intentional Acts

**Personal injury** or **property damage** resulting from any criminal, willful, intentional or malicious act or omission by

any person. We also will not cover claims for acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause, **property damage** or **personal injury**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person, than expected or intended. This exclusion does not apply to **bodily injury** if the **insured person** acted with reasonable force to protect any person or property.

**18. Wrongful Termination**

**Personal injury** arising out of wrongful termination of employment.

**19. Controlled Substance(s)**

**Personal injury** or **property damage** arising out of the use, sale, manufacture, delivery or transfer or possession of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. This exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician.

~~**20. Fungi, Wet or Dry Rot, Bacteria**~~

~~**Personal injury** or **property damage** arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi**, wet or dry rot, or bacteria. This does not include **personal injury** or **property damage** arising out of **fungi** that are, are on, or are contained in, a good or product intended for consumption.~~

**PART IV - CONDITIONS**

**A. Your Duties**

1. Your duty is to notify your agent or broker of a change in occupancy.
2. Your duty is to notify your agent or broker at the beginning of any renovation or construction work and throughout the work to maintain an appropriate amount of coverage and confirm that appropriate protective safeguards are in place as determined by us.

**A.B. Your Duties After a Loss**

PCHO (08/02/09/06)

In the event of an **occurrence** which is likely to involve this policy, or if you or any other **insured person** under this policy is sued in connection with an **occurrence** which may be covered under this policy, you or an **insured person** must:

1. Give prompt notice to us or your agent or broker.
2. Notify the police in case of loss by theft.
3. Notify the credit card or fund transfer card company in case of loss under credit card or fund transfer card coverage.
4. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of all repair expenses.
5. Provide us with bills, receipts and related documents.
6. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request; and
  - c. Submit to separate examination under oath.
7. Send to us within sixty (60) days of our request, your signed sworn proof of loss which sets forth, to the best of your knowledge:
  - a. The time and cause of loss;
  - b. The interest of all others in the property; ~~and~~
  - c. Other insurance which may cover the loss; ~~and-~~
  - d. The dollar amount being claimed as your loss.
8. Provide us with the names and addresses of any known persons injured and any available witnesses.
9. Provide us with any suit papers and other documents which will help us defend any **insured person**.
10. Assist and cooperate with us in the conduct of the defense by helping us:
  - a. To make settlement;

- b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**;
- c. To attend hearings and trials; and
- d. To secure and give evidence and obtain the attendance of witnesses.

**BC.** Policy Period and Territory

The Policy Period is stated on the Declarations Page. This policy applies to an **occurrence** which takes place anywhere in the world unless otherwise limited by the policy.

**CD.** Recovery

If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or transfer those rights to us and help us enforce them.

**DE.** Assignment

No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.

**EF.** Changes

No change or modification of this policy shall be effective except when made by written endorsement signed by our legal representative.

**FG.** Concealment or Fraud

The entire policy will be void if, whether before or after a loss, you or an **insured person** 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.

**GH.** Reasonable Care

You must use reasonable care to maintain heat in your **residence** or shut off and drain the water system or appliances if the home is vacant, unoccupied or being constructed. We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system or household appliance if reasonable care has not been exercised.

**HI.** Conformity to Statutes

Any provision of this policy, which is in conflict with state or local law, is amended to conform to the law.

**IJ.** Liberalization

If we broaden the coverages provided by your policy without an additional premium charge, the changes will automatically apply to your policy as of the effective date on which the changes are adopted in your state.

**JK.** Bankruptcy or Death

The **insured person's** bankruptcy or insolvency shall not relieve us of any of our obligations. Further, if the **insured person** dies or becomes bankrupt or insolvent during the Policy Period, this policy, unless cancelled, will cover the **insured person's** legal representative for the remainder of the Policy Period.

**KL.** Legal Action Against Us.

No action shall be brought against us unless the **insured person** has complied with this policy's provisions and for Liability coverage, not until final ~~judgement~~ judgment or agreement has set the amount of the **insured person's** legal obligation to us.

You also agree to bring any action against us within one year after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined.

For Liability coverage, no one has the right to join us in any action against any other **insured person**.

**LM.** Appraisals

If you and we fail to agree on the amount of loss, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within twenty (20) days. The independent appraisers will select an arbitrator within fifteen (15) days. If an arbitrator is not agreed upon within that time, either party may request the arbitrator be selected by a judge. The independent appraisers will then appraise the loss and submit any differences to the arbitrator. A decision in writing agreed to by the two appraisers or either appraiser and the arbitrator will be binding. Each appraiser will be paid by the party that has selected the

appraiser. You and we will share the expenses of the arbitrator equally.

#### ~~M~~. N. 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.

#### ~~N~~. O. Mortgage Clause.

The word mortgagee includes trustee. If a mortgagee is named in this policy, any covered loss will be paid to you and the mortgagee as interests appear. If there is more than one mortgagee named in this policy, the order of payment will be identical to the order of precedence.

If your claim is denied, the denial will not apply to a valid claim submitted by the mortgagee if they:

1. Notify us of any change in ownership or substantial change in risk of which they are aware;
2. Pay any premium due on this policy or on demand if you have neglected to pay the premium; and
3. Submit a sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so.

If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect.

If we deny payment to you but pay the mortgagee:

1. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
2. At our option, we may pay the mortgagee the entire principal on the mortgage plus any accrued interest. In this event we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount under the mortgagee's claim.

#### ~~P~~. P. Your Cancellation

You may cancel this policy or any part of it at any time by notifying us in writing of the future date that the cancellation is to take effect.

#### ~~P~~. Q. Our Cancellation

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

#### 1. Nonpayment of Premium

If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan.

#### 2. Misrepresentation

We may cancel this policy with thirty (30) days notice if there has been a material misrepresentation of fact or omission of fact either of which, if known to us, would have caused us not to issue the policy.

#### 3. Increase in Hazard

We may cancel this policy with thirty (30) days notice in the event or circumstance of a material increase in, or a change to, the covered property that increases the hazard insured against.

#### 4. Conviction of Crime

We may cancel this policy with thirty (30) days notice if you have been convicted of a crime arising out of an act that increases the hazard insured against.

R. Nonrenewal

If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of non-renewal not less than thirty (30) days before the end of the Policy Period as stated on the Declarations Page.

Regardless, this policy will terminate at the end of the Policy Period stated on the Declarations Page if you have failed to discharge when due any of your obligations in connection with the

payment of premium for the renewal of this policy, or if you have notified us or our agent that you do not wish this policy to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

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In witness whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.

AIG Advantage Insurance Company

(Signatures)

AIG Preferred Insurance Company

(Signatures)

AIG Premier Insurance Company

(Signatures)

AIU Insurance Company

(Signatures)

American Home Assurance Company

(Signatures)

American International Insurance Company of California, Inc.

(Signatures)

American International Insurance Company, Inc.

(Signatures)

Minnesota Insurance Company

PCHO (08/02/09/06)

(Signatures)

Audubon Indemnity Company

(Signatures)

Audubon Insurance Company

(Signatures)

## EQUIPMENT BREAKDOWN COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

The following additional coverage is added to the AIG Private Client Group Homeowners policy.

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### AGREEMENT

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We will provide the insurance described in this endorsement in compliance with all applicable provisions of this policy. The most we will pay for loss, damage or expense under this endorsement arising from any **one accident** is *[Insert \$50,000, \$100,000, \$150,000, \$200,000, or \$250,000 as selected by the Insured.]* Coverage provided under this endorsement does not increase any limit of liability under Part II, PROPERTY.

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### DEFINITIONS

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The following definitions are added:

1. **Accident** means sudden and accidental:
  - a. mechanical or electrical breakdown; or
  - b. tearing apart, cracking, burning or bulging of a steam or hot water heating system, or an air conditioning system;that results in direct physical damage to **covered equipment**.
  
2. **Covered equipment**
  - a. **Covered equipment** means property, other than **contents**, covered under Part II -- PROPERTY:
    - (1) that generates, transmits or utilizes energy; or
    - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - b. None of the following is **covered equipment**:
    - (1) supporting structure, cabinet or compartment;
    - (2) insulating material;
    - (3) sewer piping, buried vessels or piping, or piping forming a part of a fire protective sprinkler system;
    - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (5) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer or clothes dryer; or
    - (6) electronic entertainment or computer equipment, including but not limited to:
      - (a) television equipment inclusive of plasma television equipment;
      - (b) stereo equipment; or
      - (c) any electronic component used with such electronic entertainment or computer equipment.

**Covered equipment** does, however, include permanently installed wiring associated with such electronic entertainment or computer equipment.

3. **One accident** means: If an initial **accident** causes other **accidents**, all will be considered **one accident**. All **accidents** that are the result of the same event will be considered **one accident**.
- 

## PROPERTY COVERAGES

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1. We will pay for direct physical damage to **covered equipment** that is the result of an **accident**.
2. **Additional Living Expense**  
Coverage for Additional Living Expense, as provided under C. Additional Coverages, is extended to the coverage provided by this endorsement. We will pay up to ***[Insert \$10,000 or \$20,000 as selected by the Insured.]*** per **accident** under this coverage. We will not pay for any expense incurred by you beyond 30 days after the **accident** even if it takes more than 30 days to restore your residence to a habitable condition or for your household to permanently locate elsewhere.
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## EXCLUSIONS

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The following exclusions are added:

1. We will not pay under this endorsement for loss, damage or expense caused by or resulting from electrical power surge or brownout.
2. We do not cover under this endorsement any property that is not **covered equipment**.
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## DEDUCTIBLE

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The following deductible provision replaces any other deductible provision in the policy or on the Declarations Page with respect to loss covered under this endorsement.

In case of a loss under this endorsement, we will pay only for that part of the loss over ***[Insert \$500, \$1,000, \$2,500 or \$5,000 as selected by the Insured.]*** No other deductible applies to this coverage.

This deductible applies to the affected equipment regardless of any other deductible in this policy or any other policy. Your homeowner deductible will apply to any ensuing loss, but will be reduced by this deductible amount.

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## CONDITIONS

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The following conditions are added:

1. **Environmental, Safety and Efficiency Improvements**  
If **covered equipment** requires replacement due to an **accident**, we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.  
However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits.
2. **Payment of a Loss**  
Losses under this endorsement will be settled as follows:
- a. Our payment for damaged **covered equipment** will be the smallest of:
- (1) The coverage limit shown for Equipment Breakdown;
  - (2) The cost to repair the damaged **covered equipment**;

- (3) The cost to replace the damaged **covered equipment** on the same premises; or
- (4) The necessary amount actually spent to repair or replace the damaged **covered equipment**.
- b. Except as described in Environmental, Safety and Efficiency Improvements above, you are responsible for the extra cost of replacing damaged **covered equipment** with property of a better kind or quality or of a different size or capacity.
- c. If you do not repair or replace the damaged **covered equipment** within 24 months, after the date of the **accident**, then we will pay only the smaller of the:
  - (1) Cost it would have taken to repair at the time of the **accident**; or
  - (2) Actual cash value at the time of the **accident**.

## AIG Fraud SafeGuard® Coverage

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

### SCHEDULE

	Limit of Insurance	Deductible
Fraud, Embezzlement or Forgery	\$ _____ (each event) \$ _____ (each insured annual aggregate)	
ATM Robbery	\$ _____ (each insured) \$ _____ (each insured annual aggregate)	No deductible applies
Stolen Identity Event	\$ _____ (each event) \$ _____ (each insured annual aggregate)	No deductible applies

It is agreed and understood that **PART I - DEFINITIONS** has been amended to include the following:

**Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose. **Forgery** will result directly from **forgery** of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are:

- a. Made or drawn by or drawn upon you or a **family member**; or
- b. Made or drawn by one acting as your or a **family member's** agent; or that are purported to have been so made or drawn.

**Fraud or embezzlement** means:

- a. An electronic, telegraphic, cable, teletype, telefacsimile, telephone, computer, or magnetic tape instruction which purports to have been transmitted by you or a **family member**, but which was in fact fraudulently transmitted by someone else without your or a **family member's** knowledge or consent;
- b. A written instruction issued by you or a **family member**, which was forged or altered by someone other than you or a **family member** without your or a **family member's** knowledge or consent, or which purports to have been issued by you or a **family member** but was in fact fraudulently issued without your or a **family member's** knowledge or consent; or
- c. Any other intentional perversion of truth by someone other than you or a **family member** perpetrated in order to induce you or a **family member** to part with something of value.

**Fraud Safeguard event** means **fraud, embezzlement, or forgery**, ATM robbery, or **stolen identity event** as set forth in this endorsement.

**Money** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders.

**Other property** means and is limited to jewelry, precious metals, antiques, fine art, ceramics, furs, collectibles, and gemstones.

**Restoration Services** means those services performed in response to a **stolen identity event**, and on your or a **family member's**, behalf after receipt of authorization from you or a **family member**, including but not limited to:

1. Providing you or a **family member** with a package of information which includes a description of the resolution process, educational articles, and guidance for avoiding future complications.
2. Notifying the three major credit bureaus and providing assistance with requesting that a fraud alert be placed on your or a **family member's** credit files and affected credit accounts.
3. Reviewing your or a **family member's** credit files with you or a **family member** to determine the accuracy of the file and potential areas of fraud.
4. Notifying as needed, your or a **family member's** affected creditors, financial institutions, credit card companies, utility providers, and merchants of the identity fraud.
5. Providing information to the Federal Trade Commission (FTC), and to other government agencies as appropriate.
6. When appropriate, providing assistance with obtaining and reviewing your Social Security Personal Earnings and Benefits Statement.
7. Creating and maintaining a case file to document the identity fraud.
8. When appropriate, providing other assistance we might reasonably be able to offer you or a **family member** on a case by case basis, as determined in our sole and absolute discretion.

We reserve the right to refuse or terminate the provision of restoration services where you or a **family member** are deemed to be committing fraud or other illegal acts, making untrue statements, or failing to perform your or the **family member's** portion of the recovery plan.

**Robbery** means the unlawful taking of property from the care and custody of a person, accomplished by means of force or fear.

**Securities** mean negotiable and non-negotiable instruments or contracts representing either **money** or property.

**Stolen identity event** means the illegal use of your or a **family member's** name, social security number, or other method of identity without permission.

It is agreed and understood that **PART III – LIABILITY** has been amended to include the following:

## **FRAUD SAFEGUARD**

### **Insuring Agreements**

#### **A. Fraud, Embezzlement or Forgery**

We will pay you or a **family member** for loss of **money, securities, or other property** up to the applicable Limits of Insurance shown in the schedule, resulting directly from **fraud, embezzlement, or forgery** perpetrated against you or a **family member** during the Policy Period. The loss must be discovered not later than ninety (90) days from the end of the Policy Period.

## B. ATM Robbery

We will pay you or a **family member**, up to the applicable Limits of Insurance shown in the schedule, for loss of **money** resulting directly from a **robbery** that occurs within 100 feet from an Automatic Teller Machine (ATM), immediately after withdrawing such **monies** from the same ATM. This coverage does not apply to any other loss of money or valuables in your or a family member's possession resulting from the robbery.

## C. Stolen Identity Event

We will pay Costs and Legal Costs, as set forth below in Payment of Loss for a **stolen identity event**, up to the applicable Limits of Insurance shown in the schedule, including a **stolen identity event** occurring on or arising out of the use of the Internet. The **stolen identity event** must occur and be discovered during the Policy Period.

### 1. Payment of Loss For A Stolen Identity Event

#### a. Costs

1. Costs incurred by you or a **family member** for re-filing applications for loans, grants, other credit or debt instruments that are rejected solely because the lender received from any source incorrect information as a result of a **stolen identity event**;
2. Costs for notarizing affidavits or other similar documents, long distance telephone calls, and postage reasonably incurred as a result of your or a **family member's** efforts to report a **stolen identity event** or amend or rectify records as to your or a **family member's** true name or identity as a result of a **stolen identity event**;
3. Costs incurred by you or a **family member** for a maximum of six (6) credit reports from an entity approved by us. The first credit report may not be requested until after the discovery of a **stolen identity event**;
4. Costs for contesting the accuracy or completeness of any information contained in a credit report following a **stolen identity event**;
5. Actual lost wages not to exceed \$10,000 that would have been earned in the United States, whether partial or whole days, for time reasonably and necessarily taken off work and away from your or a **family member's** work premises solely as a result of your or a **family member's** efforts to amend or rectify records as to your or a **family member's** true name or identity as a result of a **stolen identity event**. Actual lost wages includes remuneration for vacation days, discretionary days, floating holidays, and paid personal days but not for sick days or any cost arising from time taken from self-employment. Coverage is limited to wages lost within twelve (12) months after your or a **family member's** discovery of a **stolen identity event** and is limited also to the applicable Aggregate Limits of Insurance shown in the schedule.

#### b. Legal Costs

Costs for reasonable fees for an attorney appointed by us and related court fees, incurred by you or a **family member** with our consent, for:

1. Any legal action brought against you or a **family member** by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of a **stolen identity event**;

2. Removing any civil judgment wrongfully entered against you or a **family member** as a result of a **stolen identity event**; and
3. Criminal defense for charges brought against you or a **family member** as a result of a **stolen identity event**.

## 2. Additional Coverage - Stolen Identity Event

### Restoration Services

We will provide you or a **family member** with **restoration services** after a **stolen identity event**. The **stolen identity event** must occur during the Policy Period. Restoration services expenses do not reduce the amount of limit available under Payment of a Loss for a **stolen identity event**.

### Special Limits of Insurance

1. We will only pay the amount of loss in excess of any applicable Deductible, up to the applicable Limit of Insurance shown in the schedule for that coverage.
2. The most we will pay each **insured** for all loss resulting from **fraud, embezzlement, or forgery** is the Fraud, Embezzlement, or Forgery Each Insured Aggregate Limit shown in the schedule.
3. The most we will pay each insured for all loss resulting from a **stolen identity event** is the Stolen Identity Each Insured Aggregate Limit shown in the schedule.
4. The most we will pay each insured for all loss resulting from an ATM Robbery is the ATM Robbery Each Insured Aggregate Limit shown in the schedule.
5. All loss arising from continuous, repeated, or related **fraud guard events** will be treated as one **fraud guard event**.
6. The most we will pay for any loss is the applicable Limit of Insurance. If, however, a loss:
  - a) Exceeds the applicable Limit of Insurance; and
  - b) There is more than one **insured person** claiming a loss; and
  - c) The combined loss is greater than the Limit of Insurance for any one **insured person**; and
  - d) The affected **insured persons** can reasonably demonstrate joint ownership of the **money, securities, or other property**;we will pay each **insured person** up to the applicable Limit of Insurance for **money, securities, or other property**, until the loss is satisfied, but under no circumstance will we pay:
  - a) more than the adjusted value of the **money, securities, or other property**; or
  - b) each **insured person** for the same **money, securities or other property**, or portion thereof.
7. We will not pay for loss for any occurrence of **fraud, embezzlement, or forgery** until the amount of loss exceeds the Fraud, Embezzlement, or Forgery Deductible shown in the schedule. A separate Fraud, Embezzlement, or Forgery Deductible will apply to each insured.

It is agreed and understood that **PART III – LIABILITY**, Exclusions, has been amended to include the following:

As respects FRAUD SAFEGUARD coverage provided by this endorsement:

This insurance does not provide coverage for liability, defense costs or any other cost or expense for:

1. Intentional Loss

We do not cover any loss for any act committed at your or a **family member's** direction or with your or a **family member's** knowledge.

2. Dishonest Acts

We do not cover any loss arising out of any dishonest or criminal act by you or a **family member**.

3. Confiscation

We do not cover any loss caused by the confiscation, destruction, or seizure of property by any government or public entity or their authorized representative.

4. Computer Error

We do not cover any loss resulting from an error in computer programming or error in instructions to a computer.

5. Business Or Professional Services

We do not cover any loss arising out of a **business** or professional service engaged in by you or a **family member**.

**6. Property Damage, Bodily Injury, or Personal Injury.**

We do not cover any **bodily injury, property damage, or personal injury.**

7. Financial Guarantees

We do not cover any guarantee of the financial performance of any financial instrument or investment vehicle.

8. Indirect Loss

We do not cover any loss that is an indirect result of any **fraud guard event** including but not limited to:

1. Your or a **family member's** inability to realize income that you would have realized had there been no loss or damage to **money, securities, or other property**;
2. Payment of damages of any type for which you or a **family member** are legally liable; or
3. Payment of costs, fees or other expenses you or a **family member** incur in establishing either the existence or the amount of loss under this endorsement other than those set forth under this endorsement.

9. Legal Expenses

Expenses related to any legal action, except as set forth in this endorsement related to a **stolen identity event**.

10. Games of Chance

Any loss resulting from any game of chance.

11. Forgeries

Any **forgery** that is electronic, digital, or mechanical.

12. Service Disputes

Any loss arising out of any dispute or disagreement concerning the quality of goods or services unless the loss arises out of **fraud, embezzlement, or forgery**.

13. Not-for-Profit Organizations

Any loss arising out of the giving of any contribution, donation, restricted gift, or payment of any kind to any not-for-profit organization.

14. Investment Loss Due to Corporate Fraud

We do not cover any loss due to the change in value of **securities** issued by a business where loss results directly or indirectly from or alleges or involves in any manner whatsoever, **fraud, embezzlement or forgery** by the business including but not limited to its Directors or Officers, which issued the **securities**.

It is agreed and understood that **PART IV - CONDITIONS** has been amended to include the following:

A. Your or a **Family Member's** Duties After a **Fraud Safeguard Event**

In the event of a **Fraud Safeguard Event** or loss you or a **family member** must:

1. Notify the police if a law may have been broken;
2. Provide us with a police report or a report that was submitted to the appropriate civil authorities;
3. Give us prompt notice of the loss;
4. Take action to avoid future loss, including securing any **residence**, safeguarding your or a **family member's** assets and ending your or a **family member's** business relationship with any one responsible for a **Fraud Safeguard Event**;
5. As soon as possible, give us a description of how, when, and where the loss occurred and a description of the loss, including a description of **money, securities, and other property**;
6. If requested, permit us to question you and **family members** under oath at such times as may be reasonably required, about any matter relating to this insurance or your or a **family member's** claim, including inspection of your or a **family member's** books and

records. In such event, your or a **family member's** statement containing your or a **family member's** answers will be signed;

7. Send us a signed, sworn proof of loss or affidavit containing the information we request to investigate the claim. You or a **family member** will do this within thirty (30) days after our request. We will supply you or a **family member** with the necessary forms;
8. In the event of a credit card loss, in addition to all of the above, you or a **family member** will notify the credit card service company or the issuing bank immediately, but in no event no later than two (2) business days after discovery;
9. Upon discovery of an event of a loss involving an electronic fund transfer, in addition to all of the above, you or a **family member** will notify the service providers and financial institutions involved in the transfer immediately, but in no event no later than two (2) business days after discovery;
10. You or a **family member** must cooperate with us in investigating, evaluating and settling a claim and help us:
  - a. Enforce any legal rights you, a **family member** or we may have against anyone who may be liable to you or a **family member**;
  - b. Attend depositions, hearings and trials; and
  - c. Secure and give evidence, and obtain the attendance of witnesses; and
11. We reserve the right to request any other reasonable document or action of you or a **family member**.

## B. Valuation

### 1. Securities

In the event of a loss of **securities**, we may elect to pay you or a **family member** the cost of replacing such **securities**, determined by the market value at the time of such settlement. We will not be liable for more than the actual cash value of the **securities** at the close of business on the business day preceding the day on which the loss was discovered. If our payment is not sufficient to indemnify you or a **family member** in full for the loss of **securities**, our liability is limited to the replacement of or the payment for such **securities** whichever is less, but in no event will the payment be more than the applicable Limit of Insurance.

### 2. Foreign Currency

In the event of a loss of foreign currency, we will be liable for the United States dollar equivalent at the exchange rate published in the Wall Street Journal on the day of the discovery of the loss.

### 3. Other Property

In event of loss of **other property**, we will not be liable for more than the actual cash value of the **other property** on the date of the discovery of the loss, or for more than the actual cost of repairing or of replacing such property with property or material of like quality and value.

## Named Insured as Trust or Legal Liability Corporation Endorsement

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that **Part I. DEFINITIONS**, Paragraph 2 is deleted and replaced with the following:

If the named insured is an individual, the words “you”, “your”, and “yours”, refer to the person or persons named and his or her spouse who lives in the household.

If the named insured is a limited liability corporation, the words “you”, “your”, and “yours” refer to the limited liability corporation only.

If the named insured is a trust, “you”, “your”, and “yours” refers to the trust only.

The words “we”, “us”, “our” and “ours” mean the insurance company named on the Declarations Page.

It is agreed and understood that **Part I. DEFINITIONS, Insured Person** has been deleted and replaced by the following:

**Insured person** means:

- (a) If you are an individual, you or a **family member** is an **insured person**;
- (b) If you are a limited liability corporation, you are an **insured person**. Your members are also an **insured person**, but only with respect to the conduct of your affairs. Your managers are also an **insured person**, but only with respect to their duties as your managers;
- (c) If you are a trust, you are an **insured person**. Your trustees are also an **insured person**, but only with respect to their duties as trustees;
- (d) An additional insured named in the policy; or
- (e) Any person given permission by you, or if you are an individual, a **family member**, to use a vehicle or watercraft covered under this policy with respect to their legal responsibility arising out of its use.

## ADDITIONAL INSURED – LLC or TRUST

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that **Part I. DEFINITIONS, Insured Person** has been amended to include the person or organization named below for the specified location:

Location: \*

Additional Insured:

Name of Person or Organization: \*

Address: \*

Interest: \*

The definition of **insured person** in this policy includes the person or organization named above with respect to:

**Part III. LIABILITY** but only with respect to the **residence** named above.

If the organization listed above is a limited liability corporation, the members and managers are also an **insured person**, but only with respect to the conduct of your affairs.

If the organization listed above is a trust, your trustees are also an **insured person**, but only with respect to their duties as trustees.

This coverage does not apply to **bodily injury** or **personal injury** to any employee arising out of or in the course of the employee's employment by the person or organization listed above.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.

\* Entries may be left blank if shown elsewhere in this policy for this coverage.

### **Exclusion of Animal-Related Liability**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that **Part III – LIABILITY, E. Exclusions** is amended to include the following:

Animals

**Personal injury** or **property damage** arising out of direct or indirect contact with an animal that is owned by or in the care, custody or control of an **insured person**.

### **Domestic Animals Deductible**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that **Part III – LIABILITY** is amended to include the following provision:

#### **Deductible**

For an **occurrence** stemming from or involving a domestic animal, a deductible amount of \$50,000 shall apply separately to each **occurrence** and shall also apply to either **damages** or defense expenses or both.

Our obligation to pay covered **damages** and to defend any claim seeking covered **damages** from an **insured person** or pay defense expenses shall only be in excess of the deductible, which amount shall be borne by the **insured person** at their own expense.

**OTHER PERMANENT STRUCTURES  
(Condominium or Cooperative Owner)**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Location	Other Permanent Structures Limit

We will pay up to the **other permanent structures** limit shown above.

If your residence is a condominium or cooperative, it is agreed and understood that under, Part **II. Property, B. Payment of a Loss, 1. Amount of Coverage for your House and Other Permanent Structures** the following coverage is included:

Other Structures means outdoor structures you own that are situated on the common grounds of the condominium or cooperative residence that you own listed on the Declarations Page.

For any **residence** listed on the Declarations Page that is a condominium or cooperative, **other permanent structures** includes additions, alterations, items of real property, installations or fixtures, including **other permanent structures**, that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.

## COURSE OF CONSTRUCTION CONDITIONS

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for a premium credit, **Part IV. CONDITIONS** is amended to include the following:

Protective Safeguard(s)

We do not cover any loss if the **insured person** has failed to maintain each and every the Protective Safeguard(s) identified below by an "X". **Strict compliance with the conditions of this warranty is material to the policy and any violation of the specified provision thereof, whether material or immaterial, shall avoid it.**

- A. Watchman/Security Guard or 24 Hour Occupancy  
The **insured person** must maintain a watchman/security guard at the **residence** during the hours construction operations are not in progress; or an **insured person** must reside in the home throughout the construction project. Hours of construction generally occur between 9AM and 5PM when construction workers are on site and engaged in work activities surrounding the project.
- B. Full Perimeter Fence  
The **residence** must be completely surrounded by a locked fence. The gate(s) will be closed and locked during the hours construction operations are not in progress.
- C. Exterior Lighting  
The **residence** must be equipped with exterior lights that operate during all non-daylight hours.
- D. Brush Clearance  
The **residence** must have a minimum of 300 foot brush clearance from the **house** or **other permanent structures** on the **residence**.
- E. Central Station Monitored Fire Alarm:  
The **residence** must have a temporary central station fire alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows).
- F. Central Station Burglar Alarm:  
The **residence** must have a temporary central station burglar alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows).

~~[ ]~~ ~~G. Contractor's General Liability Limits and Worker's Compensation Coverage:~~  
The contractor and all the subcontractors must maintain limits of \$\_\_\_\_\_ of contractor's liability and worker's compensation insurance throughout the course of the construction at the **residence**.

~~[ ]~~ ~~H. Waiver of Subrogation~~  
The **insured person** must not surrender their right of subrogation against the contractor or subcontractors before or after a loss.

[ ] ~~I~~. Gated Driveway  
The entranceway to the **residence** will be gated and locked during the hours that construction operations are not in progress.

[ ] ~~J~~. Fire Extinguishers  
The **residence** must be equipped with at least one fire extinguisher for every 1,000 square feet (including the basement and attic). The fire extinguishers should be ABC rated and at least 10 pounds in capacity.

[ ] ~~K~~. Fire Proof Storage Cabinet for Flammable Liquids  
The **residence** must be equipped with U.L. approved fireproof cabinetry for the storage of flammable liquids. ~~All flammable liquids at the residence must be stored in the fireproof cabinetry on-site.~~

[ ] ~~L~~. Signage  
"No Trespassing" signs must be clearly displayed along the perimeter of the construction site.

<u>Printed Name:</u>	
<u>Signature:</u>	<u>Date:</u>

## COURSE OF CONSTRUCTION CONDITIONS

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for a premium credit, **Part IV. CONDITIONS** is amended to include the following:

Protective Safeguard(s)

We do not cover any loss if the **insured person** has failed to maintain each and every Protective Safeguard(s) identified below by an "X". Strict compliance with the conditions of this warranty is material to the policy and any violation of the specified provision thereof, whether material or immaterial, shall avoid it.

- A. Watchman/Security Guard or 24 Hour Occupancy  
The **insured person** must maintain a watchman/security guard at the **residence** during the hours construction operations are not in progress; or an **insured person** must reside in the home throughout the construction project. Hours of construction generally occur between 9AM and 5PM when construction workers are on site and engaged in work activities surrounding the project.
- B. Full Perimeter Fence  
The **residence** must be completely surrounded by a locked fence. The gate(s) will be closed and locked during the hours construction operations are not in progress.
- C. Exterior Lighting  
The **residence** must be equipped with exterior lights that operate during all non-daylight hours.
- D. Brush Clearance  
The **residence** must have a minimum of 300 foot brush clearance from the **house** or **other permanent structures** on the **residence**.
- E. Central Station Monitored Fire Alarm:  
The **residence** must have a temporary central station fire alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows).
- F. Central Station Burglar Alarm:  
The **residence** must have a temporary central station burglar alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows).

- [ ] G. Gated Driveway  
The entranceway to the **residence** will be gated and locked during the hours that construction operations are not in progress.
- [ ] H. Fire Extinguishers  
The **residence** must be equipped with at least one fire extinguisher for every 1,000 square feet (including the basement and attic). The fire extinguishers should be ABC rated and at least 10 pounds in capacity.
- [ ] I. Fire Proof Storage Cabinet for Flammable Liquids  
The **residence** must be equipped with U.L. approved fireproof cabinetry for the storage of flammable liquids.
- [ ] J. Signage  
"No Trespassing" signs must be clearly displayed along the perimeter of the construction site.

Printed Name:	
Signature:	Date:

## FUNGI LIABILITY EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that **Part III – LIABILITY, Section E. Exclusions**, is amended to include the following:

### **Fungi or Bacteria**

**Personal injury or property damage** arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi** or bacteria. This exclusion does not apply to **personal injury** or **property damage** arising out of **fungi** that are, are on, or are contained in, a good or product intended for consumption.

**LANDSCAPING COVERAGE  
INCREASED LIMITS**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood for the premium charged, **Part II. C. Additional Coverages**, ~~item 5. Landscaping~~ is deleted and replaced by the following:

~~5. Landscaping~~

We will pay up to the greater of:

a) \_\_\_\_\_% of the amount of coverage for the **house** at the **residence** at which the covered loss occurs, but not more than \$\_\_\_\_\_ for any one tree, shrub, or plant.†  
or

b) \_\_\_\_\_% of the amount of coverage for the **contents** at the **residence** at which the covered loss occurs, but no more than \$\_\_\_\_\_ for any one tree, shrub or plant.

Landscaping does not include forestry or brush.

We will pay only for losses caused by:

- **Aircraft;**
- Fire, lightning or explosion;
- Riot or civil commotion;
- A vehicle not owned or operated by someone who lives at the **residence;** or
- Theft, attempted theft, vandalism or malicious mischief.

The deductible listed ~~in~~on your Declarations Page will apply.

**LANDSCAPING COVERAGE  
INCREASED LIMITS**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood for the premium charged, **Part II. C. Additional Coverages, Landscaping** is deleted and replaced by the following:

**Landscaping**

We will pay up to the greater of:

- a) \_\_\_\_\_% of the amount of coverage for the **house** at the **residence** at which the covered loss occurs, but no more than \$\_\_\_\_\_ for any one tree, shrub, or plant.  
or
- b) \_\_\_\_\_% of the amount of coverage for the **contents** at the **residence** at which the covered loss occurs, but no more than \$\_\_\_\_\_ for any one tree, shrub or plant.

**Landscaping** does not include forestry or brush.

We will pay only for losses caused by:

- **Aircraft;**
- Fire, lightning or explosion;
- Riot or civil commotion;
- A vehicle not owned or operated by someone who lives at the **residence**; or
- Theft, attempted theft, vandalism or malicious mischief.

The deductible listed on your Declarations Page will apply.

**LANDSCAPING  
WIND COVERAGE EXTENSION**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood for the additional premium charged, **Part II. C. Additional Coverages, item 5. Landscaping** is ~~amended to include~~ deleted and replaced by the following:

~~5. Landscaping-~~

We will pay up to \_\_\_\_\_ % of the coverage limit for the **house** or, if **house** coverage is not available, \_\_\_\_\_ % of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$ \_\_\_\_\_ for any one tree, shrub or plant. **Landscaping** does not include forestry or brush.

We will pay only for losses caused by:

- a. Wind;
- b. Aircraft;
- c. Fire, lightning or explosion;
- d. Riot or civil commotion;
- e. A vehicle not owned or operated by someone who lives at the **residence**; or
- f. Theft, attempted theft, vandalism or malicious mischief.

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

The deductible listed ~~in~~on your Declarations Page will apply.

**LANDSCAPING  
WIND COVERAGE EXTENSION**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood for the additional premium charged, **Part II. C. Additional Coverages, Landscaping** is deleted and replaced by the following:

**Landscaping**

We will pay up to \_\_\_\_\_% of the coverage limit for the **house** or, if **house** coverage is not available, \_\_\_\_\_% of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$\_\_\_\_\_ for any one tree, shrub or plant. **Landscaping** does not include forestry or brush.

We will pay only for losses caused by:

- a. Wind;
- b. Aircraft;
- c. Fire, lightning or explosion;
- d. Riot or civil commotion;
- e. A vehicle not owned or operated by someone who lives at the **residence**; or
- f. Theft, attempted theft, vandalism or malicious mischief.

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

The deductible listed on your Declarations Page will apply.

## LANDSCAPING LIMITATION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood ~~that~~, PART II – PROPERTY, C. Additional Coverages, ~~Paragraph 5.~~ **Landscaping** is deleted in its entirety and replaced with the following:

### ~~5.~~ **Landscaping**

We will pay up to 5% of the coverage limit for the **house** or, if **house** coverage is not available, 5% of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant.

We will pay only for losses caused by:

- a. **Aircraft**;
- b. Riot or civil commotion;
- c. A vehicle not owned or operated by someone who lives at the **residence**; or
- d. Theft, attempted theft, vandalism or malicious mischief.

**Landscaping does not include forestry or brush.**

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

## LANDSCAPING LIMITATION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that PART II – PROPERTY, C. Additional Coverages, **Landscaping** is deleted in its entirety and replaced with the following:

### **Landscaping**

We will pay up to 5% of the coverage limit for the **house** or, if **house** coverage is not available, 5% of the coverage limit for the **contents** at the **residence** at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant.

We will pay only for losses caused by:

- a. **Aircraft**;
- b. Riot or civil commotion;
- c. A vehicle not owned or operated by someone who lives at the **residence**; or
- d. Theft, attempted theft, vandalism or malicious mischief.

**Landscaping** does not include forestry or brush.

This additional coverage applies only if you repair or replace the damaged **landscaping** within 180 days of the date of loss.

## EARTHQUAKE COVERAGE EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

For an additional premium, it is agreed and understood that:

**Part II. B. Payment of a Loss**, ~~item 3-~~ Deductible is deleted and replaced by the following:

~~3-~~ Deductible-

For a covered loss caused by earthquake including land shock waves or tremors before during or after a volcanic eruption, we will pay only that part of the total of the loss for **house** and **other permanent structures** that exceeds the earthquake deductible stated in this endorsement. The earthquake deductible is equal to \_\_\_\_\_% of the total coverage limit that applies to the **house** plus **other permanent structures** at the location.

One or more earthquake shocks that occur within a seventy-two hour period shall constitute a single earthquake.

For all other covered losses, the deductible shown ~~in~~ on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**.

Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail, or named storm.

Construction deductible. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, a 5% construction special deductible will apply to each **occurrence** in lieu of a base deductible. This deductible applies to your **house**, **other permanent structures**, **contents**, and additional coverages. The dollar amount of this deductible is based on the **house** coverage limit shown on the Declarations Page for that location at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver for large losses endorsement was selected, that endorsement will not apply. The construction deductible will not apply to loss if we otherwise give our prior written consent.

**Part II. D. Exclusions**, ~~item 8-~~ Earthquake is deleted and replaced by the following:

~~10-~~ Earthquake-

We do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether caused by, resulting from, contributed to or aggravated by, earthquake.

This coverage does not increase the coverage limits stated in this policy and does not include the cost of filling land.

## EARTHQUAKE COVERAGE EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

For an additional premium, it is agreed and understood that:

**Part II. B. Payment of a Loss**, Deductible is deleted and replaced by the following:

Deductible

For a covered loss caused by earthquake including land shock waves or tremors before during or after a volcanic eruption, we will pay only that part of the total of the loss for **house** and **other permanent structures** that exceeds the earthquake deductible stated in this endorsement. The earthquake deductible is equal to \_\_\_\_\_% of the total coverage limit that applies to the **house** plus **other permanent structures** at the location.

One or more earthquake shocks that occur within a seventy-two hour period shall constitute a single earthquake.

For all other covered losses, the deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**.

Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail, or named storm.

Construction deductible. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, a 5% construction special deductible will apply to each **occurrence** in lieu of a base deductible. This deductible applies to your **house**, **other permanent structures**, **contents**, and additional coverages. The dollar amount of this deductible is based on the **house** coverage limit shown on the Declarations Page for that location at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver for large losses endorsement was selected, that endorsement will not apply. The construction deductible will not apply to loss if we otherwise give our prior written consent.

**Part II. D. Exclusions**, Earthquake is deleted and replaced by the following:

Earthquake

We do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether caused by, resulting from, contributed to or aggravated by, earthquake.

This coverage does not increase the coverage limits stated in this policy and does not include the cost of filling land.

\_\_\_\_\_  
(Name of issuing company)

This Privacy Policy relates only to policyholders who have purchased personal insurance such as private passenger automobile, homeowners, collection and personal umbrella liability insurance. If you have purchased another type of policy from another AIG member company not listed above, please contact that company to receive a copy of the relevant privacy policy.

## **PRIVACY NOTICE**

The member companies of American International Group, Inc. (AIG) ~~listed below~~ that provide personal auto, home, collection and umbrella insurance policies recognize the importance of respecting the privacy of our policyholders and want to make sure that you know the steps we take to protect the privacy of the customer information we collect and, in some cases, disclose.

We encourage you to read the following information about how we collect, disclose and protect your information. No action is required on your part.

### **1. What information do we collect?**

The member companies of AIG that underwrite the insurance products listed above and its agencies collect only information necessary to underwrite and provide accurate insurance rates, and to maintain and improve customer service and claims handling for our policyholders. We obtain nonpublic personal information about you, our policyholder, from you in your request for a quotation of rates, applications, policy transactions, including claims, and other interactions with us, as well as from credit reporting agencies, motor vehicle departments, claim history reporting agencies and other third parties. For property insurance, we may send someone to inspect your property and verify information about the value and condition of your property. The information collected may include, for example, your name, address, birth date, phone number, e-mail address, driver's license number, accident/violation history, information about vehicle operators, mortgages, lien/lease holders, vehicle information, credit card information, credit report information, occupation and whether you own or rent your home. We obtain and use this information only in accordance with state and federal law.

### **2. How do we use collected information?**

The information we gather helps us identify who you are, manage our relationship with you, develop products and services that meet your needs, provide you with accurate rates and provide excellent customer service. We do not sell your information to other companies for any reason.

### **3. What information do we disclose?**

We may disclose information to affiliates and unaffiliated third parties for the purpose of servicing customers' insurance needs, performing business services for us or as otherwise permitted or required by law. For example, at times we disclose information about our policyholders such as name, address, telephone number, policy number and coverages to service providers for the provision of specific services such as inspections and appraisals after a claim and marketing our insurance products. For purposes of fraud prevention, we also participate in several insurance industry supported databases of reported claims and additional driver information. We may disclose information to organizations conducting actuarial or research studies and to companies that perform research and marketing services on our behalf.

### **4. What security procedures are used?**

We maintain technical and organizational safeguards to protect the confidentiality of nonpublic personal information about our policyholders against (i) unauthorized access or disclosure and (ii) accidental loss, alteration, or destruction. We permit only authorized employees, who are trained in the proper handling of policyholder information, to have access to that information. We strive to ensure that the companies we use as our business partners support our commitment to privacy protection in their handling of personal data about our policyholders. We require service providers and others to keep your information strictly confidential and to use the information solely on our behalf and as directed by us, and we require them to protect this information as we would. We maintain physical, electronic and procedural safeguards to protect and safeguard your nonpublic personal information. ~~To better serve you, our websites provide information about our products. You may also perform certain transactions on the websites. When accessing our websites, please be sure to read the Privacy Notice that appears there.~~

**5. If you are an Internet user:**

To better serve you, our websites provide information about our products. When accessing our websites, please be sure to read the Privacy Notice that appears there.

~~This notice is being provided on behalf of the following AIG companies in the states noted:~~

~~**AIU Insurance Company:** AL, AK, CA, CO, CT, DC, DE, FL, KS, LA, MD, ME, MI, MO, NJ, NV, OH, OK, OR, PA, RI, TN, TX, VA, VT, WA, WI~~

~~**American International Insurance Company:** AK, AL, AR, AZ, CO, DC, DE, FL, GA, IA, ID, IL, IN, KY, LA, MD, MI, MO, MS, MT, ND, NE, NM, NY, NV, OK, PA, RI, SC, SD, TX, UT, WA, WV, WI~~

~~**American International Insurance Company of California, Inc.:** CA~~

~~**American International Insurance Company of New Jersey:** NJ~~

~~**American Home Assurance Company:** AK, AR, AZ, CT, FL, GA, IA, ID, IN, KS, KY, LA, ME, MT, NE, NM, ND, NJ, NY, OH, OK, OR, NC, RI, SD, UT, VT, VA, WV, WY~~

~~**Birmingham Fire Insurance Company of Pennsylvania:** NY, PA, RI~~

~~**Illinois National Insurance Company:** IL, NY~~

~~**The Insurance Company of the State of Pennsylvania:** AK, NY, OK, PA, RI, TX~~

~~**Minnesota Insurance Company:** MN, TX~~

~~**National Union Fire Insurance Company of Pittsburgh, PA:** AK, NY, OK, RI, TN~~

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(Name of issuing company)

This Privacy Policy relates only to policyholders who have purchased personal insurance such as private passenger automobile, homeowners, collection and personal umbrella liability insurance. If you have purchased another type of policy from another AIG member company not listed above, please contact that company to receive a copy of the relevant privacy policy.

## **PRIVACY NOTICE**

The member companies of American International Group, Inc. (AIG) that provide personal auto, home, collection and umbrella insurance policies recognize the importance of respecting the privacy of our policyholders and want to make sure that you know the steps we take to protect the privacy of the customer information we collect and, in some cases, disclose.

We encourage you to read the following information about how we collect, disclose and protect your information. No action is required on your part.

### **1. What information do we collect?**

The member companies of AIG that underwrite the insurance products listed above and its agencies collect only information necessary to underwrite and provide accurate insurance rates, and to maintain and improve customer service and claims handling for our policyholders. We obtain nonpublic personal information about you, our policyholder, from you in your request for a quotation of rates, applications, policy transactions, including claims, and other interactions with us, as well as from credit reporting agencies, motor vehicle departments, claim history reporting agencies and other third parties. For property insurance, we may send someone to inspect your property and verify information about the value and condition of your property. The information collected may include, for example, your name, address, birth date, phone number, e-mail address, driver's license number, accident/violation history, information about vehicle operators, mortgages, lien/lease holders, vehicle information, credit card information, credit report information, occupation and whether you own or rent your home. We obtain and use this information only in accordance with state and federal law.

### **2. How do we use collected information?**

The information we gather helps us identify who you are, manage our relationship with you, develop products and services that meet your needs, provide you with accurate rates and provide excellent customer service. We do not sell your information to other companies for any reason.

### **3. What information do we disclose?**

We may disclose information to affiliates and unaffiliated third parties for the purpose of servicing customers' insurance needs, performing business services for us or as otherwise permitted or required by law. For example, at times we disclose information about our policyholders such as name, address, telephone number, policy number and coverages to service providers for the provision of specific services such as inspections and appraisals after a claim and marketing our insurance products. For purposes of fraud prevention, we also participate in several insurance industry supported databases of reported claims and additional driver information. We may disclose information to organizations conducting actuarial or research studies and to companies that perform research and marketing services on our behalf.

### **4. What security procedures are used?**

We maintain technical and organizational safeguards to protect the confidentiality of nonpublic personal information about our policyholders against (i) unauthorized access or disclosure and (ii)

accidental loss, alteration, or destruction. We permit only authorized employees, who are trained in the proper handling of policyholder information, to have access to that information. We strive to ensure that the companies we use as our business partners support our commitment to privacy protection in their handling of personal data about our policyholders. We require service providers and others to keep your information strictly confidential and to use the information solely on our behalf and as directed by us, and we require them to protect this information as we would. We maintain physical, electronic and procedural safeguards to protect and safeguard your nonpublic personal information.

**5. If you are an Internet user:**

To better serve you, our websites provide information about our products. When accessing our websites, please be sure to read the Privacy Notice that appears there.

## SINKHOLE COLLAPSE COVERAGE EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s): \_\_\_\_\_  
~~in the Declarations Page,~~

It is agreed and understood that for the premium charged, we insure direct physical loss to the **house or other permanent structure** or the **contents** of either arising out of **Sinkhole Collapse**.

For the purposes of this endorsement, Part I, -- DEFINITIONS is amended to include  
~~the following item is added:~~

**Sinkhole Collapse** means actual physical damage to the **house or other permanent structure** or the **contents** of either arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. This does not include damage to the land itself or the cost to refill the sinkhole.

### **~~Part II. D. Exclusions~~**

For the purposes of this endorsement, Part II – PROPERTY, D. Exclusions, Earth Movement is deleted and replaced by the following:  
~~the following item does not apply to **Sinkhole Collapse**.~~

~~item 9. Earth Movement.~~

We do not cover any loss to your **house or other permanent structures** caused by earth movement including volcanic eruptions, landslides, mudflows, and the sinking, rising, or shifting of land. ~~But~~ However, we do cover losses caused by the eruption of a volcano when the loss is the result of:

- A volcanic blast or airborne shock waves;
- Ash, dust or particulate matter; or
- Lava flow

This exclusion does not apply to loss caused by **sinkhole collapse**.

## SINKHOLE COLLAPSE COVERAGE EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for the premium charged, we insure direct physical loss to the **house** or **other permanent structure** or the **contents** of either arising out of **Sinkhole Collapse**.

For the purposes of this endorsement, Part I - DEFINITIONS is amended to include the following:

**Sinkhole Collapse** means actual physical damage to the **house** or **other permanent structure** or the **contents** of either arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations. This does not include damage to the land itself or the cost to refill the sinkhole.

For the purposes of this endorsement, Part II – PROPERTY, D. Exclusions, Earth Movement is deleted and replaced by the following:

### Earth Movement

We do not cover any loss to your **house** or **other permanent structures** caused by earth movement including volcanic eruptions, landslides, mudflows, and the sinking, rising, or shifting of land. However, we do cover losses caused by the eruption of a volcano when the loss is the result of:

- A volcanic blast or airborne shock waves;
- Ash, dust or particulate matter; or
- Lava flow

| This exclusion does not apply to loss caused by sinkhole collapse.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

## LOSS PAYABLE CLAUSE

---

Loss Payee Name & Mailing Address

Description of Property (Loan Number)

~~For~~With respect to the described property, the definition of **insured person** is amended to include the loss payee shown above ~~with respect to described property~~.

If we decide to cancel or not renew this policy, the loss payee will be notified in writing.

Includes copyrighted material from Insurance Services Office, Inc. with its permission.

## LOSS PAYABLE CLAUSE

---

Loss Payee Name & Mailing Address

Description of Property (Loan Number)

With respect to the described property, the definition of **insured person** is amended to include the loss payee shown above.

If we decide to cancel or not renew this policy, the loss payee will be notified in writing.

Includes copyrighted material from Insurance Services Office, Inc. with its permission.

| Endorsement to Policy #:

## PERSONAL INJURY EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a premium credit, PART III - LIABILITY, item A. Insuring Agreement is deleted in its entirety and replaced with the following:

### A. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay for **property damage** caused by an **occurrence** covered by this policy anywhere in the world, unless stated otherwise or an exclusion applies.

| PART III - LIABILITY, D. Additional Coverages, Medical Payments to Others ~~and Workers' Compensation — Residence Employees additional coverages are~~ deleted.

All references to '**bodily injury**' or '**personal injury**' are deleted.

| PCHO-PIEX (07/01/08/02)

## PERSONAL INJURY EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a premium credit, PART III - LIABILITY, item A. Insuring Agreement is deleted in its entirety and replaced with the following:

**A.** Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay for **property damage** caused by an **occurrence** covered by this policy anywhere in the world, unless stated otherwise or an exclusion applies.

PART III - LIABILITY, D. Additional Coverages, Medical Payments to Others is deleted.

All references to '**bodily injury**' or '**personal injury**' are deleted.

## LIMITED ADDITIONAL COVERAGES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a reduced premium, **PART II. C. Additional Coverages** is amended as follows:

Item 1. Additional ~~Living~~ ~~Expense~~; item 3. Fair ~~Rental~~ ~~Value~~; and item 4. Forced ~~Evacuation~~ are deleted and replaced with the following:

Additional ~~Living~~ ~~Expense~~.

As described below, under certain conditions when your **residence** cannot be lived in because of a covered loss to your **house** or, if applicable, your **contents**, we provide coverage for additional living expenses, which consist of extra living expenses, loss of fair rental value, and forced evacuation expenses. The maximum amount we will pay for all additional living expenses combined for each occurrence is 30% of the **house** coverage if the **residence** where the loss occurs is a **dwellinghouse**; or 30% of the **contents** coverage if the **residence** where the loss occurs is a condominium, cooperative or apartment.

a. Extra ~~Living~~ ~~Expense~~.

~~If your residence cannot be lived in because of a covered loss, we will pay the reasonable increase in your living expenses necessary to maintain your household's usual standard of living. We will pay this increase for the reasonable amount of time necessary to restore your residence to a habitable condition, or the shortest amount of time required for your household to permanently locate elsewhere. If a covered loss makes your residence uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to permanently locate elsewhere. If your residence is under construction and you are living in the residence at the time of the loss, Extra Living Expense will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the residence or have moved out because of construction or renovations, then additional living expenses for this location will not apply.~~

We will also pay reasonable expenses associated with the kenneling of your domestic animals only.

b. Fair ~~Rental~~ ~~Value~~.

If you are not able to rent out your **residence**, or a part of your **residence**, that you usually rent to others because of a loss covered by this policy, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence**, or that part of your **residence**, to a habitable condition.

c. Forced ~~Evacuation~~.

If you are forced to evacuate your **residence** as a direct result of a loss or the reasonable threat of a loss covered by this policy, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence** is rented to others.

Item 9. Debris ~~Removal~~, is deleted and replaced with the following:

Debris ~~Removal~~.

PCHO-LAC (~~8/0009/06~~)

We cover the reasonable expense you incur to remove debris of a covered loss and the property that caused the covered loss subject to the following:

If your **residence** is a **house**, we will pay up to 30% of the amount of coverage for your **house** at this location as shown ~~in~~on your Declarations Page. The amount of coverage for debris removal will not be affected by any increase in the amount of **house** coverage caused by the application of extended ~~replacement-rebuilding~~ cost payment basis if provided by this policy.

If your **residence** is a condominium, cooperative or apartment, we will pay up to 30% of the amount of coverage for your **contents** at this location as shown ~~in~~on the Declarations Page.

Item 11. Rebuilding to ~~e~~Code, is deleted and replaced with the following:

Rebuilding to ~~e~~Code-

We will pay the extra expenses to obey any law or ordinance that regulates the repair, rebuilding or demolition of damaged property caused by the covered loss subject to the following:

If the loss is to a **house**, we will pay up to 30% of the amount of coverage shown ~~in~~on the Declarations Page for that **house**;

If the loss is to an **other permanent structure**, we will pay up to 30% of the amount of coverage for **other permanent structures** as shown ~~in~~on the Declarations Page for **other permanent structures** at that location; or

If the loss is to the additions and alterations of your condominium, cooperative or apartment unit, we will pay up to 30% of the amount of **contents** coverage as shown ~~in~~on the Declarations Page.

## LIMITED ADDITIONAL COVERAGES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a reduced premium, **PART II. C. Additional Coverages** is amended as follows:

Item 1. Additional Living Expense; item 3. Fair Rental Value; and item 4. Forced Evacuation are deleted and replaced with the following:

### Additional Living Expense

As described below, under certain conditions when your **residence** cannot be lived in because of a covered loss to your **house** or, if applicable, your **contents**, we provide coverage for additional living expenses, which consist of extra living expenses, loss of fair rental value, and forced evacuation expenses. The maximum amount we will pay for all additional living expenses combined for each occurrence is 30% of the **house** coverage if the **residence** where the loss occurs is a **house**; or 30% of the **contents** coverage if the **residence** where the loss occurs is a condominium, cooperative or apartment.

#### a. Extra Living Expense

If a covered loss makes your **residence** uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your **residence** to a habitable condition or for your household to permanently locate elsewhere. If your residence is under construction and you are living in the residence at the time of the loss, Extra Living Expense will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the **residence** or have moved out because of construction or renovations, then additional living expenses for this location will not apply.

We will also pay reasonable expenses associated with the kenneling of your domestic animals only.

#### b. Fair Rental Value

If you are not able to rent out your **residence**, or a part of your **residence**, that you usually rent to others because of a loss covered by this policy, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence**, or that part of your **residence**, to a habitable condition.

#### c. Forced Evacuation

If you are forced to evacuate your **residence** as a direct result of a loss or the reasonable threat of a loss covered by this policy, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence** is rented to others.

Item 9. Debris Removal, is deleted and replaced with the following:

Debris Removal

We cover the reasonable expense you incur to remove debris of a covered loss and the property that caused the covered loss subject to the following:

If your **residence** is a **house**, we will pay up to 30% of the amount of coverage for your **house** at this location as shown on your Declarations Page. The amount of coverage for debris removal will not be affected by any increase in the amount of **house** coverage caused by the application of extended rebuilding cost payment basis if provided by this policy.

If your **residence** is a condominium, cooperative or apartment, we will pay up to 30% of the amount of coverage for your **contents** at this location as shown on the Declarations Page.

Item 11. Rebuilding to Code, is deleted and replaced with the following:

Rebuilding to Code

We will pay the extra expenses to obey any law or ordinance that regulates the repair, rebuilding or demolition of damaged property caused by the covered loss subject to the following:

If the loss is to a **house**, we will pay up to 30% of the amount of coverage shown on the Declarations Page for that **house**;

If the loss is to an **other permanent structure**, we will pay up to 30% of the amount of coverage for **other permanent structures** as shown on the Declarations Page for **other permanent structures** at that location; or

If the loss is to the additions and alterations of your condominium, cooperative or apartment unit, we will pay up to 30% of the amount of **contents** coverage as shown on the Declarations Page.

## CONSTRUCTION COINSURANCE CLAUSE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that **PART II - PROPERTY, B. Payment of a Loss, items 1. a. and 1. b. of Amount of Coverage For Your House and Other Permanent Structures** are deleted and replaced with the following:

If at the time of loss it is established that the coverage limit for your **house or other permanent structure** as stated on your Declarations Page is less than the **estimated completed value** of such building then we will pay only a proportion of the covered loss determined by dividing the coverage limit by the value on the date of completion of the **house or other permanent structures** as referenced in the **Conditions** Section, **Need for Adequate Insurance**.

**Part IV – CONDITIONS** is amended to include:

Need for Adequate Insurance

We will not pay a greater share of any loss than the proportion that the **house or other permanent structure** coverage limit bears to the value on the date of completion.

If the **house or other permanent structure** coverage limit is less than the value on the date of completion, you will bear a portion of any loss. The amount we will pay is determined by the following steps:

- a. Divide the coverage limit by the value on the date of completion of the **house or other permanent structure** (if the result of this calculation is greater than 1.0, then use 1.0) ;
- b. Multiply the total amount of the covered loss before the application of any deductible by the percentage determined in step **a**;
- c. Subtract the deductible from the figure determined in step **b**.

**Example 1:** This example assumes there is no penalty for underinsurance.

Deductible	\$1000
Coverage limit	\$100,000
Estimate of Completed Value	\$100,000
Amount of Loss	\$60,000

- a. Coverage limit/Estimate of Completed Value

$$\$100,000/\$100,000 = 1.00$$

- b. Amount of Loss (x) Percentage in (a).

$$\$60,000 \times 1.00 = \$60,000$$

- c. Deductible Amount Subtracted from results of (b).

$$\$60,000 - \$1,000 = \$59,000$$

We will cover the \$60,000 loss in excess of the Deductible. No penalty applies.

**Example 2: This example assumes there is a penalty for underinsurance.**

Deductible	\$1,000
Coverage limit	\$100,000
Estimate of Completed Value	\$120,000
Amount of Loss	\$60,000

- a. Coverage limit/Estimate of Completed Value

$$\$100,000 / \$120,000 = .833$$

- b. Amount of Loss (x) Percentage in a.

$$\$60,000 (x) .833 = \$49,980$$

- c. Deductible Amount Subtracted from results of b.

$$\$49,980 - \$1,000 = \$48,980$$

We will not pay more than \$48,980. The remaining \$11,020 is not covered.

### **Additional Named Insured - Limited Coverage Endorsement**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that the following person or organization is added to the policy as an additional insured for the limited coverage described below:

Name of Person or Organization: \*

Address: \*

Interest: \*

Coverage is provided under **Part III. LIABILITY** to the above named person or organization but only with respect to the interest as stated above arising from actions of our insured.

## **POLITICAL ACTIVITY EXCLUSION**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Part III – LIABILITY, E. EXCLUSIONS. The following paragraph is added:

### **Political Activity**

Arising out of an **insured person's** political activity including, but not limited to, running for public office, fundraising for political candidates, or supporting of other political candidates or politicians holding office.

**INCREASED ENSUING FUNGI, ~~WET OR DRY ROT,~~ OR BACTERIA  
COVERAGE  
ARKANSAS**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that:

**PART II - PROPERTY C. Additional Coverages** Ensuing **Fungi, ~~Wet or Dry Rot,~~ or** Bacteria, is deleted and replaced with the following:

Ensuing **Fungi, ~~Wet or Dry Rot,~~ or** Bacteria

We will pay up to \$\_\_\_\_\_ in total for loss to your **house, contents** and **other permanent structures** caused by **fungi, ~~wet or dry rot,~~ or** bacteria resulting from a covered loss, including:

1. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi, ~~wet or dry rot,~~ or** bacteria;
2. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi, ~~wet or dry rot,~~ 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,~~ or** bacteria; and
3. Up to \$\_\_\_\_\_ for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims-made. We will not make any additional payments for ensuing **fungi, ~~wet or dry rot,~~ or** bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

**INCREASED ENSUING FUNGI OR BACTERIA COVERAGE  
ARKANSAS**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that:

**PART II - PROPERTY C. Additional Coverages** Ensuing **Fungi** Bacteria, is deleted and replaced with the following:

Ensuing **Fungi** or Bacteria

We will pay up to \$\_\_\_\_\_ in total for loss to your **house, contents** and **other permanent structures** caused by **fungi** or bacteria resulting from a covered loss, including:

1. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, or bacteria;
2. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
3. Up to \$\_\_\_\_\_ for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims-made. We will not make any additional payments for ensuing **fungi** or bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

## RESIDENCE RENTAL THEFT EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for a premium credit **Part II. D. Exclusions** is amended to include the following paragraph:

Residence Rental Theft. We do not cover any loss by theft from that part of the **residence** rented to others:

- a. Caused by a tenant, roomer or boarder, members of the tenant's household, or their employees;
- b. Of money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, coins, medals, or trophies;
- c. Of securities, accounts, deeds, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or
- d. Of jewelry, watches, furs, precious and semi-precious stones.

## RESIDENCE RENTAL THEFT EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for a premium credit **Part II. D. Exclusions** is amended to include the following paragraph:

Residence Rental Theft. We do not cover any loss by theft from that part of the **residence** rented to others:

- a. Caused by a tenant, roomer or boarder, members of the tenant's household, or their employees;
- b. Of money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, coins, medals, or trophies;
- c. Of securities, accounts, deeds, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or
- d. Of jewelry, watches, furs, precious and semi-precious stones.

## AIG Household SafeGuard<sup>SM</sup>

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

The following additional coverage is added to the AIG Private Client Group Homeowners policy.

### A. Insuring Agreement

We will indemnify you for expenses you incur solely and directly as a result of an **insured event** anywhere in the world except those countries where a Travel Warning has been issued by the United States State Department at the time of loss. We will also pay a **death and dismemberment** benefit if **injury** to an **injured party** results within 365 days of the date of the **insured event** that caused the **injury**.

### B. Payment of a Loss

#### Expenses

We will indemnify you for expenses you incur up to the coverage limits shown below. The most we will indemnify under this endorsement for all expenses arising from one **insured event occurrence** is \$250,000 regardless of how many policies, people or types of **insured events** are involved in the **insured event occurrence**. Coverage provided under this endorsement does not increase any limit of liability under PART II – PROPERTY or PART III – LIABILITY.

Expense means the reasonable and necessary costs of the following for:

1. The reasonable and necessary fees and expenses costs you incur up to 12 months following an **insured event** for the following:
  - a) A professional independent forensic analyst;
  - b) A professional public relations consultant;
  - c) A qualified interpreter;
  - d) An independent professional security consultant; or
  - e) An independent professional negotiator.

We will pay up to \$100,000 in total for each **insured event occurrence**.

2. **Medical expenses** incurred within 12 months by you, your **spouse** or a **family member** as a direct result of an **insured event** (or **guest** in the event of a **home invasion**).

We will pay up to \$50,000 for each person, up to a maximum of \$100,000 for each **insured event occurrence**;

3. Travel, accommodation, and meals incurred by you, your **spouse** or a **family member** including but not limited to travel costs while attempting to resolve a **event**; in the event of a **kidnapping** or **child abduction**, the costs to rejoin immediate family upon release; the costs to evacuate following a **event**; and in the event of a **home invasion** or **stalking** threat, the costs to temporarily relocate expense your household.

We will pay up to \$25,000 in total for each **insured event occurrence**;

4. Rest and rehabilitation expenses including travel, accommodations, meals and recreation of the you, your **spouse** or **family member** as prescribed by a psychiatrist, physician or other authorized mental health professional (other than you or a family member) when incurred within 12 months of the **insured event**.

We will pay up to \$25,000 in total for each **insured event occurrence**;

5. The increased costs of security due to an **insured event** including but not limited to the hiring of additional security guards, hiring of armored vehicles and overtime paid to existing security staff for a period of 90 days.

We will pay up to \$25,000 in total for each **insured event occurrence**. In addition, with our prior approval, we will pay up to \$5,000 to improve the security of your **residence**, your motor vehicle or your **watercraft** to prevent a future **insured event**;

6. Lost salary of you, your **spouse** or a **family member** during the first 60 days following an **insured event occurrence**.

We will pay up to \$15,000 each person up to a maximum of \$30,000 in total for each **insured event occurrence**. No coverage is provided if immediately prior to the **insured event** the person was receiving disability, unemployment compensation or was on personal or medical leave;

7. The amount paid as a reward by you or us to an **informant** for information:
  - a) relevant to the resolution of an **insured event**;
  - b) which leads to the recovery of a **covered child** or victim; or
  - c) The arrest and conviction of parties responsible for the loss covered under this insurance.

We will pay up to \$50,000 in total for each **insured event occurrence**; and

8. Any other reasonable and necessary expenses incurred by you with our prior written consent.

#### Death and Dismemberment Benefit Amount

If **injury** to an **injured party** results, within 365 days of the date of the **insured event** that caused the **injury**, we will pay the **injured party** benefit shown for the **injury** up to a maximum of \$250,000. If more than one **injury** is sustained by an **injured party** as a result of an **insured event**, we will pay the lesser of the actual amount of loss; or the sum of the limits of insurance applicable to the **injury**.

<u>Description of Loss:</u>	<u>Injured Party Benefit</u>
Both hands	\$250,000
Both feet	\$250,000
Sight of both eyes	\$250,000
Sight of one eye	\$125,000
One hand	\$125,000
One foot	\$125,000
Speech	\$125,000
Hearing in both ears	\$125,000
Speech and hearing in both ears	\$250,000
Hearing in one ear	\$62,500
Thumb and index finger of same hand	\$62,500
Mutilation	\$62,500
Life	\$250,000
<b>Quadriplegia</b>	\$250,000
<b>Paraplegia</b>	\$125,000
<b>Hemiplegia</b>	\$62,500

#### C. Definitions

As respect the coverage afforded by this endorsement, the following definitions apply:

1. **Car jacking** means the unlawful forced removal or detention of you, your **spouse**, or a **family member** operating or occupying any motorized land vehicle during the theft or attempted theft of that vehicle. A **relative** is covered if operating the vehicle with your permission.
2. **Child abduction** means the wrongful and illegal seizure, false imprisonment of a **covered child** by someone other than a **parent** or legal guardian, or an agent of either, without a demand for ransom monies during the Policy Period.
3. **Covered child** means your, your **spouse's**, a **family member's** or a covered **relative's** child under the age of 13 in the care of you, your **spouse** or a **family member**.
4. **Death and Dismemberment** means your death or permanent total physical disablement or that of your **spouse**, **family member** or covered **relative** including but not limited to paralysis or loss, or loss of use of any body part which occurred during an **insured event**.
5. **Family member** means a person related to you or your **spouse** by blood, marriage or adoption that lives in your household including a ward or foster child.
6. **Guest** means any person invited by you, your **spouse** or **family member** to your **residence** or to travel in a motor vehicle or watercraft owned by you, your **spouse** or a **family member**.
7. **Hemiplegia** means the complete and irreversible paralysis of the upper and lower limbs on the same side of the body.
8. **Hijack** means the holding under duress for any reason other than kidnap of you, your **spouse** or a **family member** while traveling in an aircraft, watercraft, or motor vehicle.
9. **Home invasion** means an unlawful act of violence or threat of violence to you, your **spouse**, a **family member**, a **residence employee** or your **guest** by a person who unlawfully entered your **residence**, temporary residence, or your watercraft while you, your **spouse**, a **family member**, a **residence employee** or your **guest** are present.
10. **Informant** means a person, other than you, your **spouse**, a **family member**, or covered **relative** providing information not otherwise obtainable, solely in return for a reward offered by you or us.
11. **Injured party** means you, your **spouse**, a **family member** or covered **relative** who suffers **death and dismemberment** loss following an **insured event**.
12. **Injury** means an injury to the body of you, your **spouse** or **family member** which occurs as a result of an **insured event occurrence**.
13. **Insured event** means any of the following: **kidnapping, child abduction, stalking, home invasion, car jacking, hijacking, violent threat**.
14. **Insured event occurrence** means an **insured event**, or a series of related **insured events**.
15. **Kidnapping** means any event or connected series of events of seizing, detaining or carrying away by force or by fraud of you, your **spouse**, a **family member** or covered **relative** (except a minor child by his/her **parent(s)**) for the purpose of demanding money or other consideration in exchange for their release.
16. **Loss of a hand** means complete severance through or above the wrist
17. **Loss of hearing** in an ear means total and irrevocable loss of the entire ability to hear in that ear;
18. **Loss of foot** means complete severance through or above the ankle joint;

19. **Loss of life** means lack of communication from the victim for 24 months following the **insured event occurrence** as determined by a medical examiner or similar medical authority;
20. **Loss of sight** of an eye means total and irrevocable loss of the entire sight in that eye;
21. **Loss of speech** means total and irrevocable loss of the entire ability to speak;
22. **Loss of thumb or index finger** means complete severance through or above the metacarpophalangeal joint of both digits;
23. **Medical Expenses** means reasonable charges for medical, psychiatric, dental, hospital, surgical, X-ray, prosthetic devices, professional nursing, ambulance and funeral services.
24. **Mutilation** means the full or partial severance, or total and irrevocable loss of use of a finger, toe, ear, nose or genitalia.
25. **Paraplegia** means the complete and irreversible paralysis of both lower limbs.
26. **Parent** means the natural and legal parents, step-parent, legal guardian or foster parents of your child.
27. **Permanent Total Disability** means any mental or physical condition which necessarily and continuously disables an **injured party** from attending to every aspect of their normal business or occupation for a period of 1 year and at the end of such period of time is certified by two qualified medical practitioners approved by us as being beyond hope of improvement. If the **injured party** has no business occupation prior to the **insured event**, the disablement must confine him or her from attending to their normal duties.
28. **Physician** means a licensed practitioner of the healing arts acting within the scope of his or her license who is not the **covered person** or an immediate **family member**.
29. **Quadriplegia** means the complete and irreversible paralysis of both upper and both lower limbs.
30. **Relative** means a **spouse**, child, step-child, legally adopted child, foster child, **spouse** of a married child, grandchild, brother, sister, parent, adoptive parent, step-parent, grandparent, brother-in-law, sister-in-law, parent-in-law and grandparent-in-law.
31. **Stalking** means an act or acts committed with the intent to damage property owned by you, your **spouse** or a **family member**, or to harass, injure or harm you, your **spouse** or a **family member**. The person committing the act is the subject of a court order or injunction issued to protect you, your **spouse** or **family member**.
32. **Violent threat** means the expression of an intention to inflict pain, injury, or punishment with the indication of impending danger or harm against you, your **spouse** or **family member**.

#### D. Exclusions

We will not be liable for loss caused by or resulting either directly or indirectly from:

1. Fraud  
The fraudulent, dishonest or criminal acts of you, your **spouse** or **family member**, or agent thereof, whether acting alone or in collusion with others.
2. Acts of certain individuals

We do not cover any loss or **expense** caused by you, your **spouse** or **family member**, a covered **relative**, an estranged **spouse** or former **spouse** of any of them, or any agent thereof, whether acting alone or in collusion with others.

3. Children in your care  
We do not cover **child abduction** expenses or **death and dismemberment loss** for children in the care of you, your **spouse** or a **family member** when you, your **spouse** or a **family member** is a day care provider providing service for the care of children.
4. Ransom monies  
We do not cover ransom monies.
5. Acts of war  
We do not cover any loss caused directly or indirectly by war, including the following and any consequence of the following:
  - a) Undeclared war, civil war, insurrection, rebellion, or revolution; or
  - b) Warlike acts by a military force or military personnel.
6. Vehicles used for a fee  
We do not cover loss arising out of the ownership or operation of a vehicle while it is being used to carry people or property for a fee.
7. Legal Counsel  
We do not cover legal liability, cost of legal counsel or costs of defense for administrative, regulatory, judicial or other claims hearings or lawsuits arising out of the **insured event occurrence**.
8. Childbirth or miscarriage  
We do not cover **death and dismemberment loss** caused by childbirth or miscarriage.
9. Suicide or Intentional Dismemberment  
We do not cover **death and dismemberment loss** caused by the **injured party's** suicide, attempted suicide or dismemberment that is intentionally self-inflicted.

E. Additional Coverage:

Home Alteration and Vehicle Modification Benefit

If you, your **spouse** or **family member** suffers a dismemberment or paralysis for which a benefit is payable under this endorsement we will pay the home alteration and vehicle modification expenses that are incurred within one year after the **insured event** causing the **injury**.

We will pay up to \$25,000 for the following one-time expenses:

- a) Alterations to your **residence** that are necessary to make the **residence** accessible and habitable for a wheelchair-confined person;
- b) Modification to a motor vehicle owned or leased by you or modifications to a motor vehicle newly purchased by you that are necessary to make the vehicle accessible to and/or drivable by you, your **spouse** or a **family member**.

The modifications must be:

- a) Made on behalf of you, your **spouse** or a **family member**;
- b) Recommended by a nationally-recognized organization providing support and assistance to wheelchair users;
- c) Carried out by individuals experienced in such alterations and modifications; and
- d) In compliance with any applicable laws or requirements for approval by the appropriate government authorities.

**F. Conditions**

In addition to the Conditions found in PART IV- CONDITIONS of the policy to which this coverage attaches. The following conditions apply:

Your duties after a loss:

In the event of an **insured event**, the covered person will make every reasonable effort to:

1. Immediately notify local, national or other appropriate law enforcement agency having jurisdiction over the matter;
2. Immediately notify us or your agent and provide timely updates concurrent with activity occurring during the **insured event**; and
3. Where required, submit to physical examinations by physicians or evaluations by psychiatrists that we select or cooperate with our request for an autopsy (unless prohibited by law).

## **AIG Household SafeGuard<sup>SM</sup>** **(Stalking Excluded)**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

The following additional coverage is added to the AIG Private Client Group Homeowners policy.

### **A. Insuring Agreement**

We will indemnify you for expenses you incur solely and directly as a result of an **insured event** anywhere in the world except those countries where a Travel Warning has been issued by the United States State Department at the time of loss. We will also pay a **death and dismemberment** benefit if **injury** to an **injured party** results within 365 days of the date of the **insured event** that caused the **injury**.

### **B. Payment of a Loss**

#### Expenses

We will indemnify you for expenses you incur up to the coverage limits shown below. The most we will indemnify under this endorsement for all expenses arising from one **insured event occurrence** is \$250,000 regardless of how many policies, people or types of **insured events** are involved in the **insured event occurrence**. Coverage provided under this endorsement does not increase any limit of liability under PART II – PROPERTY or PART III – LIABILITY.

Expense means the reasonable and necessary costs of the following for:

1. The reasonable and necessary fees and expenses costs you incur up to 12 months following an **insured event** for the following:
  - a) A professional independent forensic analyst;
  - b) A professional public relations consultant;
  - c) A qualified interpreter;
  - d) An independent professional security consultant; or
  - e) An independent professional negotiator.

We will pay up to \$100,000 in total for each **insured event occurrence**.

2. **Medical expenses** incurred within 12 months by you, your **spouse** or a **family member** as a direct result of an **insured event** (or **guest** in the event of a **home invasion**).

We will pay up to \$50,000 for each person, up to a maximum of \$100,000 for each **insured event occurrence**;

3. Travel, accommodation, and meals incurred by you, your **spouse** or a **family member** including but not limited to travel costs while attempting to resolve a **event**; in the event of a **kidnapping** or **child abduction**, the costs to rejoin immediate family upon release; the costs to evacuate following a **event**; and in the event of a **home invasion**, the costs to temporarily relocate expense your household.

We will pay up to \$25,000 in total for each **insured event occurrence**;

4. Rest and rehabilitation expenses including travel, accommodations, meals and recreation of the you, your **spouse** or **family member** as prescribed by a psychiatrist, physician or other authorized mental health professional (other than you or a family member) when incurred within 12 months of the **insured event**.

We will pay up to \$25,000 in total for each **insured event occurrence**;

5. The increased costs of security due to an **insured event** including but not limited to the hiring of additional security guards, hiring of armored vehicles and overtime paid to existing security staff for a period of 90 days.

We will pay up to \$25,000 in total for each **insured event occurrence**. In addition, with our prior approval, we will pay up to \$5,000 to improve the security of your **residence**, your motor vehicle or your **watercraft** to prevent a future **insured event**;

6. Lost salary of you, your **spouse** or a **family member** during the first 60 days following an **insured event occurrence**.

We will pay up to \$15,000 each person up to a maximum of \$30,000 in total for each **insured event occurrence**. No coverage is provided if immediately prior to the **insured event** the person was receiving disability, unemployment compensation or was on personal or medical leave;

7. The amount paid as a reward by you or us to an **informant** for information:
  - a) relevant to the resolution of an **insured event**;
  - b) which leads to the recovery of a **covered child** or victim; or
  - c) The arrest and conviction of parties responsible for the loss covered under this insurance.

We will pay up to \$50,000 in total for each **insured event occurrence**; and

8. Any other reasonable and necessary expenses incurred by you with our prior written consent.

#### Death and Dismemberment Benefit Amount

If **injury** to an **injured party** results, within 365 days of the date of the **insured event** that caused the **injury**, we will pay the **injured party** benefit shown for the **injury** up to a maximum of \$250,000. If more than one **injury** is sustained by an **injured party** as a result of an **insured event**, we will pay the lesser of the actual amount of loss; or the sum of the limits of insurance applicable to the **injury**.

<u>Description of Loss:</u>	<u>Injured Party Benefit</u>
Both hands	\$250,000
Both feet	\$250,000
Sight of both eyes	\$250,000
Sight of one eye	\$125,000
One hand	\$125,000
One foot	\$125,000
Speech	\$125,000
Hearing in both ears	\$125,000
Speech and hearing in both ears	\$250,000
Hearing in one ear	\$62,500
Thumb and index finger of same hand	\$62,500
Mutilation	\$62,500
Life	\$250,000
<b>Quadriplegia</b>	\$250,000
<b>Paraplegia</b>	\$125,000
<b>Hemiplegia</b>	\$62,500

#### C. Definitions

As respect the coverage afforded by this endorsement, the following definitions apply:

1. **Car jacking** means the unlawful forced removal or detention of you, your **spouse**, or a **family member** operating or occupying any motorized land vehicle during the theft or attempted theft of that vehicle. A **relative** is covered if operating the vehicle with your permission.
2. **Child abduction** means the wrongful and illegal seizure, false imprisonment of a **covered child** by someone other than a **parent** or legal guardian, or an agent of either, without a demand for ransom monies during the Policy Period.
3. **Covered child** means your, your **spouse's**, a **family member's** or a covered **relative's** child under the age of 13 in the care of you, your **spouse** or a **family member**.
4. **Death and Dismemberment** means your death or permanent total physical disablement or that of your **spouse**, **family member** or covered **relative** including but not limited to paralysis or loss, or loss of use of any body part which occurred during an **insured event**.
5. **Family member** means a person related to you or your **spouse** by blood, marriage or adoption that lives in your household including a ward or foster child.
6. **Guest** means any person invited by you, your **spouse** or **family member** to your **residence** or to travel in a motor vehicle or watercraft owned by you, your **spouse** or a **family member**.
7. **Hemiplegia** means the complete and irreversible paralysis of the upper and lower limbs on the same side of the body.
8. **Hijack** means the holding under duress for any reason other than kidnap of you, your **spouse** or a **family member** while traveling in an aircraft, watercraft, or motor vehicle.
9. **Home invasion** means an unlawful act of violence or threat of violence to you, your **spouse**, a **family member**, a **residence employee** or your **guest** by a person who unlawfully entered your **residence**, temporary residence, or your watercraft while you, your **spouse**, a **family member**, a **residence employee** or your **guest** are present.
10. **Informant** means a person, other than you, your **spouse**, a **family member**, or covered **relative** providing information not otherwise obtainable, solely in return for a reward offered by you or us.
11. **Injured party** means you, your **spouse**, a **family member** or covered **relative** who suffers **death and dismemberment** loss following an **insured event**.
12. **Injury** means an injury to the body of you, your **spouse** or **family member** which occurs as a result of an **insured event occurrence**.
13. **Insured event** means any of the following: **kidnapping, child abduction, home invasion, car jacking, hijacking, violent threat**.
14. **Insured event occurrence** means an **insured event**, or a series of related **insured events**.
15. **Kidnapping** means any event or connected series of events of seizing, detaining or carrying away by force or by fraud of you, your **spouse**, a **family member** or covered **relative** (except a minor child by his/her **parent(s)**) for the purpose of demanding money or other consideration in exchange for their release.
16. **Loss of a hand** means complete severance through or above the wrist
17. **Loss of hearing** in an ear means total and irrevocable loss of the entire ability to hear in that ear;
18. **Loss of foot** means complete severance through or above the ankle joint;

19. **Loss of life** means lack of communication from the victim for 24 months following the **insured event occurrence** as determined by a medical examiner or similar medical authority;
20. **Loss of sight** of an eye means total and irrevocable loss of the entire sight in that eye;
21. **Loss of speech** means total and irrevocable loss of the entire ability to speak;
22. **Loss of thumb or index finger** means complete severance through or above the metacarpophalangeal joint of both digits;
23. **Medical Expenses** means reasonable charges for medical, psychiatric, dental, hospital, surgical, X-ray, prosthetic devices, professional nursing, ambulance and funeral services.
24. **Mutilation** means the full or partial severance, or total and irrevocable loss of use of a finger, toe, ear, nose or genitalia.
25. **Paraplegia** means the complete and irreversible paralysis of both lower limbs.
26. **Parent** means the natural and legal parents, step-parent, legal guardian or foster parents of your child.
27. **Permanent Total Disability** means any mental or physical condition which necessarily and continuously disables an **injured party** from attending to every aspect of their normal business or occupation for a period of 1 year and at the end of such period of time is certified by two qualified medical practitioners approved by us as being beyond hope of improvement. If the **injured party** has no business occupation prior to the **insured event**, the disablement must confine him or her from attending to their normal duties.
28. **Physician** means a licensed practitioner of the healing arts acting within the scope of his or her license who is not the **covered person** or an immediate **family member**.
29. **Quadriplegia** means the complete and irreversible paralysis of both upper and both lower limbs.
30. **Relative** means a **spouse**, child, step-child, legally adopted child, foster child, **spouse** of a married child, grandchild, brother, sister, parent, adoptive parent, step-parent, grandparent, brother-in-law, sister-in-law, parent-in-law and grandparent-in-law.
31. **Violent threat** means the expression of an intention to inflict pain, injury, or punishment with the indication of impending danger or harm against you, your **spouse** or **family member**.

#### D. Exclusions

We will not be liable for loss caused by or resulting either directly or indirectly from:

1. Fraud  
The fraudulent, dishonest or criminal acts of you, your **spouse** or **family member**, or agent thereof, whether acting alone or in collusion with others.
2. Acts of certain individuals  
We do not cover any loss or **expense** caused by you, your **spouse** or **family member**, a covered **relative**, an estranged **spouse** or former **spouse** of any of them, or any agent thereof, whether acting alone or in collusion with others.
3. Children in your care

We do not cover **child abduction** expenses or **death and dismemberment loss** for children in the care of you, your **spouse** or a **family member** when you, your **spouse** or a **family member** is a day care provider providing service for the care of children.

4. Ransom monies  
We do not cover ransom monies.
  5. Acts of war  
We do not cover any loss caused directly or indirectly by war, including the following and any consequence of the following:
    - a) Undeclared war, civil war, insurrection, rebellion, or revolution; or
    - b) Warlike acts by a military force or military personnel.
  6. Vehicles used for a fee  
We do not cover loss arising out of the ownership or operation of a vehicle while it is being used to carry people or property for a fee.
  7. Legal Counsel  
We do not cover legal liability, cost of legal counsel or costs of defense for administrative, regulatory, judicial or other claims hearings or lawsuits arising out of the **insured event occurrence**.
  8. Childbirth or miscarriage  
We do not cover **death and dismemberment loss** caused by childbirth or miscarriage.
  9. Suicide or Intentional Dismemberment  
We do not cover **death and dismemberment loss** caused by the **injured party's** suicide, attempted suicide or dismemberment that is intentionally self-inflicted.
- E. Additional Coverage:
- Home Alteration and Vehicle Modification Benefit
- If you, your **spouse** or **family member** suffers a dismemberment or paralysis for which a benefit is payable under this endorsement we will pay the home alteration and vehicle modification expenses that are incurred within one year after the **insured event** causing the **injury**.
- We will pay up to \$25,000 for the following one-time expenses:
- a) Alterations to your **residence** that are necessary to make the **residence** accessible and habitable for a wheelchair-confined person;
  - b) Modification to a motor vehicle owned or leased by you or modifications to a motor vehicle newly purchased by you that are necessary to make the vehicle accessible to and/or drivable by you, your **spouse** or a **family member**.

The modifications must be:

- a) Made on behalf of you, your **spouse** or a **family member**;
- b) Recommended by a nationally-recognized organization providing support and assistance to wheelchair users;
- c) Carried out by individuals experienced in such alterations and modifications; and
- d) In compliance with any applicable laws or requirements for approval by the appropriate government authorities.

**F. Conditions**

In addition to the Conditions found in PART IV- CONDITIONS of the policy to which this coverage attaches. The following conditions apply:

Your duties after a loss:

In the event of an **insured event**, the covered person will make every reasonable effort to:

1. Immediately notify local, national or other appropriate law enforcement agency having jurisdiction over the matter;
2. Immediately notify us or your agent and provide timely updates concurrent with activity occurring during the **insured event**; and
3. Where required, submit to physical examinations by physicians or evaluations by psychiatrists that we select or cooperate with our request for an autopsy (unless prohibited by law).

## Flood Coverage

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

*(physical address of location)*

Flood Zone Assignment:

	Flood zone B, C, or X
	Flood zone A or V
	Flood zone D

As respects **Flood** coverage provided by this endorsement, PART I – DEFINITIONS is amended to include the following:

**Flood** means:

1. A general and temporary condition of partial or complete inundation of normally dry land area from:
  - a. Overflow of inland or tidal waters;
  - b. Unusual and rapid accumulation or runoff of surface waters from any source; or
  - c. **Mudflow**.
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a **flood** as defined in 1.a. above.

All flooding in a continuous or protracted event will constitute a single **flood**.

**Landslide** means the rapid movement of a mass of soil downslope along a curved or planar failure surface, without deformation of the soil structure.

**Mudflow** means a river of liquid and flowing mud occurring on level or near-level surfaces of normally dry land areas that have not been affected by **landslide**, as when earth is carried by a current of water. Other earth movements, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope, are not **mudflows**.

**National Flood Insurance Program (NFIP)** means the program of **flood** insurance coverage and floodplain management administered under the Act and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.

**Special Flood Hazard Area (SFHA)** means an area having special **flood**, or **mudflow**, and/or **flood**-related erosion hazards, and shown on a **Flood Hazard Boundary Map** or **Flood Insurance Rate Map** as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.

PART II – PROPERTY, C. Additional Coverage is amended as follows:

The following Additional Coverage is added

**Flood**

We will pay for physical loss or damage to your **house, contents or other permanent structures** including debris removal caused directly by **flood** unless an exclusion applies.

The Flood Insurance Rate Map (FIRM) in place as of the effective date of the policy or renewal term determines the amount we will pay for a covered loss.

**Payment of a Loss:**

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP**:

1. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$250,000 for **property damage** to your **house** and **other permanent structures**. These payments do not increase the amount of your coverage.
2. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$100,000 for **property damage** to your **contents** located at the covered **residence**. These payments do not increase the amount of your coverage.
3. We will pay up to \$250,000 for Additional Living Expenses, which consist of:
  - a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
  - b. Loss of fair rental value – if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your **residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
  - c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to **flood**, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$75,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house or other permanent structure** is safe to occupy; and, if required, the demolition of your **house or other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

6. We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of **flood**. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

For your listed **residence** located in a designated **Special Flood Hazard Area**, flood zone **D**, or a **B**, **C** or **X** flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

The coverage limits specified below will be reduced by any payments available through the **NFIP** policy insuring the **residence** or if the **residence** is ineligible for an **NFIP** policy or eligible to be written under an **NFIP** policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under the **NFIP** policy. If we provide broader coverage than the **NFIP** policy, we will pay the difference in conditions not to exceed the limits defined below whether or not you can collect on the **NFIP** policy.

The most we will pay for each **occurrence** is as follows:

1. We will pay up to the lesser of \$250,000; the "Coverage A – Building Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **house** and **other permanent structures**.
2. We will pay up to the lesser of \$100,000; the "Coverage B – Personal Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **contents** located at the covered **residence**.
3. We will pay up to \$250,000 for Additional Living Expenses, which consist of:
  - a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
  - b. Loss of fair rental value – if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your **residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
  - c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to **flood**, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$75,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house** or **other permanent structure** is safe to occupy; and, if required, the demolition of your **house** or **other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

6. We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of **flood**. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

PART II – PROPERTY, D. Exclusions, is amended as follows:

A. The following exclusion is deleted in its entirety and replaced as follows:

1. Surface and Ground Water Damage

We do not cover any loss caused by:

- a. **Flood**, surface water, waves, tidal water overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

This exclusion does not apply to:

- a. **Contents** away from any **residence** you own or live at;
- b. Ensuing covered loss unless another exclusion applies; or
- c. Coverage provided under PART II – PROPERTY. Additional Coverage. **Flood**.

B. With respect to **Flood** coverage, the following exclusions are added:

1. We do not cover any loss or **property damage** caused by or resulting from any **flood** that is already in progress at the time and date:
  - a. the policy term begins; or
  - b. coverage is added at your request

If the **flood** is due to the overflow of inland or tidal waters, then the **flood** is considered to begin when the water first overflows its banks.

2. We will not pay that part of the loss that is attributable to any Deductible(s) in the **NFIP** policy.
3. We do not cover any loss or **property damage** caused by or resulting from earth movement, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope whether caused directly or indirectly by **flood**.

PART IV – CONDITIONS, is amended as follows:

The Other Insurance provision is deleted and replaced by the following:

Other Insurance

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP** or in flood zone D:

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.

For your listed **residence** located in a designated **Special Flood Hazard Area** or a B, C or X flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

Payments under this coverage are in excess over the payments made by the **NFIP** policy. This provision applies whether or not the maximum **NFIP** limit was obtained or maintained, and whether or not you can collect on the **NFIP** policy.

## EXTENDED REBUILDING COST COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a reduced premium **Part II. –Property, B. Payment of a Loss, ~~item 1~~Amount Of Coverage For Your House And Other Permanent Structures** is deleted and replaced with the following:

~~1.~~ Amount of coverage for your **h**House and **e**Other **p**Permanent **s**Structures.

The amount of coverage for each **house** and for **other permanent structures** at each location shown ~~in~~ on the Declarations Page is determined by the payment basis shown ~~in~~ on the Declarations Page:

a. *Extended Rebuilding Cost Coverage.*

We will pay Extended Rebuilding Cost when shown ~~in~~ on the Declarations Page of this policy. Extended Rebuilding Cost ~~e~~Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, for each **occurrence**. If the **reconstruction cost** of your **house** exceeds the ~~amount of~~ coverage limit for your **house** as shown ~~in~~ on the Declarations Page, we will pay up to 50% more than this amount of coverage, ~~if necessary~~, for the **reconstruction cost**. If the **reconstruction cost** of your other permanent structures exceeds the ~~amount of~~ coverage limit for your other permanent structures as shown ~~in~~ on the Declarations Page, we will pay up to 50% more than the amount of coverage, ~~if necessary~~, for the **reconstruction cost**. However, you must begin to repair or rebuild your **house** or **other permanent structures** within two years from the date of loss at the same location; if not, the maximum payable is the coverage limit shown for that location ~~in~~ on the Declarations Page.

b. *Replacement Cost Coverage.*

We will pay Replacement Cost when shown ~~in~~ on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost of your house or other permanent structures**, up to the ~~amount of~~ coverage limit shown for that location ~~in~~ on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** up to the ~~amount of~~ coverage limit shown for that location ~~in~~ on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**.

The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your house or other permanent structures; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the house coverage limit or \$500,000, and/or it results in your moving out of the house for any period of time, the payment basis for your house or other permanent structures is the reconstruction cost less depreciation. This limitation will not apply if we otherwise give our prior written consent.

~~For a covered loss the most we will pay in settlement is the lesser of the reconstruction cost less depreciation or the coverage limit shown for that location in the Declarations Page, if at any time during any period of coverage under this policy you are constructing additions~~

~~or renovations to your **house** or **other permanent structure** that results in your living out of the **house** during any part of the construction.~~

We may change the amount of coverage shown ~~in~~on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

## EXTENDED REBUILDING COST COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a reduced premium **Part II –Property, B. Payment of a Loss**, Amount Of Coverage For Your **House** And **Other Permanent Structures** is deleted and replaced with the following:

Amount of coverage for your **House** and **Other Permanent Structures**.

The amount of coverage for each **house** and for **other permanent structures** at each location shown on the Declarations Page is determined by the payment basis shown on the Declarations Page:

a. *Extended Rebuilding Cost Coverage*

We will pay Extended Rebuilding Cost when shown on the Declarations Page of this policy. Extended Rebuilding Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, for each **occurrence**. If the **reconstruction cost** of your **house** exceeds the coverage limit for your **house** as shown on the Declarations Page, we will pay up to 50% more than this amount of coverage for the **reconstruction cost**. If the **reconstruction cost** of your **other permanent structures** exceeds the coverage limit for your **other permanent structures** as shown on the Declarations Page, we will pay up to 50% more than the amount of coverage for the **reconstruction cost**. However, you must begin to repair or rebuild your **house** or **other permanent structures** within two years from the date of loss at the same location; if not, the maximum payable is the coverage limit shown for that location on the Declarations Page.

b. *Replacement Cost Coverage*

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, the payment basis for your **house** or **other permanent structures** is the reconstruction cost less depreciation. This limitation will not apply if we otherwise give our prior written consent.

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

## DEDUCTIBLE WAIVER FOR LARGE LOSSES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for the premium charged Part II - PROPERTY. B. Payment of a Loss, ~~Paragraph 3.~~ Deductible is deleted and replaced with the following:

~~3.~~ Deductible.

The deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**. The deductible does not apply to a covered loss of more than \$50,000. This waiver of deductible does not apply to:

1. ~~Special deductibles for wind, hurricane, hail or earthquake;~~ or
2. Separate coverage deductibles contained within the Equipment Breakdown or Fraud Safeguard endorsements.

## DEDUCTIBLE WAIVER FOR LARGE LOSSES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for the premium charged Part II - PROPERTY. B. Payment of a Loss, Deductible is deleted and replaced with the following:

### Deductible

The deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**. The deductible does not apply to a covered loss of more than \$50,000. This waiver of deductible does not apply to:

1. Special deductibles for wind, hurricane, hail or earthquake; or
2. Separate coverage deductibles contained within the Equipment Breakdown or Fraud Safeguard endorsements.

### Contents Coverage Special Limitation

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects to the following location(s):

It is agreed and understood that **Part II – PROPERTY, B. Payment for a Loss**, Paragraph 2.b. is deleted in its entirety and replaced with the following:

b. If a loss occurs to **contents** located at a location named above:

We will pay up to \$50,000 for loss to **contents** for each **occurrence**.

We will pay only for losses caused by:

- i. Theft, attempted theft, vandalism, or malicious mischief;
- ii. Fire, lightning or explosion; or
- iii. Water which has escaped from an air conditioning, heating or plumbing system, or household appliance.

## THOROUGHBRED HORSE LIABILITY EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for an additional premium, the following sections are amended:

**Part I – Definitions** is amended to include the following item:

**Thoroughbred Horse** means a horse with the pedigree and identification required to be registered as a thoroughbred racehorse by the Jockey Club and only participates in races that are on the flat.

**Part III – Liability, D. Additional Coverages** is amended to include the following item:

We will pay up to \$1,000,000 per occurrence to cover **bodily injury** or **property damage** arising out of:

- a. The ownership, maintenance, or use of **thoroughbred horses** owned by an insured person; or
- b. The entrustment by an **insured person** of an owned **thoroughbred horse** to any person.

**Part III – Liability, E. Exclusions**, is amended as follows:

The **Business** Pursuits exclusion is deleted and replaced by the following:

### **Business** Pursuits

**Personal injury** or **property damage** arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended to realize a profit for either an **insured person** or others. However, this exclusion does not apply to:

- a. Volunteer work for an organized charitable, religious or community group;
- b. **Incidental business** activity;
- c. Limited **Residence** Premises **Business** Liability Coverage; or
- d. As provided in **Part III – Liability, D. Additional Coverages, bodily injury or property damage** arising out of an **insured person's business** property or **business** pursuits related to their ownership of **thoroughbred horses**, but not including horse breeding activities or the operations of riding stables or riding schools.

The following exclusion is added:

We will not cover **bodily injury** or **property damage** related to **thoroughbred horses** except as provided in **Part III – Liability, D. Additional Coverages**.

| Endorsement to Policy #:

## ADDITIONS AND ALTERATIONS EXTENDED REPLACEMENT COST

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that PART II – PROPERTY, B. Payment of a Loss, Amount of Coverage for Your **Contents**, is deleted and replaced by the following:

### 2. Amount of Coverage for Your **Contents**

The coverage amount for your **contents** for each covered **residence** is listed on your Declarations Page. The amount we will pay for a covered loss will depend on where the covered loss occurs:

At a **Residence**;

- a. If a loss occurs to **contents** located at a **residence** with **contents** coverage:
  - i. Listed on Declarations Page of this policy:

We will pay up to 150% of the coverage limit for **contents** for that location, for each **occurrence**; or
  - ii. Under another Homeowners policy in force with us:

We will not pay any amount under this policy.

- b. If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a house, condominium, cooperative or rental unit owned or rented by the insured person not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to 10% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

Away from a **Residence**;

- c. If a loss occurs to **contents** located away from any **residence** or location you own or live at:

We will pay up to the highest coverage limit for **contents** listed for any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

The most we will pay for a covered loss is 150% of the coverage limit for **contents** shown on the Declarations Page subject to the following:

We will pay the **reconstruction cost** of your additions and alterations. You must repair or rebuild your Condominium or Cooperative unit at the same location. If not, the maximum payable is the **contents** coverage limit shown for that location on the Declarations Page.

If at any time during any period of coverage under this policy, you are living outside of your **residence** due to construction or renovation of the additions and alterations of your **residence**, the most we will pay in settlement of a covered loss is the lesser of the **reconstruction cost** less depreciation or the **contents** coverage limit shown on the Declarations Page.

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

For the purposes of this endorsement, additions and alterations means the building additions, alterations, fixtures, improvements, installations or items of real property that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative association. This includes breakage of glass or safety glazing material in the building, or a storm door or window.

## **ADDITIONS AND ALTERATIONS EXTENDED REPLACEMENT COST**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that PART II – PROPERTY, B. Payment of a Loss, Amount of Coverage for Your **Contents**, is deleted and replaced by the following:

### 2. Amount of Coverage for Your **Contents**

The coverage amount for your **contents** for each covered **residence** is listed on your Declarations Page. The amount we will pay for a covered loss will depend on where the covered loss occurs:

At a **Residence**;

- a. If a loss occurs to **contents** located at a **residence** with **contents** coverage:
  - i. Listed on Declarations Page of this policy:  
We will pay up to 150% of the coverage limit for **contents** for that location, for each **occurrence**; or
  - ii. Under another Homeowners policy in force with us:  
We will not pay any amount under this policy.
- b. If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a **house**, condominium, cooperative or rental unit owned or rented by the **insured person** not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to 10% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

Away from a **Residence**;

- c. If a loss occurs to **contents** located away from any **residence** or location you own or live at:

We will pay up to the highest coverage limit for **contents** listed for any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

The most we will pay for a covered loss is 150% of the coverage limit for **contents** shown on the Declarations Page subject to the following:

We will pay the **reconstruction cost** of your additions and alterations. You must repair or rebuild your Condominium or Cooperative unit at the same location. If not, the maximum payable is the **contents** coverage limit shown for that location on the Declarations Page.

If at any time during any period of coverage under this policy, you are living outside of your **residence** due to construction or renovation of the additions and alterations of your **residence**, the most we will pay in settlement of a covered loss is the lesser of the **reconstruction cost** less depreciation or the **contents** coverage limit shown on the Declarations Page.

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

For the purposes of this endorsement, additions and alterations means the building additions, alterations, fixtures, improvements, installations or items of real property that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative association. This includes breakage of glass or safety glazing material in the building, or a storm door or window.

## EARTHQUAKE COVERAGE EXTENSION FOR LOSS ASSESSMENT

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

It is agreed and understood that for an additional premium, **Part II, – PROPERTY, C. Additional Coverages, item 2.** Assessments is deleted and replaced with the following:

### ~~2. Assessments:~~

~~We will pay your share of an assessment charged against all members in the Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to or on property owned collectively by all homeowners or unit owners or as a result of liability that would be covered under this policy.~~

~~We will pay up to \$100,000 per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. Your deductible does not apply to this coverage.~~

~~If losses caused by earthquake are covered under this policy for the location, we will pay assessments subject to the following:~~

~~One or more earthquake shocks that occur within a seventy-two (72) hour period shall constitute a single earthquake.~~

~~If loss caused by earthquake is covered under this policy for the location named above, we will pay up to \$ \_\_\_\_\_ per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association resulting from loss caused by earthquake. We will not pay more than \$10,000 for any assessment that results from an earthquake deductible in your Association's insurance. Your earthquake deductible does not apply to this coverage. However, we do not cover any assessments made as a result of loss resulting directly or indirectly from flood or any nature of tidal wave, whether caused by, resulting from, contributed to or aggravated by, earthquake.~~

~~One or more earthquake shocks that occur within a seventy-two (72) hour period constitute a single earthquake.~~

~~We will pay up to \$50,000 for any one loss, regardless of the number of assessments. We will not pay more than \$1,000 for any one loss for assessments that result from a deductible in your Association's insurance.~~

~~There is no deductible for this coverage.~~

**Part II. D. Exclusions**

For the purposes of this endorsement, the following item is added.

We do not cover any assessments made as a result of loss resulting directly or indirectly from flood or any nature of tidal wave, whether caused by, resulting from, contributed to or aggravated by, earthquake.

## EARTHQUAKE COVERAGE EXTENSION FOR LOSS ASSESSMENT

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

It is agreed and understood that for an additional premium, **Part II – PROPERTY, C. Additional Coverages**, Assessments is deleted and replaced with the following:

### Assessments

We will pay up to \$100,000 per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. Your deductible does not apply to this coverage.

If loss caused by earthquake is covered under this policy for the location named above, we will pay up to \$\_\_\_\_\_ per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association resulting from loss caused by earthquake. We will not pay more than \$10,000 for any assessment that results from an earthquake deductible in your Association's insurance. Your earthquake deductible does not apply to this coverage. However, we do not cover any assessments made as a result of loss resulting directly or indirectly from flood or any nature of tidal wave, whether caused by, resulting from, contributed to or aggravated by, earthquake.

One or more earthquake shocks that occur within a seventy-two (72) hour period constitute a single earthquake.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

## INCREASED LIMIT ON PERSONAL PROPERTY IN OTHER RESIDENCES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for an additional premium, PART II - PROPERTY, B. Payment of a Loss, 2. Amount of Coverage For Your **Contents**, item b) is deleted and replaced by the following:

- b. If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a **house, condominium, cooperative or rental unit owned or rented by the insured person not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:**

We will pay up to \_\_\_\_\_% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

## **INCREASED LIMIT ON PERSONAL PROPERTY IN OTHER RESIDENCES**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for an additional premium, PART II - PROPERTY, B. Payment of a Loss, 2. Amount of Coverage For Your **Contents**, item b) is deleted and replaced by the following:

- b.** If a loss occurs to **contents** located at a **residence** that does not have **contents** coverage or at a **house**, condominium, cooperative or rental unit owned or rented by the **insured person** not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to \_\_\_\_\_% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly acquired **residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

**INCREASED LIMITS**  
**INCIDENTAL BUSINESS PROPERTY**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for the premium charged, **Part II. C. Additional Coverages**, ~~item 15.~~ Business Property is deleted and replaced with the following:

~~15.15. Incidental Business Property.~~

We will pay up to \$\_\_\_\_\_ for a covered loss to business property you own or lease, ~~used for an incidental business conducted at a residence listed in on the Declarations Page.~~

## INCREASED LIMITS BUSINESS PROPERTY

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood that for the premium charged, **Part II. C. Additional Coverages, Business** Property is deleted and replaced with the following:

**Business** Property

We will pay up to \$\_\_\_\_\_ for a covered loss to **business** property you own or lease.

## FUNGI LIABILITY EXTENSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

For the premium charged, it is agreed and understood that:

**Part III - LIABILITY. Section E. Exclusions. Fungi, Wet or Dry Rot, or Bacteria** is deleted and replaced with:

**Fungi, Wet or Dry Rot, or Bacteria**

**Personal injury or property damage** arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi, wet or dry rot, or bacteria**. This exclusion does not apply to;

- a. coverage provided under Section D. Additional Coverages, **Fungi, Wet or Dry Rot, or Bacteria**; or
- b. **personal injury or property damage** arising out of **fungi** that are, are on, or are contained in, a good or product intended for consumption.

**PART III - LIABILITY. Section D. Additional Coverages.** The following is added:

**Fungi, Wet or Dry Rot, or Bacteria**

We will pay up to \$\_\_\_\_\_ in total for all claims of **personal injury and property damage** arising directly or indirectly, in whole or part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi, wet or dry rot, or bacteria**. This is the most we will pay regardless of the number of locations insured; number of persons injured; number of persons whose property is damaged; number of insureds; number of **occurrences** or claims-made.

This does not include **personal injury or property damage** arising out of **fungi** that are, are on, or are contained in, a good or product intended for consumption.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

## IDENTITY FRAUD EXPENSE COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

### PART II - PROPERTY

It is agreed and understood that for an additional premium Part II – PROPERTY, C. Additional Coverages is amended to include the following item:

Identity Fraud Expense

We will pay up to \$\_\_\_\_\_ for **expenses** incurred by an **insured person** as the direct result of any one **identity fraud** commenced during the Policy Period.

### PART I - DEFINITIONS

For the purposes of this endorsement, PART I - DEFINITIONS is amended to include the following:

**Expenses** means:

- a. 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;
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- c. Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel or to complete fraud affidavits, up to a maximum payment of \$500 per week for a maximum period of four weeks.
- d. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- e. Reasonable attorney fees incurred, with our prior consent, for:
  1. Defense of lawsuits brought against an **insured person** by merchants or their collection agencies;
  2. The removal of any criminal or civil judgments wrongly entered against an **insured person**; and
  3. Challenging the accuracy or completeness of any information in a consumer credit report.
- f. 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 an actual **identity fraud**.

**Identity fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of an **insured person** 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.

### **PART III - LIABILITY**

For the purposes of this endorsement, PART III - LIABILITY, E. Exclusions is amended to include the following:

We do not cover:

- a. Loss arising out of **business** pursuits of any **insured person**;
- b. **Expenses** incurred due to any fraudulent, dishonest or criminal act by an **insured person** or any person acting in concert with an **insured person**, or by any authorized representative of an **insured person** whether acting alone or in collusion with others; or
- c. Loss other than **expenses**.

## INCREASED LOSS ASSESSMENT COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects location: \_\_\_\_\_  
in the Declarations Page, it is agreed and understood that for the premium charged, **Part II. C. Additional Coverages**, item 2. Assessments is deleted and replaced with the following:

2. Assessments. We will pay your share of an assessment charged against all members in the Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to or on property owned collectively by all homeowners or unit owners or as a result of liability that would be covered under this policy. We will not pay assessments resulting from loss caused by earthquake even if losses caused by earthquake are covered under this policy for that location. However, we will pay your share of assessment for an ensuing covered loss due to fire, explosion, theft or glass breakage unless another exclusion applies.

We will pay up to \$\_\_\_\_\_ for any one loss, regardless of the number of assessments. We will not pay more than \$1000 for any one loss for assessments that result from a deductible in your Association's insurance.

There is no deductible for this coverage.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

## **BUSINESS PROPERTY EXTENSION**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

It is agreed and understood for an additional premium charge, Part II – PROPERTY, C. Additional Coverages is amended to include the following item:

### **Business** Property

We will pay up to \$\_\_\_\_\_ for a covered loss to **business** property. This coverage does not apply to **business** property in storage or held as a sample or for sale or delivery after sale.

For the purposes of this endorsement, PART II – PROPERTY, D. Exclusions, the **Business** Property exclusion is deleted.

**WIND~~STORM~~ OR HAIL PERCENTAGE DEDUCTIBLE**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

For the credit given, it is agreed and understood that:

**Part II. B. Payment of a Loss, ~~item 3.~~** Deductible is amended to include the following:

~~3. Deductible.~~

We will pay only that part of the total of the loss for **house, contents** and **other permanent structures** that exceeds the wind~~storm~~ or hail percentage deductible stated in this endorsement. This deductible applies in the event of direct physical loss to property covered under this policy caused directly or indirectly by wind~~storm~~ or hail. Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. No other deductible provision in the policy applies to direct physical loss caused by wind~~storm~~ or hail.

The wind~~storm~~ or hail deductible is equal to \_\_\_\_% of the <**House/Contents**> coverage limit stated ~~in~~on the most recent Declarations Page.

## WIND OR HAIL PERCENTAGE DEDUCTIBLE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

For the credit given, it is agreed and understood that:

**Part II. B. Payment of a Loss**, Deductible is amended to include the following:

Deductible

We will pay only that part of the total of the loss for **house, contents** and **other permanent structures** that exceeds the wind or hail percentage deductible stated in this endorsement. This deductible applies in the event of direct physical loss to property covered under this policy caused directly or indirectly by wind or hail. Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. No other deductible provision in the policy applies to direct physical loss caused by wind or hail.

The wind or hail deductible is equal to \_\_\_\_% of the <**House/Contents**> coverage limit stated on the most recent Declarations Page.

## Homeowners Amendatory Endorsement Arkansas

Part II - PROPERTY, Payment of a Loss, 1. Amount of Coverage for Your **House** and **Other Permanent Structures**, b. Replacement Cost Coverage is deleted and replaced by the following:

### Replacement Cost Coverage

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay **up to the reconstruction cost** coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Part II - PROPERTY, Additional Coverages, Ensuing **Fungi**, ~~Wet or Dry Rot~~, or Bacteria, is deleted and replaced by the following:

Ensuing **Fungi**, ~~Wet or Dry Rot~~, or Bacteria

We will pay up to \$10,000 in total for a loss caused by **fungi**, ~~wet or dry rot~~, or bacteria resulting from a covered loss, including:

- 1.a.** The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi**, ~~wet or dry rot~~, or bacteria;
- 2.b.** The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi**, ~~wet or dry rot~~, 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~~, or bacteria; and
- 3.c.** Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims ~~made~~. We will not make any additional payments for Ensuing **Fungi**, ~~Wet or Dry Rot~~, or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Part II - PROPERTY, Exclusions, Pollution or Contamination is deleted and replaced by the following:

Pollution or Contamination:

We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" is an impurity resulting from the mixture of or

contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed. However, this exclusion does not apply if the loss is sudden and accidental.

Part IV - CONDITIONS, Recovery is deleted and replaced by the following:

Recovery

If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or transfer those rights to us and help us enforce them. However, we will be entitled to a recovery only after the **insured person** has been fully compensated for the loss sustained.

Part IV - CONDITIONS, Legal Action Against Us is deleted and replaced by the following:

Legal Action Against Us-

No action shall be brought against us unless the **insured person** has complied with this policy's provisions, nor until final judgment or agreement has set the amount of the **insured person's** legal obligation with us. You also agree to bring any action against us within five (5) years after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined. No one has the right to join us in any action against any **insured person**.

Part IV - CONDITIONS, Appraisals is deleted and replaced by the following:

**Appraisals-**

If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent appraiser within twenty (20) days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "**residence** premises" is located. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Part IV – CONDITIONS, Mortgage Clause is amended as follows:

**Mortgage Clause-**

The sentence "If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect." is deleted and replaced by the following:

If we decide to cancel this policy, the mortgagee will be notified:

- a. At least ten (10) days before the date cancellation takes effect if:
  - ~~(1)~~ We cancel for nonpayment of premium; or
  - ~~(2)~~ The policy has been in effect for less than sixty (60) days and is not a renewal with us; or
- b. At least twenty (20) days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least ~~thirty~~ (30) days before the date nonrenewal takes effect.

Part IV - CONDITIONS, Our Cancellation is deleted and replaced by the following:

**Our Cancellation-**

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

1. Nonpayment of Premium. If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan;.

2. We may cancel this policy with thirty (30) days notice upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
3. We may cancel this policy with thirty (30) days notice upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
4. We may cancel this policy with thirty (30) days notice if there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
5. We may cancel this policy with thirty (30) days notice for nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
6. We may cancel this policy with thirty (30) days notice for the material violation of a material provision of this policy.

All other provisions of this policy apply.

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## Homeowners Amendatory Endorsement Arkansas

Part II - PROPERTY, Payment of a Loss, 1. Amount of Coverage for Your **House** and **Other Permanent Structures**, b. Replacement Cost Coverage is deleted and replaced by the following:

### *Replacement Cost Coverage*

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Part II - PROPERTY, Additional Coverages, Ensuing **Fungi** or Bacteria, is deleted and replaced by the following:

### Ensuing **Fungi** or Bacteria

We will pay up to \$10,000 in total for a loss caused by **fungi** or bacteria resulting from a covered loss, including:

- a. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;
- b. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
- c. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims made. We will not make any additional payments for Ensuing **Fungi** or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Part II - PROPERTY, Exclusions, Pollution or Contamination is deleted and replaced by the following:

### Pollution or Contamination

We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" is an impurity resulting from the mixture of or contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed. However, this exclusion does not apply if the loss is sudden and accidental.

Part IV - CONDITIONS, Recovery is deleted and replaced by the following:

#### Recovery

If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or transfer those rights to us and help us enforce them. However, we will be entitled to a recovery only after the **insured person** has been fully compensated for the loss sustained.

Part IV - CONDITIONS, Legal Action Against Us is deleted and replaced by the following:

#### Legal Action Against Us

No action shall be brought against us unless the **insured person** has complied with this policy's provisions, nor until final judgment or agreement has set the amount of the **insured person's** legal obligation with us. You also agree to bring any action against us within five (5) years after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined. No one has the right to join us in any action against any **insured person**.

Part IV - CONDITIONS, Appraisals is deleted and replaced by the following:

#### Appraisals

If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent appraiser within twenty (20) days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "**residence** premises" is located. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Part IV – CONDITIONS, Mortgage Clause is amended as follows:

#### Mortgage Clause

The sentence "If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect." is deleted and replaced by the following:

If we decide to cancel this policy, the mortgagee will be notified:

- a. At least ten (10) days before the date cancellation takes effect if:
  1. We cancel for nonpayment of premium; or
  2. The policy has been in effect for less than sixty (60) days and is not a renewal with us;  
or
- b. At least twenty (20) days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least thirty (30) days before the date nonrenewal takes effect.

Part IV - CONDITIONS, Our Cancellation is deleted and replaced by the following:

#### Our Cancellation

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

1. Nonpayment of Premium. If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan;.
2. We may cancel this policy with thirty (30) days notice upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
3. We may cancel this policy with thirty (30) days notice upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
4. We may cancel this policy with thirty (30) days notice if there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
5. We may cancel this policy with thirty (30) days notice for nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
6. We may cancel this policy with thirty (30) days notice for the material violation of a material provision of this policy.

All other provisions of this policy apply.

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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 11/14/2007

**Comments:**

**Attachments:**

Form Filing Schedule.pdf  
 Property and Casualty Transmittal Document -Forms.pdf  
 Rate Filing Schedule.pdf

**Satisfied -Name:** Before and After - Forms **Review Status:** Approved 11/14/2007

**Comments:**

**Attachment:**

AR - Before After HO CHANGES 0906 - Forms.pdf

**Satisfied -Name:** Explanatory Memo **Review Status:** Approved 11/14/2007

**Comments:**

**Attachment:**

Explanatory Memo-CW.pdf

**Satisfied -Name:** Marked Copy of PCHO-FLD (06/05) **Review Status:** Approved 11/14/2007

**Comments:**

Attached is a marked copy of our previously filed and withdrawn Flood endorsement PCHO-FLD (06/05) indicating all changes incorporated into our 09/06 edition of the endorsement.

**Attachment:**

PCHO-FLD \_06-05\_ - Flood Coverage-MRK.pdf

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-HO-AR-001F</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>07-HO-AR-001R</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	HOMEOWNERS POLICY	PCHO 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO 0802	
02	POLITICAL ACTIVITY EXCLUSION	PCHO POLACTEX 0306	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	INCREASED ENSUING FUNGI OR BACTERIA - ARKANSAS	PCHO-IEF – AR 1205	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-IEF-AR 0702	
04	RESIDENCE RENTAL THEFT EXCLUSION	PCHO-RT 0802	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-RT 800	
05	AIG HOUSEHOLD SAFEGUARD	PCHO-HS 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	AIG HOUSEHOLD SAFEGUARD (STALKING EXCLUDED)	PHCO-HS-STEX 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	FLOOD COVERAGE	PCHO-FLD 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	EXTENDED REBUILDING COST COVERAGE	PCHO-ERCC 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-ERCC 800	
09	DEDUCTIBLE WAIVER FOR LARGE LOSSES	PCHO-DWLL 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-DWLL 0802	
10	CONTENTS COVERAGE SPECIAL LIMIT	PCHO-CCSL 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	THOROUGHBRED HORSE LIABILITY EXTENSION	PCHO-THL 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
12	ADDITIONS & ALTERATIONS EXTENDED REPLACEMENT COST	PCHO-AERC 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-AERC 0701	
13	EARTHQUAKE COVERAGE EXTENSION FOR LOSS ASSESSMENT	PCHO-EQAS 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-EQAS 800	

14	INCREASED LIMIT ON PERSONAL PROPERTY	PCHO-ILPP 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-ILPP 0701	
15	PRIVACY NOTICE	PCG-GLBA 0306	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCG-GLBA 501	
16	SINKHOLE COLLAPSE COVERAGE EXTENSION	PCHO-SHC 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-SC 800	
17	LOSS PAYABLE CLAUSE	PCG-LPCL 0802	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCG-LPCL 0701	
18	LIMITED ADDITIONAL COVERAGES	PCHO-LAC 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-LAC 800	
19	CONSTRUCTION CONINSURANCE CLAUSE	PCHO-COCCOIN 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20	ADDITIONAL INSURED-LIMITED COVERAGE ENDORSEMENT	PCHO-ADINLCE 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
21	EQUIPMENT BREAKDOWN	PCHO-EB 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
22	AIG FRAUD SAFEGUARD	PCHO-FRDSG 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
23	NAMED INSURED AS TRUST OR LEGAL LIABILITY CORPORATION	PCHO-TLLC 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
24	ADDITIONAL INSURED – LLC OR TRUST	PCHO-ADINLLC 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
25	EXCLUSION OF ANIMAL-RELATED LIABILITY	PCHO-ANIMEX 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
26	DOMESTIC ANIMALS DEDUCTIBLE	PCHO-DOMANIMDED 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
27	OTHER PERMANENT STRUCTURES- CONDOMINIUM & COOPERATIVE OWNER	PCHO-OPSCONDO 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
28	COURSE OF CONSTRUCTION CONDITIONS	PCHO-COCC 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-COCC 0405	
29	FUNGI LIABILITY EXCLUSION	PCHO-FLEX 0906	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Effective March 1, 2007

30	LANDSCAPING COVERAGE INCREASED LIMITS	PCHO-LCIL 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-LCIL 800	
31	LANDSCAPING WIND COVERAGE EXTENSION	PCHO-LWCE 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-LWCE 800	
32	LANDSCAPING LIMITATION	PCHO-LANLIM 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-LANLIM 0802	
33	EARTHQUAKE COVERAGE EXTENSION	PCHO-ECE 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-ECE 800	
34	INCREASED LIMITS BUSINESS PROPERTY	PCHO-ILBP 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-ILIB 800	
35	HOMEOWNERS STATE AMENDATORY ENDORSEMENT	PCHO-AEAR 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-AEAR 0802	
36	IDENTITY FRAUD EXPENSE COVERAGE	PCHO-IFEC 0701	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
37	INCREASED LOSS ASSESSMENT COVERAGE	PCHO-ILAC 800	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
38	BUSINESS PROPERTY EXTENSION	PCHO-BPET 0701	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
39	FUNGI LIABILITY EXTENSION	PCHO- FLE 0702	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
40	WIND OR HAIL PERCENTAGE DEDUCTIBLE	PCHO-WHLPD 0906	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-WPD 800	
41	PERSONAL INJURY EXCLUSION	PCHO-PIEX 0802	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PCHO-PIEX 701	



## Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	07-HO-AR-001F
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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American International Insurance Company is submitting, for your approval, revisions to our Private Client Group Homeowners Program. The revisions include amendments to our Homeowners policy language along with new and revised endorsements which are enclosed. These revisions are the result of working with our program for a period of time and receiving feedback from our brokers as to where our program can be amended to reflect the needs of our insureds. Also, please note that we are withdrawing various endorsements from our program. Please see the attached Side-By-Side Comparison for a list of forms filed and withdrawn.

The rules associated with this filing are included in corresponding filing 07-HO-AR-001F.

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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**Check #:** 32037568

**Amount:** \$50.00

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-HO-AR-001F</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	n/a
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	<b>Prior Approval</b>
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
<b>AIIC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>\$348,431</b>	<b>0</b>	<b>0</b>

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE

<b>5a.</b>	Overall percentage rate indication (when applicable)	n/a	
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<b>5b.</b>	Overall percentage rate impact for this filing	n/a	
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<b>5c.</b>	Effect of Rate Filing – Written premium change for this program	n/a	
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<b>5d.</b>	Effect of Rate Filing – Number of policyholders affected	n/a	
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<b>6.</b>	Overall percentage of last rate revision	0%
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<b>7.</b>	Effective Date of last rate revision
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<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	General Rules Rule #6 Edition 09/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	AIG Private Client Group Homeowners Rating Pages AR-RT-1 to AR-RT-21 Edition 09/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03	AIG Private Client Group Tenants/Condominium/Cooperative Rating Pages AR-RT-1 to AR-RT-18 Edition 09/06	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**AMERICAN INTERNATIONAL GROUP  
PRIVATE CLIENT GROUP  
HOMEOWNER PROGRAM REVISION  
SIDE-BY-SIDE COMPARISON**

**STATE OF ARKANSAS  
AMERICAN INTERNATIONAL INSURANCE COMPANY**

**Policy Form**

Policy Provision	PCHO 0802 ORIGINAL	PCHO 0906 REVISED <i>Also, see marked copy</i>	Broadening Restriction Clarification
<b>PART I - DEFINITIONS</b>			
Definitions - Auto	<p><b>Auto</b> means any motorized land vehicle which requires motor vehicle registration or operator licensing. This includes self-propelled motor homes, motorcycles and attached trailers or semi-trailers.</p>	<p>Removed definition because the term auto is not used in the policy.</p>	<p>Clarification</p>
Definitions -Contents	<p><b>Contents</b> means personal property owned by, or in the possession of, you or a <b>family member</b>.</p> <p>For any <b>residence</b> listed on the Declarations Page that is a condominium or cooperative, <b>contents</b> includes additions, alterations, items of real property, installations or fixtures that you paid for or acquired at your expense along with the <b>residence</b>.</p> <p>The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.</p>	<p>Included "or rental unit" for clarification.</p> <p>For any <b>residence</b> listed on the Declarations Page that is a house, condominium or cooperative, or rental unit, <b>contents</b> includes additions, alterations, items of real property, installations or fixtures that you paid for or acquired at your expense along with the <b>residence</b>. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.</p>	<p>Clarification</p>
Definitions - Damages	<p><b>Damages</b> means the sum required to satisfy a claim, whether settled or agreed to in writing by us or resolved by judicial procedure.</p>	<p>Added the words "covered by this policy."</p> <p><b>Damages</b> means the sum required to satisfy any claim covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.</p>	<p>Clarification</p>

PART I – DEFINITIONS (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Definitions - House	<b>House</b> means the owned one, two, three or four family dwelling at which you reside at any location named on the Declarations Page that is not a condominium or a cooperative.	Revised to the following: <b>House</b> means the owned one, two, three or four family dwelling at which you reside, <i>intend to reside</i> , or any location named on the Declarations Page that is not a condominium or a cooperative.	Clarification
Definitions – Insured Person	<b>Insured person</b> means: <b>a.</b> You or a <b>family member</b> ; <b>b.</b> An Additional Insured named in the policy; or <b>c.</b> Any person given permission by you or a <b>family member</b> to use a vehicle or <b>watercraft</b> covered under this policy with respect to their legal responsibility arising out of its use.	Added the following; <b>d.</b> A <b>spouse</b> is a marriage partner. The term <b>spouse</b> also includes an individual registered under state law as a domestic partner of the <b>insured person</b> shown on the Declarations Page.	Broadening
Definitions – Landscaping	<b>Landscaping</b> means your trees, lawn, shrubs, and other plants on the grounds of your <b>residence</b> .	Added the following: "not including forestry or brush" <b>Landscaping</b> means your trees, lawn, shrubs, and other plants, not including forestry or brush, on the grounds of your <b>residence</b> .	Clarification
Definitions - Occurrence	A loss or an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which occurs during the Policy Period and results in <b>personal injury</b> or <b>property damage</b>	Adding the words "to which this insurance applies." <b>Occurrence</b> means: <b>a.</b> A loss or an accident, to which this insurance applies, including continuous or repeated exposure to substantially the same general harmful conditions, which occurs during the Policy Period and results in <b>personal injury</b> or <b>property damage</b> ; or <b>b.</b> An offense, to which this insurance applies, including a series of related offenses, committed during the Policy Period that results in <b>personal injury</b> or <b>property damage</b> .	Clarification
	PCHO 0802	PCHO 0906	Broadening

PART I – DEFINITIONS (Continued)	ORIGINAL	REVISED	Restriction Clarification
Definitions – Residence Employee	Not addressed	<b>Residence Employee</b> means: <ul style="list-style-type: none"> <li>a. Your employee whose duties are related to the maintenance or use of the <b>residence</b> premises, including household or domestic services; or</li> <li>b. One who performs similar duties elsewhere not related to your <b>business</b>.</li> </ul>	Clarification
PART II – PROPERTY	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
<b>Insuring Agreement</b>	This policy covers you against all risks of physical loss or damage to your <b>house, contents and other permanent structures</b> unless an exclusion applies	Adding the word “direct”:  This policy covers you against all risks of direct physical loss or damage to your <b>house, contents and other permanent structures</b> unless an exclusion applies	Clarification
<b>Payment of a Loss</b>	<p>a. <i>Guaranteed Rebuilding Cost Coverage</i></p> <p>We will pay Guaranteed Rebuilding Cost when shown on the Declarations Page of this policy. Guaranteed Rebuilding Cost coverage means that for a covered loss we will pay the <b>reconstruction cost</b> of your <b>house</b> or <b>other permanent structure</b>, for each <b>occurrence</b>, even if this amount is greater than the amount of coverage shown on the Declarations Page. However, you must repair or rebuild your <b>house</b> or <b>other permanent structure</b> at the same location. If not, the maximum payable is the coverage limit shown for that location on the Declarations Page.</p>	Adding the words “you must begin to repair or rebuild” and “within two years from the date of loss.” <ul style="list-style-type: none"> <li>a. <i>Guaranteed Rebuilding Cost Coverage</i></li> </ul> <p>We will pay Guaranteed Rebuilding Cost when shown on the Declarations Page of this policy. Guaranteed Rebuilding Cost coverage means that for a covered loss we will pay the <b>reconstruction cost</b> of your <b>house</b> or <b>other permanent structures</b>, for each <b>occurrence</b>, even if this amount is greater than the amount of coverage shown on the Declarations Page.</p> <p>However, you must begin to repair or rebuild your <b>house</b> or <b>other permanent structures</b> within two years from the date of loss at the same location. If not, the maximum payable is the coverage limit shown for that location on the Declarations Page.</p>	Restriction

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
<p>Payment of a Loss, 1. Amount of Coverage for your House and Other Permanent Structures</p>	<p>For a covered loss, the most we will pay in settlement is the lesser of the reconstruction cost less depreciation or the coverage limit shown for that location on the Declarations Page, if at any time during any period of coverage under this policy you are constructing additions or renovations to your house or other permanent structure that results in your living out of the house during any part of the construction. This limitation will not apply if we otherwise give our prior written consent. We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.</p>	<p>Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your house or other permanent structures; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the house coverage limit or \$500,000, and / or it results in your moving out of the house for any period of time, the payment basis for your house or other permanent structures is the reconstruction cost less depreciation. This limitation will not apply if we otherwise give our prior written consent. We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.</p>	<p>Clarification</p>

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
<p>Payment of a Loss, 2. Amount of Coverage for your Contents</p>	<p>At a <b>Residence</b>;</p> <p>b. If a loss occurs to <b>contents</b> located at a <b>residence</b> that does not have <b>contents</b> coverage:</p> <p>We will pay up to 10% of the highest coverage limit for <b>contents</b> of any single location listed in this policy, for each <b>occurrence</b>.</p> <p>However, <b>contents</b> at a newly acquired <b>residence</b> are not subject to this limitation for sixty (60) days after you begin to move property there.</p> <p>Away From a <b>Residence</b>;</p> <p>c. If a loss occurs to <b>contents</b> located away from any <b>residence</b> you own or live at:</p> <p>We will pay up to the highest coverage limit for <b>contents</b> for any single location listed in this policy, for each <b>occurrence</b>.</p>	<p>At a <b>Residence</b>;</p> <p>b. If a loss occurs to <b>contents</b> located at a <b>residence</b> that does not have <b>contents</b> coverage or at a <b>house</b>, condominium, cooperative or rental unit owned or rented by the insured person not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:</p> <p>We will pay up to 10% of the highest coverage limit for <b>contents</b> of any single location listed in this policy, for each <b>occurrence</b>. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.</p> <p>However, <b>contents</b> at a newly acquired <b>residence</b> are not subject to this limitation for sixty (60) days after you begin to move property there.</p> <p>Away From a <b>Residence</b>;</p> <p>c. If a loss occurs to <b>contents</b> located away from any <b>residence</b> or location you own or live at:</p> <p>We will pay up to the highest coverage limit for <b>contents</b> for any single location listed in this policy, for each <b>occurrence</b>. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.</p>	<p>Clarification</p>

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Payment of a Loss, 2. Amount of Coverage for your Contents	If, after a covered loss to both house and contents, we pay more than the coverage limit for house coverage because of Extended Rebuilding Cost, we will automatically increase the amount of contents coverage for that loss by the same percentage that we increased the amount of house coverage.	Amending language to “Guaranteed Rebuilding”  If, after a covered loss to both <b>house</b> and <b>contents</b> , we pay more than the coverage limit for <b>house</b> coverage because of Guaranteed Rebuilding Cost, we will automatically increase the amount of <b>contents</b> coverage for that loss by the same percentage that we increased the amount of <b>house</b> coverage.	Clarification
Payment of a Loss, 3. Deductible	Previous language did not address if more than one deductible appears on a policy.	Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail or named storm.	Clarification
Payment of a Loss, 3. Deductible	Previous language did not address course of construction	Construction deductible. If at any time during the Policy Period, you are newly constructing your <b>house</b> or <b>other permanent structures</b> ; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the <b>house</b> coverage limit or \$500,000, and / or it results in your moving out of the <b>house</b> for any period of time, a 5% construction special deductible will apply to each <b>occurrence</b> in lieu of a base deductible. This deductible applies to your <b>house, other permanent structures, contents,</b> and additional coverages. The dollar amount of this deductible is based on the <b>house</b> coverage limit shown on the Declarations Page for that location at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver endorsement was selected, that endorsement will not apply. The construction deductible will not apply to loss if we otherwise give our prior written consent.	Restriction

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Special Limits of Liability	<ul style="list-style-type: none"> <li>i. Money, bank notes, money orders, drafts, checks or gold, silver or platinum bullion or ingots \$1,500</li> <li>ii. watercraft, including their outboard motors, equipment and furnishings \$2,000</li> <li>iii. Trailers \$3,000</li> <li>iv. Grave markers \$5,000</li> </ul>	<p>Increased the following limits and broadened grave markers to include mausoleums:</p> <ul style="list-style-type: none"> <li>i. Money, bank notes, money orders, drafts, checks or gold, silver or platinum bullion or ingots \$2,500</li> <li>ii. watercraft, including their outboard motors, equipment and furnishings \$5,000</li> <li>iii. Trailers \$5,000</li> <li>iv. Grave markers and Mausoleums \$50,000</li> </ul>	Broadening
Special Limits of Liability	<p>b. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of <b>contents</b> unless they are stored in a bank vault or bank safe deposit box, in which case we will pay up to the total amount for <b>contents</b> coverage listed in the policy for each <b>occurrence</b>. These special limits do not increase the amount of coverage of your <b>contents</b>.</p> <p>Stamps, Coins &amp; Medals \$5000</p> <p>Negotiable papers, securities, accounts, deeds, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, tickets \$5000</p>	<p>The word “deeds” was removed.</p> <p>The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of <b>contents</b> unless they are stored in a bank vault or bank safe deposit box, in which case we will pay up to the total amount for <b>contents</b> coverage listed in the policy for each <b>occurrence</b>. These special limits do not increase the amount of coverage of your <b>contents</b>.</p> <p>Stamps, Coins &amp; Medals \$5000</p> <p>Negotiable papers, securities, accounts, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, tickets \$5000</p>	Clarification

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p>Additional Living Expense</p> <p>If a covered loss makes your <b>residence</b> uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your <b>residence</b> to a habitable condition or for your household to permanently locate elsewhere.</p>	<p>Included the following to clarify intent when a residence is under construction:</p> <p>If a covered loss makes your <b>residence</b> uninhabitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your <b>residence</b> to a habitable condition or for your household to permanently locate elsewhere. If your <b>residence</b> is under construction and you are living in the <b>residence</b> at the time of loss, Additional living expenses will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the <b>residence</b> or have moved out because of construction or renovations, then additional living expenses for this location will not apply.</p>	Clarification
Additional Coverages	Additional Living Expense	<p>Included the following to clarify intent:</p> <p>We will also pay reasonable expenses associated with the kenneling of your domestic animals only.</p>	Clarification

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p>Assessments</p> <p>We will pay up to \$50,000 per <b>occurrence</b> for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. We will not pay more than \$1,000 for any assessment that results from a deductible in your Association's insurance. Your deductible does not apply to this coverage.</p>	<p>Increased Limits:</p> <p>Assessments</p> <p>We will pay up to \$100,000 per <b>occurrence</b> for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. Your deductible does not apply to this coverage.</p>	Broadening

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p><b>Landscaping</b></p> <p>We will pay up to 5% of the coverage limit for the <b>house</b> or, if <b>house</b> coverage is not available, 5% of the coverage limit for the <b>contents</b> at the <b>residence</b> at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant.</p>	<p>Included the following: Landscaping does not include forestry or brush.</p> <p><b>Landscaping</b></p> <p>We will pay up to 5% of the coverage limit for the <b>house</b> or, if <b>house</b> coverage is not available, 5% of the coverage limit for the <b>contents</b> at the <b>residence</b> at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant. <b>Landscaping</b> does not include forestry or brush.</p>	Clarification
Additional Coverages	<p><b>Debris Removal</b></p> <p>We will pay your reasonable expenses for removal of debris that results from a covered loss and the property that caused the covered loss. We will also pay up to \$1,000 to remove a tree from the <b>residence</b> if felled by the peril of windstorm or hail, or the weight of ice, snow or sleet and is an <b>occurrence</b> unrelated to another covered loss.</p>	<p>Revised to clarify: Debris Removal</p> <p>We will pay the reasonable expenses to remove debris of a covered loss and the property that caused that covered loss. We will also pay up to a total of \$1000 to remove trees from the residence if felled by the peril of windstorm, hail, weight of ice or snow or sleet when there is no damage to covered property.</p>	Clarification
Additional Coverages	<p><b>Property Removal for Safekeeping</b></p> <p>We will pay for any reasonable expenses incurred for the moving of <b>contents</b> from a <b>residence</b> because the <b>contents</b> are in danger as a result of a covered loss.</p>	<p>Revised to include payment of storing contents.</p> <p>We will pay for any reasonable expenses incurred for the moving and storing of <b>contents</b> from a <b>residence</b> because the <b>contents</b> are in danger as a result of a covered loss.</p>	Broadening
Additional Coverages	<p><b>Incidental Business Property</b></p> <p>We will pay up to \$10,000 for a covered loss to property you own or lease used for an <b>incidental business</b> conducted at a <b>residence</b> listed on the Declarations Page.</p>	<p>Broadened coverage by removing Incidental requirement and increasing limits:</p> <p><b>Business Property</b></p> <p>We will pay up to \$25,000 for a covered loss to <b>business</b> property you own or lease.</p>	Broadening

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p>Back Up of Sewers and Drains</p> <p>We will pay up to the coverage limits shown on the Declarations Page for physical loss or damage to property caused by:</p> <ul style="list-style-type: none"> <li>a. Water which backs up through sewers or drains; or</li> <li>b. Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.</li> </ul> <p>These payments do not increase the amount of your coverage.</p>	<p>Back Up of Sewers and Drains</p> <p>We will pay up to the coverage limits shown on the Declarations Page for physical loss or damage to property caused by:</p> <ul style="list-style-type: none"> <li>a. Water which backs up through sewers or drains on the residence premises. A sewer or drain is a pipe mechanically connected to the residence plumbing system, gutters or downspouts, or other drainage pipe located on the residence premises used to drain water and waste away from the residence. A backup is not due to the inability of a sewer or drain to handle the amount of rainwater, surface water or groundwater trying to enter the sewer or drain.</li> <li>b. Water which overflows from a sump pump pit if such overflow results from the mechanical breakdown of the sump pump. This additional coverage is intended to cover damage caused by water that overflows the sump pit due to mechanical breakdown of the sump pump, but not damage caused by surface or groundwater before it enters the sump pit. This coverage does not apply to direct physical loss or damage of the sump pump or related equipment, which is caused by mechanical breakdown.</li> </ul> <p>These payments do not increase the amount of your coverage.</p>	Clarification
Additional Coverages	<p>Food Spoilage</p> <p>We cover food spoilage due to a temperature change in a refrigerator or freezer caused by an interruption of the power supply, originating either on or off-premises, or due to the mechanical breakdown of refrigeration equipment at any <b>residence</b> you live at or own. These payments do not increase your amount of coverage.</p>	<p>Adding the following for clarification and included a deductible:</p> <p>Wine or spirits are not considered food.</p> <p>This coverage is subject to a \$250 deductible.</p>	Clarification

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p>Ensuing <b>Fungi</b>, Wet or Dry Rot, or Bacteria</p> <p>We will pay up to \$10,000 in total for a loss caused by <b>fungi</b>, wet or dry rot, or bacteria resulting from a covered loss, including:</p>	<p>Removed all language referencing “Wet or Dry Rot” from the additional coverage</p> <p>Ensuing <b>Fungi</b> or Bacteria</p> <p>We will pay up to \$10,000 in total for a loss caused by <b>fungi</b> or bacteria resulting from a covered loss, including:</p>	Clarification
Additional Coverages	Not Addressed	<p><b>Loss Prevention Device</b></p> <p>After a loss is covered by this policy, we will pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss prevention device to protect your <b>residence</b> against the same loss in the future. Approved loss prevention devices include fire alarms systems, fire suppression systems, security systems, sump pumps, automatic water shut-off devices, lightning suppression systems, back-up power systems and hail resistant roofing materials. These payments do not increase the amount of coverage.</p> <p>This additional coverage only applies if the loss exceeds the location deductible.</p>	Broadening
Exclusions	<p>Gradual or Sudden Loss</p> <p>We do not cover any loss caused by gradual deterioration, warping, smog, rust, or other corrosion. In addition, we do not cover any loss caused by inherent vice, mechanical breakdown or latent defect. However, we do insure ensuing covered loss unless another exclusion applies.</p>	<p>Added the following:</p> <p>“wet and dry rot” and “wear and tear”</p> <p>We do not cover any loss caused by gradual deterioration, wet or dry rot, warping, smog, rust, or other corrosion. In addition, we do not cover any loss caused by inherent vice, wear and tear, mechanical breakdown or latent defect. However, we do insure ensuing covered loss unless another exclusion applies.</p>	Clarification

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Exclusions	<p><b>Fungi, Wet or Dry Rot or Bacteria</b></p> <p><b>Fungi, Wet or Dry Rot or Bacteria</b></p> <p>We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of <b>fungi</b>, wet or dry rot, or bacteria. Including the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of <b>fungi</b>, wet or dry rot, or bacteria.</p> <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> <li><b>a.</b> Coverage provided under PART II - PROPERTY. Additional Coverage. Ensuing <b>Fungi, Wet or Dry Rot, Or Bacteria</b>; or</li> <li><b>b.</b> Ensuing covered loss unless another exclusion applies.</li> </ul>	<p>Removed all language referencing “Wet or Dry Rot” from the exclusion.</p> <p><b>Fungi or Bacteria</b></p> <p>We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of <b>fungi</b> or bacteria including the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of <b>fungi</b> or bacteria.</p> <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> <li><b>b.</b> Coverage provided under PART II - PROPERTY. Additional Coverage. Ensuing <b>Fungi or Bacteria</b>; or</li> <li><b>b.</b> Ensuing covered loss unless another exclusion applies.</li> </ul>	Clarification
Exclusions	<p>Surface and Ground Water</p> <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> <li><b>a. Contents</b> away from any <b>residence</b> you own or live at; or</li> <li><b>b.</b> Ensuing covered loss unless another exclusion applies.</li> </ul>	<p>Adding the words “or location”</p> <p>Surface and Ground Water</p> <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> <li><b>a. Contents</b> away from any <b>residence</b> or location you own or live at; or</li> <li><b>b.</b> Ensuing covered loss unless another exclusion applies.</li> </ul>	Clarification

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Exclusions	<p>Faulty, Inadequate or Defective Planning</p> <p>We do not cover any loss caused by faulty, inadequate or defective:</p> <ul style="list-style-type: none"> <li>a. Planning, zoning, development, surveying, siting;</li> <li>b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;</li> <li>c. Materials used in repair, construction, renovation or remodeling; or</li> <li>d. Maintenance;</li> </ul> <p>of part or all of any property whether on or off the <b>residence</b>.</p>	<p>Faulty, Inadequate or Defective Planning</p> <p>We do not cover any loss caused by faulty, inadequate or defective:</p> <ul style="list-style-type: none"> <li>a. Planning, zoning, development, surveying, siting;</li> <li>b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;</li> <li>c. Materials used in repair, construction, renovation or remodeling; or</li> <li>d. Maintenance;</li> </ul> <p>of part or all of any property whether on or off the <b>residence</b>.</p> <p>However, we do insure ensuing covered loss unless another exclusion applies.</p>	Broadening
Exclusions	Earthquake	Removing duplicate word "earthquake."	Clarification
Exclusions	<p><b>Business</b> Property</p> <p>We do not cover any loss to <b>business</b> property unless it is <b>incidental business</b> property covered as an Additional Coverage.</p>	<p>Removed the word "incidental"</p> <p><b>Business</b> Property</p> <p>We do not cover any loss to <b>business</b> property. This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, <b>Business</b> Property.</p>	Broadening

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Exclusions	<p>Temperature or Dampness</p> <p>We do not cover any loss caused by extremes of temperature, dampness or dryness of atmosphere, or water vapor to your <b>house, other permanent structures</b> or <b>contents</b>. This exclusion does not apply to loss caused directly by rain, sleet, snow or hail.</p>	<p>Temperature or Dampness</p> <p>We do not cover any loss caused by extremes of temperature, dampness or dryness of atmosphere, or water vapor to your <b>house, other permanent structures</b> or <b>contents</b>.</p> <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> <li>a. Loss caused directly by rain, sleet, snow or hail; or</li> <li>b. Coverage provided under PART II – PROPERTY, Additional Coverage, Food Spoilage.</li> </ul>	Broadening
Exclusions	<p>Wine</p> <p>We do not cover any loss to wine due to temperature changes resulting from the failure of a climate control system caused by interruption of the power supply as a result of a brownout or blackout.</p>	<p>Removed exclusion as already addressed under:</p> <p>Temperature or Dampness</p> <p>We do not cover any loss caused by extremes of temperature, dampness or dryness of atmosphere, or water vapor to your <b>house, other permanent structures</b> or <b>contents</b>. This exclusion does not apply to loss caused directly by rain, sleet, snow or hail.</p>	Clarification
Exclusions	Not Addressed	<p>Back Up of Sewers or Drains</p> <p>We do not cover any loss due to a back up or overflow of a sewer or drain including any loss that contributes to any event. This exclusion does not apply to coverage provided under PART II – PROPERTY, Additional Coverage, Back Up of Sewers and Drains.</p>	Clarification
Exclusions	Not Addressed	<p><b>Contents</b> Under Another Policy</p> <p>We do not cover any loss to contents that are insured under a private collections policy, valuable articles or similar policy not issued by us or one of our affiliated companies.</p>	Restriction

PART II – PROPERTY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Exclusions	Not Addressed	<p>Uninsured Owned Location</p> <p>We do not cover any loss caused directly or indirectly by wind to <b>contents</b> located at an owned house, condominium, or cooperative that does not have <b>contents</b> coverage listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies.</p> <p><b>Contents</b> at a newly acquired location are not subject to this exclusion for sixty (60) days after you begin to move <b>contents</b> there.</p>	Restriction

Part III – LIABILITY	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
Additional Coverages	<p>Damaged Property</p> <p>If an <b>insured person</b> destroys or damages other people's property we will pay the replacement cost for that property up to \$1,000 per <b>occurrence</b>.</p>	Increased the payment \$10,000	Broadening
Additional Coverages	<p>Medical Payments to Others</p> <p>d. Is caused by an <b>insured person</b> or a domestic worker in the course of his or her employment by an <b>insured person</b>.</p>	<p>Replaced “domestic worker” with “residence employee.”</p> <p>d. Is caused by an <b>insured person</b> or a <b>residence employee</b> in the course of his or her employment by an <b>insured person</b>.</p>	Clarification
E. Exclusions Workers Compensation	<p>Workers' Compensation or Disability</p> <p>Any <b>damages</b> or benefits an <b>insured person</b> is legally obligated to provide under any workers' compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law.</p>	<p>The following language was added to clarify coverage:</p> <p>However, we do provide coverage in excess over any other insurance for damages a <b>covered person</b> is legally obligated to pay for <b>bodily injury</b> to a <b>residence employee</b> of a location listed on the Declarations Page which are not compensable under workers compensation, unless another exclusion applies.</p>	Clarification

Part III – LIABILITY (Continued)	PCHO 0802 ORIGINAL	PCHO 0906 REVISED	Broadening Restriction Clarification
E. Exclusions Care, Custody or Control	Care, Custody or Control <b>Property damage</b> to property owned by, or in the custody, care or control of, an <b>insured person</b> .	Revised to track with Personal Excess language. Care, Custody or Control <b>Property Damage</b> to property owned by, rented to, occupied or used by, or in the care, custody or control of an <b>insured person</b> to the extent that the <b>insured person</b> is required by contract to provide insurance. This exclusion does not apply to <b>property damage</b> caused by fire, smoke, or explosion.	Clarification
E. Exclusions Sexual Molestation	Sexual Molestation or Corporal Punishment <b>Personal injury</b> arising out of any actual, alleged or threatened:	Included the words “by any person” <b>Personal injury</b> arising out of any actual, alleged or threatened by any person:	Clarification
E. Exclusions	<b>Fungi</b> , Wet or Dry Rot, Bacteria <b>Personal injury</b> or <b>property damage</b> arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any <b>fungi</b> , wet or dry rot, or bacteria. This does not include <b>personal injury</b> or <b>property damage</b> arising out of <b>fungi</b> that are, are on, or are contained in, a good or product intended for consumption.	Exclusion Deleted.	Broadening

<b>Part IV – CONDITIONS</b>	<b>PCHO 0802 ORIGINAL</b>	<b>PCHO 0906 REVISED</b>	<b>Broadening Restriction Clarification</b>
Part IV – Conditions	Not addressed	<p>Included the following</p> <p>A. Your Duties</p> <ol style="list-style-type: none"> <li>1. Your duty is to notify your agent or broker of a change in occupancy.</li> <li>2. Your duty is to notify your agent or broker at the beginning of any renovation or construction work and throughout the work to maintain an appropriate amount of coverage and confirm that appropriate protective safeguards are in place as determined by us.</li> </ol>	Clarification
Part IV – Conditions B. Your Duties After a Loss Item 7	<p>7. Send to us within sixty (60) days of our request, your signed sworn proof of loss which sets forth, to the best of your knowledge:</p> <ol style="list-style-type: none"> <li>a. The time and cause of loss;</li> <li>b. The interest of all others in the property; and</li> <li>c. Other insurance which may cover the loss.</li> </ol>	<p>Amended to include Item d.</p> <p>7. Send to us within sixty (60) days of our request, your signed sworn proof of loss which sets forth, to the best of your knowledge:</p> <ol style="list-style-type: none"> <li>a. The time and cause of loss;</li> <li>b. The interest of all others in the property;</li> <li>c. Other insurance which may cover the loss; and</li> <li>d. The dollar amount being claimed as your loss.</li> </ol>	Clarification

## Endorsements

	<b>Endorsement</b>	<b>Amended or New coverage</b>	<b>Summary</b>	<b>Rule Status</b>	<b>Broadening Restriction Clarification</b>
1.	Equipment Breakdown PCHO-EB (09/06)	New	Optional. This endorsement provides breakdown coverage for property other than contents that generates, transmits, or utilizes energy and operates under pressure or vacuum.	New Rule	Broadening
2.	AIG Fraud SafeGuard PCHO-FRDSG (09/06)	New	Optional. This endorsement provides coverage for Stolen Identity event along with restoration services with no deductible. Fraud, Embezzlement or Forgery coverage is provided subject to a selected deductible. It also provides \$2500 for ATM theft with no deductible.	New Rule	Broadening
3.	Named Insured as Trust or Legal Liability Corporation PCHO-TLLC (09/06)	New	Optional. This endorsement is applied to the policy when the insured name is an LLC or Trust.	N/A	Clarification
4.	Additional Insured - LLC or Trust PCHO-ADINLLC (09/06)	New	Optional. This endorsement is applied to the policy when a Trust or LLC is listed as an additional insured.	N/A	Clarification
5.	Exclusion of Animal-Related Liability PCHO-ANIMEX (09/06)	New	Optional. This endorsement excludes personal injury or property damage arising out of direct or indirect contact with an animal that is owned by or in the care, custody or control of an insured person.	N/A	Restriction
6.	Domestic Animals Deductible PCHO-DOMANIMDED (09/06)	New	Optional. This endorsement indicates that for an occurrence stemming from or involving a domestic animal, a deductible amount of \$50,000 shall apply separately to each occurrence and shall also apply to either damages or defense expenses or both.	N/A	Restriction
7.	Other Permanent Structures – Condominium & Cooperative Owner PCHO-OPSCONDO (09/06)	New	Optional. This endorsement extends coverage to OPS situated on the common grounds for any residence listed on the Declarations Page that is a condo or coop. OPS includes additions, alterations, items of real property, installations or fixtures, including OPS, paid for or acquired at the insured's expense along with the residence. For each \$1,000 of OPS coverage add, \$2.75.	New Rule	Broadening

	<b>Endorsement</b>	<b>Amended or New coverage</b>	<b>Summary</b>	<b>Rule Status</b>	<b>Broadening Restriction Clarification</b>
8.	Course of Construction Conditions PCHO-COCC (09/06)	Amended – Replace PCHO-COCC (04/05)  <i>See marked copy</i>	Optional. Upon risk submission, the client advises that certain protective safeguards are in place. We base our u/w decision on the existence of these protective safeguards. The endorsement confirms back to the insured the protective safeguards we acknowledge are in place when binding the risk. It has been revised by removing Contractors GL & WC and Waiver of Subro as protective safeguards along with amending language to include hours of construction and a signature line.	No Change to Existing Rule.	Clarification
9.	Fungi Liability Exclusion PCHO-FLEX (09/06)	New	Optional. This endorsement excludes liability coverage for personal injury or property damage caused by fungi or bacteria.	N/A	Restriction
10.	Landscaping Coverage Increased Limits PCHO-LCIL (09/06)	Amended – replace PCHO-LCIL (8/00)  <i>See marked copy</i>	Optional. This endorsement extends landscaping coverage for the residence up to a specific amount. It has been revised to clarify our intent that landscaping does not include forestry or brush. In addition, we are offering increased limits per Tree, Shrub or Plant to \$25,000, \$50,000, and \$100,000.	Rule Change	Broadening
11.	Landscaping Wind Coverage Extension PCHO-LWCE (09/06)	Amended – replace PCHO-LWCE (8/00)  <i>See marked copy</i>	Optional. This endorsement extends coverage for landscaping losses due to the peril of wind. It has been revised to clarify our intent that landscaping does not include forestry or brush. In addition, we are offering increased limits per Tree, Shrub or Plant to \$25,000, \$50,000, and \$100,000 for the peril of Wind.	Rule Change	Broadening
12.	Landscaping Limitation PCHO-LANLIM (09/06)	Amended – replace PCHO-LANLIM (08/02)  <i>See marked copy</i>	Optional. This endorsement is used to remove the covered peril of fire, lightning or explosion from landscaping coverage. It has been revised to clarify our intent that landscaping does not include forestry or brush.	No Change to Existing Rule.	Clarification

	<b>Endorsement</b>	<b>Amended or New coverage</b>	<b>Summary</b>	<b>Rule Status</b>	<b>Broadening Restriction Clarification</b>
13.	Earthquake Coverage Extension PCHO-ECE (09/06)	Amended – replace PCHO-ECE (8/00)  <i>See marked copy</i>	Optional. This endorsement extends coverage by allowing for a specific deductible for a loss due to earthquake. Wording has been revised to coincide with changes made to our PCG Homeowners Policy Form PCHO (09/06).	No Change to Existing Rule.	Clarification
14.	Privacy Notice PCG-GLBA (03/06)	Amended – replace GLBA (5/01) PCG2  <i>See marked copy</i>	Mandatory. This notice is revised by removing all companies/states and will automatically indicate the u/w company applicable to each policy written and includes state required language, where applicable.	N/A	Clarification
15.	Sinkhole Collapse Coverage Extension PCHO-SHC (09/06)	Amended – replace PCHO-SC (8/00)  <i>See marked copy</i>	Optional. This endorsement extends coverage to insure direct physical loss to the house or other permanent structure arising out of a sinkhole collapse. The wording has been revised for grammatical clarity and the form number has been changed.	No Change to Existing Rule.	Clarification
16.	Loss Payable Clause PCG-LPCL (08/02)	Amended – replace PCG-LPCL (07/01)  <i>See marked copy</i>	Optional. This endorsement is used to list Loss Payees names and addresses. It has been revised to clarify intent.	No Change to Existing Rule.	Clarification
17.	Personal Injury Exclusion PCHO-PIEX (08/02)	Amended – replace PCHO-PIEX (07/01)  <i>See marked copy</i>	Optional. This endorsement is used to delete personal injury coverage but maintain property damage coverage for insureds that may have specific coverage elsewhere or where we would not be able to entertain an account otherwise. It has been revised by removing reference to Workers' Compensation – Residence Employees which was inadvertently included.	No Change to Existing Rule.	Clarification
18.	Limited Additional Coverages PCHO-LAC (09/06)	Amended – replace PCHO-LAC (8/00)  <i>See marked copy</i>	Optional. For a reduced premium, this endorsement caps Additional Living Expense, Fair Rental Value, Forced Evacuation, Debris Removal & Rebuilding to Code at 30% of the policy limit. It has been revised by clarifying intent when a residence is under construction and adding coverage for kenneling domestic animals.	No Change to Existing Rule.	Clarification

	Endorsement	Amended or New coverage	Summary	Rule Status	Broadening Restriction Clarification
19.	Construction Coinsurance Clause PCHO-COCCOIN (09/06)	New	Optional Coinsurance language that specifically addresses residences that are under construction or renovation.	N/A	Restriction
20.	Additional Named Insured – Limited Coverage Endorsement PCHO-ADINLCE (09/06)	New	Optional Amends the policy by providing liability coverage to an additional person or organization only with respect to a specific interest indicated in the endorsement.	N/A	Broadening
21.	Political Activity Exclusion PCHO-POLACTEX (03/06)	New	Optional This endorsement excludes liability exposure of a political candidate or political fundraiser.	N/A	Restriction
22.	Increased Ensuing Fungi or Bacteria - Arkansas PCHO-IEF (12/05)	Amended – replace PCHO-IEF-AR (07/02)  <i>See marked copy</i>	Optional. This endorsement increases the amount that we will pay in total for loss to your <b>house, contents and other permanent structures</b> caused by <b>fungi</b> or bacteria. We have amended language to exclude “wet and dry rot.” In addition, we have added an additional limit option of \$25,000 that we will pay in total for loss to your <b>house, contents and other permanent structures</b> caused by <b>fungi</b> or bacteria. The cost is \$120.	Rule Change	Clarification
23.	Residence Rental Theft Exclusion PCHO-RT (8/02)	Amended – replace PCHO-RT (8/00)  <i>See marked copy</i>	Optional. This endorsement restricts coverage on any loss by theft from any part of the residence rented to others. It has been revised by including the specific location.	N/A	Clarification
24.	AIG Household SafeGuard PCHO-HS (09/06)	New	Optional. This endorsement extends coverage for kidnapping, child abduction, stalking, home invasion, car jacking, hijacking and violent threat for occurrences anytime during the policy period, unless stated otherwise or an exclusion applies.	New Rule	Broadening
25.	AIG Household SafeGuard (Stalking Excluded) PCHO-HS-STEX (09/06)	New	Optional. This endorsement extends coverage for kidnapping, child abduction, home invasion, car jacking, hijacking and violent threat for occurrences anytime during the policy period, unless stated otherwise or an exclusion applies.	New Rule	Broadening

	<b>Endorsement</b>	<b>Amended or New coverage</b>	<b>Summary</b>	<b>Rule Status</b>	<b>Broadening Restriction Clarification</b>
26.	Flood Coverage PCHO-FLD (09/06)	New	Optional. This endorsement extends property coverage under our homeowners program for flood.	New Rule	Broadening
27.	Extended Rebuilding Cost Coverage PCHO-ERCC (09/06)	Amended – replace PCHO-ERCC (8/00)  <i>See marked copy</i>	Optional. For a reduced premium, this endorsement caps the amount of coverage for reconstruction costs.	New Rule	Restriction
28.	Deductible Waiver for Large Losses PCHO-DWLL (09/06)	Amended – replace PCHO-DWLL (08/02)  <i>See marked copy</i>	Optional. This endorsement indicates that the deductible does not apply to a covered loss of more than \$50,000. The waiver of deductible does not pertain to: <ul style="list-style-type: none"> <li>• Special deductibles for wind, hail, hurricane, or EQ; or</li> <li>• Separate coverage deductibles contained within the Equipment Breakdown or Fraud Safeguard ends.</li> </ul>	Rule Change	Clarification
29.	Contents Coverage Special Limitation PCHO-CCSL (09/06)	New	Optional. This endorsement limits contents coverage for a specified location to \$50,000 for loss caused by theft, attempted theft, fire, lightning or explosion, or water escaped from A/C, heating, plumbing or household appliance.	N/A	Restriction
30.	Thoroughbred Horse Liability Extension PCHO-THL (09/06)	New	Optional. This endorsement extends \$1,000,000 of Liability coverage to thoroughbred horse owners.	New Rule	Broadening
31.	Additions & Alterations Extended Replacement Cost PCHO-AERC (09/06)	Amended – replace PCHO-AERC (07/01)  <i>See marked copy</i>	Optional. This is for Condo or Co-op owners where building additions and alterations coverage can be extended to apply to an amount up to 150% of the Contents Coverage Limit. Wording has been revised to coincide with changes made to our PCG Homeowners Policy Form PCHO (09/06).	No Change to Existing Rule.	Broadening
32.	Earthquake Coverage Extension for Loss Assessment PCHO-EQAS (09/06)	Amended – replace PCHO-EQAS (8/00)  <i>See marked copy</i>	Optional. This endorsement extends coverage under loss assessment for the peril of earthquake. Wording has been revised to coincide with changes made to our PCG Homeowners Policy Form PCHO (09/06).	Rule Change.	Broadening

	<b>Endorsement</b>	<b>Amended or New coverage</b>	<b>Summary</b>	<b>Rule Status</b>	<b>Broadening Restriction Clarification</b>
33.	Increased Limit on Personal Property PCHO-ILPP (09/06)	Amended – replace PCHO-ILPP (07/01)  <i>See marked copy</i>	Optional. This endorsement extends coverage to specified limit for any contents at a residence where there is no contents coverage. Wording has been revised to coincide with changes made to our PCG Homeowners Policy Form PCHO (09/06).	No Change to Existing Rule.	Broadening
34.	Increased Limits Business Property PCHO-ILBP (09/06)	Amended – replace PCHO-ILIB (8/00)  <i>See marked copy</i>	Optional. This endorsement is used to increase property coverage for business property at the specified limit.	Rule Change.	Broadening
35.	Homeowners Amendatory Endorsement - ARKANSAS PCHO-AEAR (09/06)	Amended – replace PCHO-AEAR (08/02)  <i>See marked copy</i>	All policies. This endorsement amends the policy contract as follows: <ul style="list-style-type: none"> <li>▪ The ensuing fungi limitation has been revised to remove the limitation on repair costs for damages caused by fungi.</li> <li>▪ The property pollution exclusion is revised to add an exception that the exclusion does not apply if the loss is sudden and accidental.</li> <li>▪ Legal Action Against Us condition is revised to bring action against us within 5 (vs. 1) years.</li> <li>▪ The Appraisal condition is revised to occur only by mutual consent and the result is non-binding.</li> <li>▪ The Mortgage and Cancellation clauses are revised to meet Arkansas statutes.</li> </ul>	N/A	Clarification
36.	Wind or Hail Percentage Deductible PCHO-WHLPD (09/06)	Amended – replace PCHO-WPD (8/00)  <i>See marked copy</i>	Optional. This endorsement provides a higher deductible for losses resulting from wind or hail.	No Change to Existing Rule.	Broadening

## Withdrawn Forms

	Endorsement	Form Status	Summary	Rule Status
1.	Fungi Liability Extension PCHO-FLE (07/02)	Withdrawn	Contract enhanced to include Fungi Liability Coverage.	Withdraw Rule
2.	Identity Fraud Expense Coverage PCHO-IFEC (07/01)	Withdrawn	Replacing with enhanced coverage endorsement– Fraud Safeguard.	Withdraw Rule
3.	Increased Loss Assessment Coverage PCHO-ILAC (8/00)	Withdrawn	Contract enhanced to provide \$100,000 of coverage.	Withdraw Rule
4.	Business Property Extension PCHO-BPET (07/01)	Withdrawn	Contract enhanced to provide up to \$25,000 of coverage for business property.	Withdraw Rule

**AIG PRIVATE CLIENT GROUP  
HOMEOWNERS PROGRAM REVISION (09/06)  
ACTUARIAL/EXPLANTORY MEMORANDUM**

AIG Private Client Group is filing new and revised forms, endorsements and rules for use with our Homeowners Program.

Enhancements to our homeowner policy form include, but are not limited to the following:

1. Following a paid loss, we will pay up to \$2,500 for the installation of an approved loss prevention device to protect a residence against the same loss in the future
2. A premium credit is available if the home is protected by an Automatic Water Shut-Off Valve
3. We have increased our limit for damage to the property of others to \$10,000
4. We have increased the insured's share of a covered loss assessment to \$100,000. In addition, we have increased to \$10,000 any assessment that results from a deductible in the Association's insurance.
5. Business Property is now covered up to \$25,000 (higher options available by endorsement)
6. We now cover up to the liability limits of the policy for personal injury and property damage arising out of the presence of fungi or bacteria.

In addition to the above enhancements to our homeowner policy form, we are filing various optional coverage endorsements including, but not limited to the following:

Equipment Breakdown:

PCG is introducing an endorsement which provides homeowners with the choice of including Equipment Breakdown coverage on their Homeowners insurance policy. Some examples include, but are not limited to, boilers, furnaces, and central air conditioners. The complete coverage description is evident in the endorsement.

The rates and rules were developed in conjunction with The Hartford Steam Boiler Inspection and Insurance Company (HSB), which is also an AIG owned business. HSB utilized corresponding commercial frequencies and severities, adjusted and/or selected for application to the PCG high net worth clientele, in establishing the rates. HSB will reinsure 100% of the PCG Equipment Breakdown exposures, but the coverage will be offered exclusively through PCG.

Fraud Safeguard:

PCG is replacing our current Identity Fraud coverage with a more expanded Fraud Safeguard coverage. The expanded version includes coverage for fraud, embezzlement, or forgery, as well as stolen ID and ATM robbery. The current version only covers losses associated with fraud. Our insureds who currently purchase the Identity Fraud coverage will be renewed with the expanded version, and with the same limit. There is no rate change, despite the general higher rate level, as there is now more coverage. However, the additional rate is quite arbitrary with respect to the total HO premium, given the nature of the PCG clientele, which most often includes multi-million homes and limits, resulting in significant property premiums.

Household Safeguard:

PCG is introducing two endorsements which provide homeowners with the choice of including Household Safeguard coverage on their Homeowners insurance policy. One coverage endorsement extends coverage for kidnapping, child abduction, stalking, home invasion, car jacking, hijacking and violent threat for occurrences anytime during the policy period, unless stated otherwise or an exclusion applies. The other coverage endorsement extends coverage for kidnapping, child abduction, home invasion, car jacking, hijacking and violent threat for occurrences anytime during the policy period, unless stated otherwise or an exclusion applies

The rates and rules are not actuarially justified as this is a new coverage for us and therefore we have no data. They are comparable to others in the industry offering this coverage.

Please see the attached Side-By-Side Comparison along with the marked copies where applicable, for a detailed explanation of all revisions being made to our Homeowners Program.

## Flood Coverage

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:

*(physical address of location)*

Flood Zone Assignment:

	Flood zone B, C, or X
	Flood zone A or V
	<u>Flood zone D</u>

As respects **Flood** coverage provided by this endorsement, PART I – DEFINITIONS is amended to include the following:

**Basement** means any area of your house or other permanent structure including any sunken room or sunken portion of a room, having its floor below ground level (sub grade) on all sides.

**Flood** means:

1. A general and temporary condition of partial or complete inundation of normally dry land area from:
  - a. Overflow of inland or tidal waters;
  - b. Unusual and rapid accumulation or runoff of surface waters from any source; or
  - c. **Mudflow**.
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a **flood** as defined in 1.a. above.

All flooding in a continuous or protracted event will constitute a single **flood**.

**Landslide** means the rapid movement of a mass of soil downslope along a curved or planar failure surface, without deformation of the soil structure.

**Mudflow** means a river of liquid and flowing mud occurring on level or near-level surfaces of normally dry land areas that have not been affected by **landslide**, as when earth is carried by a current of water. Other earth movements, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope, are not **mudflows**.

**National Flood Insurance Program (NFIP)** means the program of **flood** insurance coverage and floodplain management administered under the Act and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.

**Special Flood Hazard Area (SFHA)** means an area having special **flood**, or **mudflow**, and/or **flood**-related erosion hazards, and shown on a **Flood Hazard Boundary Map** or **Flood Insurance Rate Map** as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.

~~Tsunami means a series of pressure waves caused by a sudden shift in the ocean floor. Such shifts are usually caused by earthquakes, but they can also be caused by undersea landslides or slumps, volcanoes, or even meteor impacts.~~

PART II – PROPERTY, C. Additional Coverage is amended as follows:

The following Additional Coverage is added

**Flood**

We will pay for physical loss or damage to your **house, contents** or **other permanent structures** including debris removal caused directly by **flood** unless an exclusion applies.

The Flood Insurance Rate Map (FIRM) in place as of the effective date of the policy or renewal term determines the amount we will pay for a covered loss.

**Payment of a Loss:**

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP**:

1. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$250,000 for **property damage** to your **house** and **other permanent structures**; ~~including up to \$25,000 for **property damage** to the interior walls, ceilings, fixtures and flooring materials within the **basement**.~~ These payments do not increase the amount of your coverage.

2. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$100,000 for **property damage** to your **contents** located at the covered **residence**. These payments do not increase the amount of your coverage. ~~The limit shown for each of the following categories is the maximum we will pay for that type of **contents** for each **occurrence**. These special limits do not increase the amount of coverage for your **contents**.~~

i.	<del>Contents located within the <b>basement</b></del>	<del>\$10,000</del>
ii.	<del>Jewelry, watches, precious and semiprecious stones, or articles of gold, silver or platinum</del>	<del>\$2,500</del>
iii.	<del>Antiques, artwork, photographs, rare books, collectibles or memorabilia, including but not limited to, porcelain or other figures and sports cards</del>	<del>\$2,500</del>
iv.	<del>Furs or any article containing fur which represents its principal value</del>	<del>\$2,500</del>

3. We will pay up to ~~\$2505~~,000 for Additional Living Expenses, which consist of:

- a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood loss**.
- b. Loss of fair rental value – if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your

**residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered flood loss.

- c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to flood, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$275,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house** or **other permanent structure** is safe to occupy; and, if required, the demolition of your **house** or **other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

56. We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of **flood**. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

For your listed **residence** located in a designated **Special Flood Hazard Area, flood zone D,** or a B, C or X flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

The coverage limits specified below will be reduced by any payments available through the **NFIP** policy insuring the **residence** or if the **residence** is ineligible for an **NFIP** policy or eligible to be written under an **NFIP** policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under the **NFIP** policy. If we provide broader coverage than the **NFIP** policy, we will pay the difference in conditions not to exceed the limits defined below whether or not you can collect on the **NFIP** policy.

The most we will pay for each **occurrence** is as follows:

1. We will pay up to the lesser of \$250,000; the "Coverage A – Building Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **house** and **other permanent structures**. ~~any detached garage.~~

~~The limit shown for each of the following categories is the maximum we will pay for that type of **property damage** for each **occurrence**. These special limits do not increase the amount of coverage for your **house** or **other permanent structures**.~~

- |                |   |                     |
|----------------|---|---------------------|
| <del>i.</del>  | <del><b>other permanent structures</b></del>  | <del>\$25,000</del> |
| <del>ii.</del> | <del><b>property damage</b> to the interior walls, ceilings, fixtures and flooring materials within the <b>basement</b></del> | <del>\$25,000</del> |

2. We will pay up to the lesser of \$100,000; the "Coverage B – Personal Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **contents** located at the covered **residence**.

~~The limit shown for each of the following categories is the maximum we will pay for that type of **contents** for each **occurrence**. These special limits do not increase the amount of coverage for your **contents**.~~

- |                 |   |                     |
|-----------------|---|---------------------|
| <del>i.</del>   | <del><b>Contents</b> located within the <b>basement</b></del>   | <del>\$10,000</del> |
| <del>ii.</del>  | <del>Jewelry, watches, precious and semiprecious stones, or articles of gold, silver or platinum</del>  | <del>\$2,500</del>  |
| <del>iii.</del> | <del>Antiques, artwork, photographs, rare books, collectibles or memorabilia, including but not limited to, porcelain or other figures and sports cards</del> | <del>\$2,500</del>  |
| <del>iv.</del>  | <del>Furs or any article containing fur which represents its principal value</del>  | <del>\$2,500</del>  |

3. We will pay up to \$~~2505~~<sub>2</sub>,000 for Additional Living Expenses, which consist of:

a)a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood** loss.

b)b. Loss of fair rental value – if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent out to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your **residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered **flood** loss.

e)c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to flood, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$275,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house** or **other permanent structure** is safe to occupy; and, if required, the demolition of your **house** or **other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

65. We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of **flood**. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

PART II – PROPERTY, D. Exclusions, is amended as follows:

A. The following exclusion is deleted in its entirety and replaced as follows:

1. Surface and Ground Water Damage

We do not cover any loss caused by:

- a. **Flood**, surface water, waves, tidal water overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

This exclusion does not apply to:

- a. **Contents** away from any **residence** you own or live at;
- b. Ensuing covered loss unless another exclusion applies; or
- c. Coverage provided under PART II – PROPERTY. Additional Coverage. **Flood**.

B. With respect to **Flood** coverage, the following exclusions are added:

~~1. We do not provide coverage for physical loss or **property damage** resulting from **flood** to any of the following types of property:~~

- ~~a. Underground structures and equipment, including wells, septic tanks, and septic systems;~~
- ~~b. Those portions of walks, walkways, decks, driveways, patios, and other surfaces, all whether protected by a roof or not, located outside the perimeter, exterior walls of the insured **house** or **other permanent structure** or the building in which the insured **residence** is located;~~
- ~~c. Containers, including related equipment, such as, but not limited to, tanks containing gases or liquids;~~
- ~~d. Fences, retaining walls, seawalls, bulkheads, pilings, wharves, piers, bridges, and docks;~~
- ~~e. Boat houses or other open structures, and any **contents** located within these structures, if the structure is located on or over a body of water;~~
- ~~f. Any **house** or **other permanent structure**, and any **contents** located within, that is not fully enclosed by walls and a roof;~~
- ~~g. Hot tubs and spas that are not bathroom fixtures, and swimming pools, and their equipment such as, but not limited to, heaters, filters, pumps, and pipes, wherever located; or~~
- ~~h. **Contents** you own in common with other condominium owners comprising the membership of a condominium association.~~

~~2.1. We do not cover any loss or **property damage** caused by or resulting from any **flood** that is already in progress at the time and date:~~

- ~~a. the policy term begins; or~~
- ~~b. coverage is added at your request~~

If the **flood** is due to the overflow of inland or tidal waters, then the **flood** is considered to begin when the water first overflows its banks.

~~3. We do not cover any loss, directly or indirectly, and regardless of any cause or event contributing concurrently or in any sequence to the loss, caused by or resulting from a tsunami.~~

~~4.2. We will not pay that part of the loss that is attributable to any Deductible(s) in the **NFIP** policy.~~

~~5. We do not cover any loss or **property damage** caused by or resulting from **flood** to an **SFHA** designated **residence** located in an Emergency Program Community. An Emergency Program Community means a community participating in the Emergency Program of the **NFIP**.~~

~~6.3. We do not cover any loss or **property damage** caused by or resulting from earth movement, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope whether caused directly or indirectly by **flood**.~~

PART IV – CONDITIONS, is amended as follows:

The Other Insurance provision is ~~amended to include~~deleted and replaced by the following:

Other Insurance

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP** or in flood zone D:

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.

For your listed **residence** located in a designated **Special Flood Hazard Area** or a B, C or X flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

Payments under this coverage are in excess over the payments made by the **NFIP** policy, ~~and subject to the maximum limits available through the **NFIP**.~~ This provision applies whether or not the maximum **NFIP** limit was obtained or maintained, and whether or not you can collect on the **NFIP** policy.

*SERFF Tracking Number:*      *APCG-125184196*                      *State:*                      *Arkansas*  
*Filing Company:*              *American International Insurance Company*      *State Tracking Number:*      *AR-PC-07-025478*  
*Company Tracking Number:*      *07-HO-AR-001F*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0000 Homeowners Sub-TOI Combinations*  
*Product Name:*                      *Homeowners*  
*Project Name/Number:*              *Homeowners 09/06 Rewrite/07-HO-AR-001F*

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Form	Homeowners Amendatory Endorsement - Arkansas	07/10/2007	PCHO-AEAR-0906-Homeowners Amendatory - Arkansas.pdf PCHO-AEAR_08-02_ - Homeowners Amendatory - Arkansas-MRK.pdf

## Homeowners Amendatory Endorsement Arkansas

Part II - PROPERTY, Additional Coverages, Ensuing **Fungi** or Bacteria, is deleted and replaced by the following:

### Ensuing **Fungi** or Bacteria

We will pay up to \$10,000 in total for a loss caused by **fungi** or bacteria resulting from a covered loss, including: a. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;

b. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and

c. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims-made. We will not make any additional payments for Ensuing **Fungi** or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Part II - PROPERTY, Exclusions, Pollution or Contamination is deleted and replaced by the following:

### Pollution or Contamination

We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" is an impurity resulting from the mixture of or contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed. However, this exclusion does not apply if the loss is sudden and accidental.

Part IV - CONDITIONS, Legal Action Against Us is deleted and replaced by the following:

### Legal Action Against Us

No action shall be brought against us unless the **insured person** has complied with this policy's provisions, nor until final judgment or agreement has set the amount of the **insured person's** legal obligation with us. You also agree to bring any action against us within five (5) years after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined. No one has the right to join us in any action against any **insured person**.

Part IV - CONDITIONS, Appraisals is deleted and replaced by the following:

#### Appraisals

If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent appraiser within twenty (20) days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "**residence** premises" is located. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Part IV – CONDITIONS, Mortgage Clause is amended as follows:

#### Mortgage Clause

The sentence "If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect." is deleted and replaced by the following:

If we decide to cancel this policy, the mortgagee will be notified:

- a. At least ten (10) days before the date cancellation takes effect if:
  - (1) We cancel for nonpayment of premium; or
  - (2) The policy has been in effect for less than sixty (60) days and is not a renewal with us; or
- b. At least twenty (20) days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least ten (10) days before the date nonrenewal takes effect.

Part IV - CONDITIONS, Our Cancellation is deleted and replaced by the following:

#### Our Cancellation

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

1. Nonpayment of Premium. If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan;.

2. We may cancel this policy with thirty (30) days notice upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
3. We may cancel this policy with thirty (30) days notice upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
4. We may cancel this policy with thirty (30) days notice if there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
5. We may cancel this policy with thirty (30) days notice for nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
6. We may cancel this policy with thirty (30) days notice for the material violation of a material provision of this policy.

All other provisions of this policy apply.

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## Homeowners Amendatory Endorsement Arkansas

Part II - PROPERTY, Additional Coverages, Ensuing ~~Fungi, Wet or Dry Rot,~~ or Bacteria, is deleted and replaced by the following:

### Ensuing ~~Fungi, Wet or Dry Rot,~~ or Bacteria

We will pay up to \$10,000 in total for a loss caused by ~~fungi, wet or dry rot,~~ or bacteria resulting from a covered loss, including:

~~1-a.~~ The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, ~~fungi, wet or dry rot,~~ or bacteria;

~~2-b.~~ The cost of testing or monitoring of air or property to confirm the absence, presence or level of ~~fungi, wet or dry rot,~~ 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,~~ or bacteria; and

~~3-c.~~ Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims-made. We will not make any additional payments for Ensuing ~~Fungi, Wet or Dry Rot,~~ or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Part II - PROPERTY, Exclusions, Pollution or Contamination is deleted and replaced by the following:

### ~~Pollution or Contamination-~~

We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" is an impurity resulting from the mixture of or contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed. However, this exclusion does not apply if the loss is sudden and accidental.

Part IV - CONDITIONS, Legal Action Against Us is deleted and replaced by the following:

### ~~Legal Action Against Us-~~

No action shall be brought against us unless the **insured person** has complied with this policy's provisions, nor until final judgment or agreement has set the amount of the **insured person's** legal obligation with us. You also agree to bring any action against us within five (5) years after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined. No one has the right to join us in any action against any **insured person**.

Part IV - CONDITIONS, Appraisals is deleted and replaced by the following:

Appraisals-

If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent appraiser within twenty (20) days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "**residence** premises" is located. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Part IV – CONDITIONS, Mortgage Clause is amended as follows:

Mortgage Clause-

The sentence "If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect." is deleted and replaced by the following:

If we decide to cancel this policy, the mortgagee will be notified:

- a. At least ten (10) days before the date cancellation takes effect if:
  - (1) We cancel for nonpayment of premium; or
  - (2) The policy has been in effect for less than sixty (60) days and is not a renewal with us; or
- b. At least twenty (20) days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least ten (10) days before the date nonrenewal takes effect.

Part IV - CONDITIONS, Our Cancellation is deleted and replaced by the following:

Our Cancellation-

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain an U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

We may cancel this policy subject to the following conditions:

1. Nonpayment of Premium. If you fail to pay the premium by the date it is due we may cancel this policy with (ten) 10 days notice, whether the premium is due to us, to our agent, or under any finance or credit plan;.

2. We may cancel this policy with thirty (30) days notice upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
3. We may cancel this policy with thirty (30) days notice upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
4. We may cancel this policy with thirty (30) days notice if there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
5. We may cancel this policy with thirty (30) days notice for nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
6. We may cancel this policy with thirty (30) days notice for the material violation of a material provision of this policy.

All other provisions of this policy apply.

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