

SERFF Tracking Number: ASPX-125340546 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Filing at a Glance

Company: American Reliable Insurance Company

Product Name: SCO - Dwelling SERFF Tr Num: ASPX-125340546 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: AR-PC-07-026597
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: A-DW-07 4949 State Status:
Filing Type: Form Co Status: Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Author: SPI AssurantPC Disposition Date: 11/30/2007
Date Submitted: 10/29/2007 Disposition Status: Approved
Effective Date Requested (New): 01/01/2008 Effective Date (New): 01/01/2008
Effective Date Requested (Renewal): Effective Date (Renewal):

State Filing Description:

Sub-TOI should be 1.0002 Personal Property per company

General Information

Project Name: SCO - Dwelling
Project Number: DF AR02532ARF01
Reference Organization:
Reference Title:
Filing Status Changed: 11/30/2007
State Status Changed: 10/30/2007
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:

Filing Description:

American Reliable Insurance Company respectfully submits the attached forms revision filing to our currently approved Dwelling programs in Arkansas. Our proposed effective dates are January 1, 2008 for new and February 1, 2008 for renewal business.

There is a companion rate and rule filing.

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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 Product Name: SCO - Dwelling
 Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Company and Contact

Filing Contact Information

Wendy Sara-Kalisz,
 8655 East Via De Ventura (800) 535-1333 [Phone]
 Scottsdale, AZ 85258

Filing Company Information

American Reliable Insurance Company CoCode: 19615 State of Domicile: Arizona
 11222 Quail Roost Dr Group Code: 19 Company Type:
 Miami, FL 33157 Group Name: Assurant, Inc. Group State ID Number:
 (305) 253-2244 ext. [Phone] FEIN Number: 41-0735002

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Reliable Insurance Company	\$50.00	10/29/2007	16371571

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	11/30/2007	11/30/2007

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	11/27/2007	11/27/2007	SPI AssurantPC	11/28/2007	11/28/2007
Pending Industry Response	Becky Harrington	11/16/2007	11/16/2007	SPI AssurantPC	11/16/2007	11/16/2007
Pending Industry Response	Becky Harrington	10/31/2007	10/31/2007	SPI AssurantPC	11/16/2007	11/16/2007

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Roof Exclusion	Form	SPI AssurantPC	11/30/2007	11/30/2007

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Roof Exclusion Endorsement	Note To Filer	Becky Harrington	11/30/2007	11/30/2007

<i>SERFF Tracking Number:</i>	<i>ASPX-125340546</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Reliable Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026597</i>
<i>Company Tracking Number:</i>	<i>A-DW-07 4949</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>SCO - Dwelling</i>		
<i>Project Name/Number:</i>	<i>SCO - Dwelling/DF AR02532ARF01</i>		

SERFF Tracking Number: ASPX-125340546 *State:* Arkansas
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TOI: 01.0 Property *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Disposition

Disposition Date: 11/30/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms Filing Schedule	Approved	Yes
Supporting Document	Forms Filing Memo	Approved	Yes
Supporting Document	Cert of Compliance	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Form DL2411 1202	Approved	Yes
Supporting Document	Form DL2401 1202	Approved	Yes
Supporting Document	Roof Exclusion	Approved	Yes
Form	Additional Insured	Approved	Yes
Form	Personal Liability - Additional Policy Conditions	Approved	Yes
Form	Increased Deductible for Loss or Damage Caused by Tenants	Approved	Yes
Form	Roof Exclusion	Approved	Yes
Form	Policy Cover	Approved	Yes
Form (revised)	Declarations Page	Approved	Yes
Form	Declarations Page		Yes
Form	Declarations Page	Approved	Yes
Form	Dwelling Policy - Broad	Approved	Yes
Form	Dwelling Policy - Special	Approved	Yes
Form	Special Provisions - Arkansas	Approved	Yes
Form	Automatic Increase in Insurance	Approved	Yes
Form	Earthquake	Approved	Yes
Form	Limited Theft Coverage	Approved	Yes
Form (revised)	Roof for Fire and Lightning Only	Withdrawn	Yes
Form	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing		Yes
Form	Actual Cash Value Loss Settlement	Approved	Yes
Form	Residential Burglary	Approved	Yes
	Punitive Damages Exclusion	Approved	Yes

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Form (revised)

Form	Punitive Damages		Yes
Form	Occupancy Endorsement	Approved	Yes
Form (revised)	Hazardous Substance Exclusion	Approved	Yes
Form	Hazardous Substance Exclusion		Yes
Form	Vandalism or Malicious Mischief Vacancy	Approved	Yes
Form	Building Exclusion Endorsement	Approved	Yes
Form	Trampoline Exclusion	Approved	Yes
Form	Personal Property Replacement Cost	Approved	Yes
Form	Water Limitation Endorsement	Approved	Yes
Form	Swimming Pool or Spa Exclusion	Approved	Yes
Form	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse Exclusion	Approved	Yes
Form	Actual Cash Value Defined	Approved	Yes
Form	Mold Exclusion	Approved	Yes
Form	Specific Breed Animal Exclusion	Approved	Yes
Form	Roof Exclusion	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/27/2007
Submitted Date 11/27/2007
Respond By Date

Dear Wendy Sara-Kalisz,

This will acknowledge receipt of the captioned filing.

Objection 1

- Roof for Fire and Lightning Only (Form)

Comment: As indicated in my correspondence of 11/16/2007, this endorsement is not acceptable. You may either exclude the roof for all perils or cover it under the same loss settlement terms as the dwelling. Please withdraw or amend the endorsement.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/28/2007
Submitted Date 11/28/2007

Dear Becky Harrington,

Comments:

11-28-07 - AR - A-DW-07 4949

This correspondence is in response to your objection letter dated 11/27/07.

Response 1

Comments: The attached Form A6382E1107 Roof Exclusion is a new form that we have added and Form A6012E0891 Roof for Fire & Lightning Only has been withdrawn from our filing.

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Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Related Objection 1

Applies To:

- Roof for Fire and Lightning Only (Form)

Comment:

As indicated in my correspondence of 11/16/2007, this endorsement is not acceptable. You may either exclude the roof for all perils or cover it under the same loss settlement terms as the dwelling. Please withdraw or amend the endorsement.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Roof Exclusion

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

We trust this information adequately satisfies your Department's inquiry. Please feel free to contact me if you should have any questions. Thank you.

Sincerely,
SPI AssurantPC

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Product Name: SCO - Dwelling
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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/16/2007
Submitted Date 11/16/2007

Respond By Date

Dear Wendy Sara-Kalisz,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The revised forms in your response were not attached. DL 2411 and DL 2401 were the only new forms attached.

The ACV Roof endorsement for lightning and fire is not acceptable. You may either exclude the roof for all perils using an endorsement signed by the insured or cover it at the same loss settlement provision as the dwelling.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/16/2007
Submitted Date 11/16/2007

Dear Becky Harrington,

Comments:

In response to this objection letter, please see attached.

Response 1

Comments: I apologize that the forms revisions did not carry forward to the objection letter. All 4 forms should be attached for your viewing now.

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 Product Name: SCO - Dwelling
 Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Related Objection 1

Comment:

The revised forms in your response were not attached. DL 2411 and DL 2401 were the only new forms attached.

The ACV Roof endorsement for lightning and fire is not acceptable. You may either exclude the roof for all perils using an endorsement signed by the insured or cover it at the same loss settlement provision as the dwelling.

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
Declarations Page	A6010D	1005	Policy/Coverage Form	New		0	A6010D.PDF
Previous Version							
Declarations Page	A6010D	1005	Policy/Coverage Form	New		0	A6010D.PDF
Roof for Fire and Lightning Only	A6012E	0891	Endorsement/Amendment/Conditions	Replaced		0	A6012E.PDF
Previous Version							
Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	DP 04 75	12 02	Endorsement/Amendment/Conditions	New		0	DP 04 75.PDF
Punitive Damages Exclusion	A6381E	1107	Endorsement/Amendment/Conditions	Replaced		0	A6381E.PDF
Previous Version							
Punitive Damages	A6137E	0501	Endorsement/Amendment/Conditions	Replaced		0	A6137E.PDF
Hazardous Substance Exclusion	A6346E	1206	Endorsement/Amendment/Conditions	Replaced		0	A6346E.PDF

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Previous Version

Hazardous Substance	A6346E	1206	Endorsement/Amendment Replaced	0	A6346E.P
Exclusion			/Conditions		DF

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/31/2007

Submitted Date 10/31/2007

Respond By Date

Dear Wendy Sara-Kalisz,

This will acknowledge receipt of the captioned filing.

Objection 1

- Hazardous Substance Exclusion (Form)

Comment: The attachment is not A6346E.

Objection 2

No Objections

Comment: The liability form was withdrawn. Will the company no longer provide liability coverage?

Objection 3

- Punitive Damages (Form)

Comment:

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

Objection 4

- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing (Form)

Comment: Please withdraw this form. AR does not allow ACV loss settlement on a roof when the dwelling is covered as replacement cost. This form was not approved as an ISO reference form.

Objection 5

- Declarations Page (Form)

Comment: The dec page does not identify the company.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

SERFF Tracking Number: ASPX-125340546 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/16/2007
Submitted Date 11/16/2007

Dear Becky Harrington,

Comments:

11-16-07 - AR - A-DW-07 4949 - Forms

This correspondence is in response to your objection letter.

Response 1

Comments: Obj #1 - form A6010D1005 has been amended and now identifies the company name at the top of the form.
Obj #2 - Form DP 04 75 12 02 has been removed and replaced with A6012E0891, Roof for Fire & Lightning Only. We ask that this form be allowed as we would like to be able to insure a property with a roof that has not been maintained property or has existing damage.

Obj #3 - Form A6137E0501 has been removed and replaced with A6381E1107, Punitive Damages Exclusion. The new form contains the requested wording.

Obj #4 - Form A6346E has now been attached.

Obj #5 - We are still providing liability as an optional coverage. Please see forms DL 24 01 12 02, Personal Liability & DL 24 11 12 02, Premises Liability.

Related Objection 1

Comment:

The liability form was withdrawn. Will the company no longer provide liability coverage?

Related Objection 2

Applies To:

- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing (Form)

Comment:

Please withdraw this form. AR does not allow ACV loss settlement on a roof when the dwelling is covered as replacement cost. This form was not approved as an ISO reference form.

Related Objection 3

Applies To:

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

- Declarations Page (Form)

Comment:

The dec page does not identify the company.

Related Objection 4

Applies To:

- Punitive Damages (Form)

Comment:

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

Related Objection 5

Applies To:

- Hazardous Substance Exclusion (Form)

Comment:

The attachment is not A6346E.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form DL2411 1202

Comment:

Satisfied -Name: Form DL2401 1202

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

We trust this information adequately satisfies your Department's inquiry. Please feel free to contact me if you should have any questions. Thank you.

Sincerely,
SPI AssurantPC

SERFF Tracking Number: ASPX-125340546 State: Arkansas
 Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
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Amendment Letter

Amendment Date:
 Submitted Date: 11/30/2007

Comments:

11-30-07 Per your NTF of today, I attached the new endorsement under the forms tab as a replacement for the fire/lightning version. In addition, I have attached the form below. Please let me know if I can be of any further service. Thank you.

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Roof Exclusion	A6328E	1107	Endorsement/Amendment/Conditions	Replaced	A6012E		0	A6328E.PDF

SERFF Tracking Number: ASPX-125340546 *State:* Arkansas
Filing Company: American Reliable Insurance Company *State Tracking Number:* AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Note To Filer

Created By:

Becky Harrington on 11/30/2007 07:38 AM

Subject:

Roof Exclusion Endorsement

Comments:

Please attach the new endorsement under the forms tab as a replacement for the fire/lightning version.

Thanks

SERFF Tracking Number: ASPX-125340546 State: Arkansas
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Additional Insured	DP 04 41	12 02	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:		
Approved	Personal Liability - Additional Policy Conditions	DL 24 02	12 02	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:		
Approved	Increased Deductible for Loss or Damage Caused by Tenants	A6043E	1193	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:		
Approved	Roof Exclusion	A6290E	1005	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 Previous Filing #:		
Approved	Policy Cover	A6100P	0206	Policy/Coverage Form	Replaced Replaced Form #:0.00 A6100P Previous Filing #:		A6100P.PDF
Approved	Declarations Page	A6010D	1005	Policy/Coverage Form	New	0.00	A6010D.PDF
Approved	Declarations Page	M8000D	1006	Policy/Coverage Form	New	0.00	M8000D.PDF
Approved	Dwelling Policy - Broad	DP 00 02	12 02	Policy/Coverage Form	New	0.00	DP 00 02.PDF
Approved	Dwelling Policy - Special	DP 00 03	12 02	Policy/Coverage Form	New	0.00	DP 00 03.PDF
Approved	Special Provisions - Arkansas	DP 01 03	02 07	Endorsement/Amendment/Conditions	Replaced Replaced Form #:0.00 DP 01 03 Previous Filing #:		DP 01 03.PDF

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Approved	Automatic Increase in Insurance	DP 04 11	12 02	Endorsement/Amendment/Conditions New	0.00	DP 04 11.PDF
Approved	Earthquake	DP 04 69	12 02	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 DP 04 69 Previous Filing #:	DP 04 69.PDF
Approved	Limited Theft Coverage	DP 04 73	12 02	Endorsement/Amendment/Conditions New	0.00	DP 04 73.PDF
Withdrawn	Roof for Fire and Lightning Only	A6012E	0891	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 DP0475 Previous Filing #:	A6012E.PDF
Approved	Actual Cash Value Loss Settlement	DP 04 76	12 02	Endorsement/Amendment/Conditions New	0.00	DP 04 76 .PDF
Approved	Residential Burglary	A6018E	1205	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 A6018E Previous Filing #:	A6018E.PDF
Approved	Punitive Damages Exclusion	A6381E	1107	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 A6137E Previous Filing #:	A6381E.PDF
Approved	Occupancy Endorsement	A6157E	0801	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 Previous Filing #:	A6157E.PDF
Approved	Hazardous Substance Exclusion	A6346E	1206	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 A6289E Previous Filing #:	A6346E.PDF
Approved	Vandalism or	A6193E	1101	Endorsement New	0.00	A6193E.PDF

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	Malicious Mischief Vacancy			nt/Amendm ent/Condi ti ons			
Approved	Building Exclusion Endorsement	A6246E	0404	Endorsement Replaced nt/Amendm ent/Condi ti ons	Replaced Form #:0.00 A6156E Previous Filing #:		A6246E.PDF
Approved	Trampoline Exclusion	A6226E	0306	Endorsement Replaced nt/Amendm ent/Condi ti ons	Replaced Form #:0.00 A6212E Previous Filing #:		A6226E.PDF
Approved	Personal Property Replacement Cost	A6232E	0903	Endorsement New nt/Amendm ent/Condi ti ons	0.00		A6232E.PDF
Approved	Water Limitation Endorsement	A6270E	0705	Endorsement New nt/Amendm ent/Condi ti ons	0.00		A6270E.PDF
Approved	Swimming Pool or Spa Exclusion	A6310E	0306	Endorsement Replaced nt/Amendm ent/Condi ti ons	Replaced Form #:0.00 A6212E Previous Filing #:		A6310E.PDF
Approved	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse Exclusion	A6319E	0506	Endorsement Replaced nt/Amendm ent/Condi ti ons	Replaced Form #:0.00 A8601E Previous Filing #:		A6319E.PDF
Approved	Actual Cash Value Defined	A8481E	0402	Endorsement New nt/Amendm ent/Condi ti ons	0.00		A8481E.PDF
Approved	Mold Exclusion	A6348E0107	0107	Endorsement Replaced nt/Amendm ent/Condi ti ons	Replaced Form #:0.00 A8489E Previous Filing #:		A6348E0107 .PDF

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 Product Name: SCO - Dwelling
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ons

Approved	Specific Breed Animal Exclusion	A6349E	0107	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6283E Previous Filing #:	A6349E.PDF
Approved	Roof Exclusion	A6328E	1107	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6012E Previous Filing #:	A6328E.PDF

American Reliable Insurance Company

A Stock Insurance Company

8655 E Via De Ventura
Scottsdale, AZ 85258-3321
(800) 535-1333 (480) 483-8666

A.M. Best Rated A-, Excellent

We welcome you as a policyholder to
American Reliable Insurance Company

READ YOUR POLICY CAREFULLY.

This is a legal contract between the policyowner and the company.

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.



SECRETARY



PRESIDENT



Please read your policy and endorsements for coverages, limitations, and exclusions.

TO REPORT A CLAIM

Please Report All Claims By Phone Directly To:
<< American Reliable Insurance Company >>
Phone: 1-800-245-1505

It is our commitment to provide you with the best service possible.

Normal business hours are Monday – Friday from 5:30 a.m. – 5:00 p.m. Mountain Standard Time.
After normal business hours, an answering service will take a message. All calls will be returned as soon as practical.

<<Lienholder # 1 Name & Mailing Address: >>

<<Lienholder # 2 Name & Mailing Address: >>

<<Lienholder Name>>
<<Lienholder Address #1>>
<<Lienholder Address #2>>
<<Lienholder City, State, Zip>>
<<Lienholder Country>>
<<Loan Number>>

<<Lienholder Name>>
<<Lienholder Address #1>>
<<Lienholder Address #2>>
<<Lienholder City, State, Zip>>
<<Lienholder Country>>
<<Loan Number>>

CREDITS / SURCHARGES:

Yes / No

<<Yes / No>>

<<Deductible Options >><< Y >>
<<Claim Free Transfer Discount >><< Y >>
<<Claim Free Customer Discount >><< Y >>
<<Age of Insured Discount >><< Y >>
<<Age of Home Discount >><< Y >>
Supplemental Heating Surcharge << Y >>

<<..... >><< Y >>
<<..... >><< Y >>
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SCHEDULE OF FORMS:

Insurance Coverage is subject to all terms and conditions of this policy and applicable forms listed below.

Form #	Description	<<Form #>>	<<Description>>
<<A1234E5678>>	<<Form Title/Description>>	<<A1234E5678>>	<<Form Title/Description>>
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<<A1234E5678>>	<<Form Title/Description>>	<<A1234E5678>>	<<Form Title/Description>>

DWELLING PROPERTY 2 – BROAD FORM

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

DEDUCTIBLE

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

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;

- c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or

- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

(1) This includes:

- (a) Their accessories, equipment and parts; or

- (b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.

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

- (2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

- (a) Used solely to service the Described Location; or

- (b) Designed to assist the handicapped;

- f. Watercraft of all types, other than rowboats and canoes;

- g. Data, including data stored in:

- (1) Books of account, drawings or other paper records; or

- (2) Computers and related equipment;

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- h. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;

- i. Water or steam; or

- j. Gravemarkers, including mausoleums.

3. Property Removed To A Newly Acquired Principle Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. Coverage E – Additional Living Expense

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

This expense is included in the limit of liability that applies to the damaged property.

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

This coverage is additional insurance.

4. World-Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.

7. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire or lightning;
- b. Explosion;
- c. Riot or civil commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism or malicious mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

9. Fire Department Service Charge

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

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

10. Collapse

a. With respect to this Other Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.

- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
- (1) The Perils Insured Against in this policy;
 - (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
 - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c.** Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d.** This coverage does not increase the limit of liability that applies to the damaged covered property.

11. Glass Or Safety Glazing Material

- a.** We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b.** This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c.** This coverage does not increase the limit of liability that applies to the damaged property.

12. Ordinance Or Law

- a.** The Ordinance Or Law limit of liability determined in **b.** or **c.** below will apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b.** If you are an owner of a Described Location, and that location:
- (1) Is insured for Coverage **A** or Unit-Owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-Owners Building Items at each Described Location; or

- (2) Is not insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage B at each Described Location.
- c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage 12. Ordinance Or Law, refer to property at such a Described Location covered under Other Coverage 3. Improvements, Alterations And Additions.
- d. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- e. We do not cover:
- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

PERILS INSURED AGAINST

We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. Fire Or Lightning
2. Windstorm Or Hail

This peril does not include loss:

- a. To the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or

- b. To the following property when outside of the building:

- (1) Awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers;
- (2) Canoes and rowboats; or
- (3) Trees, shrubs, plants or lawns.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss to a fence, driveway, or walk caused by a vehicle owned or operated by you or a resident of the Described Location.

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism Or Malicious Mischief

This peril does not include loss:

- a. By pilferage, theft, burglary or larceny; or
- b. To property on the Described Location, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. Damage By Burglars

This peril means damage to covered property caused by burglars.

This peril does not include:

- a. Theft of property; or
- b. Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

This peril does not include loss:

- a.** To the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object.

- b. To outdoor radio and television antennas and aerials including their lead-in wiring, masts and towers, outdoor equipment, awnings and fences.

Damage to the falling object itself is not covered.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to a building or property contained in the building.

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.
- b. This peril does not include loss:
 - (1) To a building caused by constant or repeated seepage or leakage over a period of weeks, months or years;
 - (2) On the Described Location, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
 - (3) To the system or appliance from which the water or steam escaped;
 - (4) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing below; or
 - (5) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

- d. General Exclusion 3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss caused by or resulting from freezing except as provided in Perils Insured Against 14. Freezing below.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

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

GENERAL EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** does not apply to the amount of coverage that may be provided under Other Coverage **12.** Ordinance Or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

3. Water Damage

Water Damage means:

- 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;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material 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;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire or explosion resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

5. Neglect

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion **7.** pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

CONDITIONS

A. Policy Period

This policy applies only to loss which occurs during the policy period.

B. Insurable Interest And Limit Of Liability

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

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

C. Concealment Or Fraud

We provide coverage to no persons insured under this policy if, whether before or after a loss, one or more persons insured under this policy 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.

D. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

1. Give prompt notice to us or our agent;
2. 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 repair expenses;
3. Cooperate with us in the investigation of a claim;
4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another named insured, and sign the same;
6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
 - a. The time and cause of loss;

- b. Your interest and that of all others in the property involved and all liens on the property;
- c. Other insurance which may cover the loss;
- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **D.3.**;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law except to the extent that coverage for these increased costs is provided in Other Coverage **F.12. Ordinance Or Law**. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1)** The actual cash value of that part of the building damaged; or
- (2)** That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1)** Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2)** Those supports in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3)** Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1)** Less than 5% of the amount of insurance in this policy on the building; and
- (2)** Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **E. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

F. Loss To A Pair Or Set

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

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

G. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 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 Described Location is located. The appraisers will separately set 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. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

H. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

I. Subrogation

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

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

J. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within two years after the date of loss.

K. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

L. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and

- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs **G.** Appraisal, **J.** Suit Against Us and **L.** Loss Payment also apply to the mortgagee.

3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

4. If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole 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.

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

O. No Benefit To Bailee

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

P. Cancellation

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

2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

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

- b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

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

(1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Q. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

R. Liberalization Clause

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

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

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

S. Waiver Or Change Of Policy Provisions

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

T. Assignment

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

U. Death

If you die, we insure:

1. Your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

V. Nuclear Hazard Clause

1. "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.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

W. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

X. Volcanic Eruption Period

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

Y. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

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

DWELLING PROPERTY 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

DEDUCTIBLE

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

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

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
- b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
- c. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;

- c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or
- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.
 - (1) This includes:
 - (a) Their accessories, equipment and parts; or

- (b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.

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

- (2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

- (a) Used solely to service the Described Location; or

- (b) Designed to assist the handicapped;

- f. Watercraft of all types, other than rowboats and canoes;

- g. Data, including data stored in:

- (1) Books of account, drawings or other paper records; or

- (2) Computers and related equipment;

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- h. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;

- i. Water or steam; or

- j. Gravemarkers, including mausoleums.

3. Property Removed To A Newly Acquired Principle Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. Coverage E – Additional Living Expense

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

This expense is included in the limit of liability that applies to the damaged property.

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

This coverage is additional insurance.

4. World-Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.

7. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire or lightning;
- b. Explosion;
- c. Riot or civil commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism or malicious mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

9. Fire Department Service Charge

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

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

10. Collapse

a. With respect to this Other Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.

- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
- (1) The Perils Insured Against named under Coverage **C**;
 - (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
 - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c.** Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d.** This coverage does not increase the limit of liability that applies to the damaged covered property.

11. Glass Or Safety Glazing Material

- a.** We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b.** This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c.** This coverage does not increase the limit of liability that applies to the damaged property.

12. Ordinance Or Law

- a.** The Ordinance Or Law limit of liability determined in **b.** or **c.** below will apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b.** If you are an owner of a Described Location, and that location:
- (1) Is insured for Coverage **A** or Unit-Owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-Owners Building Items at each Described Location; or

- (2) Is not insured for Coverage **A** or Unit-Owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage **B** at each Described Location.
- c. If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage **12. Ordinance Or Law**, refer to property at such a Described Location covered under Other Coverage **3. Improvements, Alterations And Additions**.
- d. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- e. We do not cover:
- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

PERILS INSURED AGAINST

A. Coverage **A** – Dwelling And Coverage **B** – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**.
2. We do not insure, however, for loss:
 - a. Excluded under General Exclusions;
 - b. Involving collapse, except as provided in Other Coverage **10. Collapse**; or
 - c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
- (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft of property not part of a covered building or structure;
- (4) Theft in or to a dwelling or structure under construction;
- (5) Wind, hail, ice, snow or sleet to:
- (a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
 - (b) Trees, shrubs, plants or lawns;

(6) Vandalism and malicious mischief, theft or attempted theft, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

(7) Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

(b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

(c) Smog, rust or other corrosion, mold, wet or dry rot;

(d) Smoke from agricultural smudging or industrial operations;

(e) Discharge, dispersal, seepage, migration release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

(f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or

(g) Birds, vermin, rodents, insects or domestic animals.

Exception To c.(8)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

(i) Storm drain, or water, steam or sewer pipe, off the Described Location; or

(ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. This includes the cost to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.

We do not cover loss to the system or appliance from which this water or steam escaped.

For the purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or roof drain, gutter, down spout or similar fixtures or equipment.

General Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of ground do not apply to loss by water covered under c.(8) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss to:

a. Property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;

b. Canoes and rowboats; or

c. Trees, shrubs or plants.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism Or Malicious Mischief

This peril does not include loss by pilferage, theft, burglary or larceny.

9. Damage By Burglars

a. This peril means damage to covered property caused by burglars.

b. This peril does not include:

(1) Theft of property; or

(2) Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in the building.

12. Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in Peril Insured Against **14. Freezing**; or

(3) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.

d. General Exclusion **A.3. Water Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing except as provided in the peril of freezing below.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

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

GENERAL EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided under Other Coverage **12.** Ordinance Or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

3. Water Damage

Water Damage means:

- 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;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material 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;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire or explosion resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

5. Neglect

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A**. above to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. 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 Described Location.

CONDITIONS

A. Policy Period

This policy applies only to loss which occurs during the policy period.

B. Insurable Interest And Limit Of Liability

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

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

C. Concealment Or Fraud

We provide coverage to no persons insured under this policy if, whether before or after a loss, one or more persons insured under this policy 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.

D. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

1. Give prompt notice to us or our agent;
2. 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 repair expenses;
3. Cooperate with us in the investigation of a claim;
4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another named insured, and sign the same;
6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;

- f. The inventory of damaged personal property described in **D.3.**;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law except to the extent that coverage for these increased costs is provided in Other Coverage **F.12. Ordinance Or Law**. Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
- b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- c. Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Buildings under Coverage **A or **B** at replacement cost without deduction for depreciation, subject to the following:**

- a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this policy that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **E. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

F. Loss To A Pair Or Set

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

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

G. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 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 Described Location is located. The appraisers will separately set 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. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

H. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

I. Subrogation

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

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

J. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within two years after the date of loss.

K. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

L. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and

- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs **G.** Appraisal, **J.** Suit Against Us and **L.** Loss Payment also apply to the mortgagee.
- 3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
- 4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole 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.
- 5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

O. No Benefit To Bailee

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

P. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- 2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

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

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

- 3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- 4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

Q. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

R. Liberalization Clause

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

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

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

S. Waiver Or Change Of Policy Provisions

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

T. Assignment

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

U. Death

If you die, we insure:

1. Your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

V. Nuclear Hazard Clause

1. "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.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.

3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

W. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

X. Volcanic Eruption Period

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

Y. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – ARKANSAS

CONDITIONS

G. Appraisal is replaced by the following:

G. Appraisal

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 and impartial appraiser within 20 days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 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:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

(This is Condition **H.** in Form **DP 00 01.**)

I. Subrogation is replaced by the following:

I. Subrogation

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. However, we will be entitled to a recovery only after the insured person has been fully compensated for the loss sustained.

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

(This is Condition **J.** in Form **DP 00 01.**)

J. Suit Against Us is replaced by the following:

J. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within five years after the date of loss.

(This is Condition **K.** in Form **DP 00 01.**)

N. Mortgage Clause

Paragraph **3.** is replaced by the following:

3. If we decide to cancel this policy, the mortgagee will be notified:

a. At least 10 days before the date cancellation takes effect if:

(1) We cancel for nonpayment of premium; or

(2) The policy has been in effect less than 60 days and is not a renewal with us.

b. At least 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 30 days before the date nonrenewal takes effect.

(This is Condition **O.** in Form **DP 00 01.**)

P. Cancellation

Paragraphs **2.c.** and **2.d.** are replaced by the following:

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

(1) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing this policy, or in presenting a claim under this policy;

(2) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;

- (3) If there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy of such property which substantially increases any hazard insured against;
- (4) For nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
- (5) In the event of a material violation of a material provision of this policy.

This can be done by letting you know at least 20 days before the date cancellation takes effect.

- d. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **2.c.** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

(This is Condition **Q.** in Form **DP 00 01.**)

Y. Loss Payable Clause is replaced by the following:

Y. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel this policy, that loss payee will be notified in writing.

If we decide to not renew this policy, that loss payee will be notified in writing at least 30 days before the date nonrenewal takes effect.

(This is Condition **Z.** in Form **DP 00 01.**)

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMATIC INCREASE IN INSURANCE

The limits of liability shown in the Declarations for Coverages **A** and **B** will be increased annually. The limits will be increased by the percentage shown in the policy for this coverage. The percentage will be applied pro rata during the policy period to the limits of liability shown on the Declarations for Coverages **A** and **B**.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

SCHEDULE*

Earthquake Deductible Percentage Amount:

Exterior Masonry Veneer Exclusion 1.

- Check here only if this exclusion does not apply.

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

A. Coverage

1. We insure for direct physical loss to property covered under Coverages **A**, **B** or **C** caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

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

2. This coverage does not increase the limits of liability stated in this policy.

B. Special Deductible

The following replaces any other deductible provision in this policy with respect to loss covered under this endorsement:

We will pay only that part of the total of all loss payable under Coverages, except:

1. Coverage **D** – Fair Rental Value;
2. Coverage **E** – Additional Living Expenses; and
3. The Other Coverages;

that exceeds the earthquake deductible.

The dollar amount of the earthquake deductible is determined by multiplying either the:

Coverage **A**;

Coverage **B**; or

Coverage **C**;

limit of liability shown in the Declarations, whichever is greater, by the deductible percentage amount shown in the Schedule above.

The total deductible amount will not be less than \$250.

C. Special Exclusions

1. Exterior Masonry Veneer

We do not cover loss to exterior masonry veneer caused by earthquake. The value of exterior masonry veneer will be deducted before applying the earthquake deductible described above. For the purpose of this exclusion, stucco is not considered masonry veneer.

2. Flood

We do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether:

- a. Caused by;
- b. Resulting from;
- c. Contributed to by; or
- d. Aggravated by; earthquake.

3. Filling Land

This coverage does not include the cost of filling land.

D. Exception To The Earth Movement Exclusion

The Earth Movement Exclusion in this policy does not apply to loss caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED THEFT COVERAGE

SCHEDULE*

On-Premises Limit Of Liability:

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

For the limit of liability shown in the Schedule above for this coverage, we insure against direct physical loss to personal property owned or used by you caused by the Perils Insured Against named below.

A. Perils Insured Against

1. Theft, including attempted theft.
2. Vandalism or malicious mischief as a result of theft or attempted theft. This peril does not include loss at the Described Location, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

B. Definitions

The following definitions apply to the coverage provided by this endorsement:

1. "Business" means:
 - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which you receive no more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

- (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- (4) The rendering of home day care services to your relative.

2. "Residence employee" means:

- a. Your employee, or an employee leased to you by a labor leasing firm, under an agreement between you and the labor leasing firm, whose duties are related to the maintenance or use of the Described Location, including household or domestic services; or
- b. One who performs similar duties elsewhere not related to your "business".

A "residence employee" does not include a temporary employee who is furnished to you to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

C. Coverages And Limits Of Liability

1. On-Premises Coverage

The Limit of Liability shown in the Schedule for this coverage is the most we will pay for any one covered loss at the Described Location.

Coverage applies while the property is:

- a. At the Described Location if the property is:
 - (1) Owned or used by you; or
 - (2) Owned by a "residence employee"; or
- b. Placed for safekeeping in any:
 - (1) Bank, trust or safe deposit company;

- (2) Public warehouse; or
- (3) Occupied dwelling not owned, rented to or occupied by you.

2. Special Limits Of Liability

These limits do not increase the limit of liability applicable to On-Premises Coverage. The special limit for each category shown below is the total limit for each loss for all property in that category.

- a. \$1,500 on watercraft of all types including their trailers, furnishing, equipment and outboard motors.
- b. \$1,500 on trailers or semi-trailers not used with watercraft of all types.
- c. \$2,500 on firearms and related equipment.

3. Property Not Covered

We do not cover:

- a. Loss caused by a tenant, roomer or boarder, members of the tenant's household, or their employees;
- b. Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards and smart cards;
- c. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets and stamps;
- d. Jewelry, watches, furs, precious and semi-precious stones;
- e. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
- f. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- g. Motor vehicles or all other motorized land conveyances. This includes:
 - (1) Their accessories, equipment and parts;
or

- (2) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical systems of motor vehicles or all other motorized land conveyances, including its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above;

This exclusion of property described in **c.(1)** and **(2)** above applies only while the property is in or upon the vehicle or conveyance.

We do cover motor vehicles or conveyances not required to be registered for use on public roads or property which are:

- (1)** Used solely to service the Described Location; or
- (2)** Designed to assist the handicapped;
- h.** Property held as a sample or for sale or delivery after sale;
- i.** "Business" property;
- j.** Animals, birds or fish;
- k.** Credit cards, electronic fund transfer cards or access devices used solely for deposit withdrawal or transfer of funds; or
- l.** Property separately described and specifically insured by any other insurance.

D. Conditions

- 1.** Under Condition **D. Duties After Loss**, the following paragraph is added:

7. Notify the police in case of loss by theft.

- 2.** Condition **H. Other Insurance And Service Agreement** is deleted with respect to the coverage provided by this endorsement and replaced by the following:

H. Other Insurance and Service Agreement

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

- 1.** Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this endorsement bears to the total amount of insurance covering the loss; or
- 2.** A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

All other provisions of this policy apply.

**AMERICAN RELIABLE INSURANCE COMPANY
ROOF FOR FIRE AND LIGHTNING ONLY ENDORSEMENT**

It is agreed that the roof on your Dwelling is only covered for losses caused by fire and lightning. It is further agreed that there is no coverage for interior damage if such damage is due to the failure of the roof unless such failure is caused by fire or lightning.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT

CONDITIONS

Paragraph **E. Loss Settlement** is deleted and replaced by the following:

E. Loss Settlement

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

All other provisions of this policy apply.

AMERICAN RELIABLE INSURANCE COMPANY RESIDENTIAL BURGLARY ENDORSEMENT

In consideration of an additional premium, it is agreed that the following items are changed:

1. Under "**PERILS INSURED AGAINST**", item **#10** is added to read:

Burglary, meaning that we cover personal property only when:

- A. It is within the dwelling insured.
- B. The dwelling is forcibly entered.
- C. There exists evidence of such forceful entry.

Any loss by burglary must be immediately reported to the police.

2. The following section is added under "**COVERAGE C — PERSONAL PROPERTY**":

SPECIAL LIMITS OF LIABILITY FOR OPTIONAL BURGLARY COVERAGE

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

1. \$100 on hand and power tools.
2. \$250 on jewelry, watches, furs, precious and semi-precious stones and all articles of gold and silver.
3. \$100 on cameras and camera equipment.
4. \$250 on guns and their accessories.

This coverage is subject to the deductible as shown on the declarations. All other terms and conditions of this policy remain unchanged.

AMERICAN RELIABLE INSURANCE COMPANY PUNITIVE DAMAGES EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to any claim of or indemnification for punitive or exemplary damages. If a suit seeking both compensatory and punitive or exemplary damages has been brought against you for a claim covered by this policy, we will provide defense for such action. We will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages. This endorsement does not exclude wrongful death punitive damages.

Punitive or Exemplary Damages definition: Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

All other provisions of this policy apply.

**AMERICAN RELIABLE INSURANCE COMPANY
OCCUPANCY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the policy.

It will be a Condition of this policy that the Company shall not be liable for any loss or losses that occur, while the described dwelling, whether it is intended for occupancy or not, is vacant beyond a sixty (60) day period of time.

All other Terms and Conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
HAZARDOUS SUBSTANCE EXCLUSION**

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any "bodily injury" or "property damage" arising out of contact or exposure to "hazardous substance"; or
2. Any other loss or expense arising out of contact or exposure to "hazardous substances."

Definition: "Hazardous substances" include asbestos, benzene, gasoline, lead, mercury, any pollutants, toxins, chemical waste, biological waste, nuclear waste, and any other materials that cause or are alleged to cause injury or harm to any person or damage to property.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
VANDALISM OR MALICIOUS MISCHIEF VACANCY ENDORSEMENT**

This endorsement modifies insurance provided under the policy.

Under **PERILS INSURED AGAINST**, paragraph **9.c.** is deleted.

For an additional premium, **Vandalism or Malicious Mischief** coverage is extended to include vacant dwellings.

All other terms and conditions of the policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
BUILDING EXCLUSION ENDORSEMENT**

The coverages provided by this policy under Coverage B, Other Structures, are amended to exclude the following described building(s) located on the insured property as listed below:

DESCRIPTION OF BUILDING

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
TRAMPOLINE EXCLUSION**

Under **EXCLUSION, SECTION E. Coverage L – Personal Liability and Coverage M – Medical Payments to Others**, the following exclusion is added:

Any “bodily injury” or “property damage” arising out of any “occurrence” involving any trampoline owned by, or in the care, custody, or control of the “insured” or any member of the insured’s family or household; or

Any other loss or expense arising out of any “occurrence” involving any trampoline owned by, or in the care, custody, or control of the “insured” or any member of the insured’s family or household.

All other conditions of this policy remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
PERSONAL PROPERTY REPLACEMENT COST
(DWELLING)**

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

For an additional premium, covered losses to the Coverage C - Personal Property are settled at replacement cost at the time of loss.

PROPERTY NOT ELIGIBLE

Property listed below is not eligible for replacement cost settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

- a. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
- b. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
- c. Articles not maintained in good or workable condition.
- d. Articles that are outdated or obsolete and are stored or not being used.

REPLACEMENT COST

The following loss settlement procedure applies to all property insured under this endorsement:

- a. We will pay no more than the least of the following amounts:
 - (1) Replacement cost at the time of loss without deduction for depreciation;
 - (2) The full cost of repair at the time of loss;
 - (3) The limit of liability that applies to Coverage C, if applicable;
 - (4) Any applicable special limits of liability stated in this policy; or
 - (5) For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.
- b. When the replacement cost for the entire loss under this endorsement is more than \$500, we will pay no more than the actual cash value for the loss or damage until the actual repair or replacement is complete.
- c. You may make a claim for loss on an actual cash value basis and then make claim within 180 days after the loss for any additional liability in accordance with this endorsement.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

AMERICAN RELIABLE INSURANCE COMPANY WATER LIMITATION ENDORSEMENT

There is a \$10,000 limitation for any loss caused directly or indirectly by any of the following. Such loss includes this limitation regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Accidental discharge or overflow of water or steam from within a plumbing, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
2. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
3. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
4. Includes any loss related to radiant heat or any type of radiant heat system.

All other terms and conditions remain as stated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
SWIMMING POOL OR SPA EXCLUSION**

Under **EXCLUSION, SECTION E. Coverage L – Personal Liability and Coverage M – Medical Payment to Others**, the following exclusion is added:

Any “bodily injury” or “property damage” arising out of the ownership, maintenance or use of a swimming pool or spa (hot tub) that is located on the “insured location”.

All other conditions of this policy remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
SEXUAL MOLESTATION, CORPORAL PUNISHMENT OR
PHYSICAL OR MENTAL ABUSE EXCLUSION**

Under **EXCLUSIONS – E. Coverage L – Personal Liability And Coverage M – Medical Payments To Others**, number 7. is deleted and replaced by the following:

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse.

Coverage afforded by this policy **does not** apply to any alleged or actual “bodily injury” or “property damage” arising out of:

- A. the actual, threatened or alleged:
 - 1. physical abuse or corporal punishment of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”;
 - 2. emotional or mental abuse of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”; or
 - 3. sexual abuse; molestation; licentious, immoral or sexual behavior of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”; or
- B. the failure of any “insured,” member of the household or anyone else for whom an “insured” is legally responsible to prevent or suppress any such actual or threatened behavior; and/or
- C. the negligent selection, employment, training, supervision, or retention of any person whose conduct is described in A.1., A.2. and/or A.3.above; or,
- D. the erroneous, mistaken or negligent reporting of the above described acts to proper authorities, or the failure to report such acts.

The Company shall have no duty to defend any claim or suit that includes any of the above claims, regardless of the circumstances involved in the claim or suit, even though the allegations may be groundless, false or fraudulent.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
ACTUAL CASH VALUE DEFINED**

This endorsement modifies insurance provided under the policy.

The following definition is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of covered property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

AMERICAN RELIABLE INSURANCE COMPANY MOLD EXCLUSION

The following **EXCLUSION** is added to **Coverage L - Personal Liability and Coverage M - Medical Payments to Others** do not apply to "bodily injury" or "property damage":

Arising out of any claim of any kind, whether occurring independently or if directly or indirectly relating to the actual, potential, alleged or threatened presence of mold, mildew or other fungi and their secretions of any kind whatsoever.

We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

We will not defend or indemnify you or any insured with respect to any claim or lawsuit seeking such damages

This exclusion applies to the policy and any and all attached endorsements.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire.

All other terms and conditions of the policy remain the same.

AMERICAN RELIABLE INSURANCE COMPANY SPECIFIC BREED ANIMAL EXCLUSION

***THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.***

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any bodily injury or property damage arising out of any occurrence involving any animal or breed of dog listed below owned by, or in the care, custody, or control of the insured or any member of the insured's family or household; or
2. Any other loss or expense arising out of any occurrence involving any animal or breed of dog listed below owned by, or in the care, custody, or control of the insured or any member of the insured's family or household.

Animal:

1. Any animal with a previous bite history;
2. Snakes;
3. Monkeys;
4. Ostriches.

Breed of Dog:

1. Akita;
 2. Anatolian Shepherd;
 3. Chow;
 4. Doberman;
 5. Pit Bull;
 6. Rottweiler;
 7. Presa Canario
 8. Wolf;
 9. Wolf Hybrids;
 10. A mix of any of the above breeds with any other breed whether listed above or not.
3. This exclusion does not apply to heat, smoke or fumes from a hostile fire, if the hostile fire was caused by an excluded animal or dog.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
ROOF EXCLUSION**

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is a condition of this policy that no coverage be afforded to any loss or damage to the roof of the building(s) described on the declaration page. Any loss or damage resulting from the condition of the roof is also excluded.

This exclusion will be removed when evidence is received in the Home Office that:

- (1) repairs have been made; or
- (2) entire roof has been replaced.

All other terms and conditions of this policy remain unchanged.

SERFF Tracking Number: ASPX-125340546 *State:* Arkansas
Filing Company: American Reliable Insurance Company *State Tracking Number:* AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: ASPX-125340546 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 11/30/2007

Comments:

Attachment:

P & C Transmittal Doc - Forms.PDF

Satisfied -Name: Forms Filing Schedule **Review Status:** Approved 11/30/2007

Comments:

Attachment:

Forms Filing Schedule.PDF

Satisfied -Name: Forms Filing Memo **Review Status:** Approved 11/30/2007

Comments:

Attachment:

Forms Filing Memo.PDF

Satisfied -Name: Cert of Compliance **Review Status:** Approved 11/30/2007

Comments:

Attachment:

Cert of Compliance.PDF

Satisfied -Name: Cover Letter **Review Status:** Approved 11/30/2007

Comments:

Attachment:

Cover Letter.PDF

SERFF Tracking Number: ASPX-125340546 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
Company Tracking Number: A-DW-07 4949
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: SCO - Dwelling
Project Name/Number: SCO - Dwelling/DF AR02532ARF01

Satisfied -Name: Form DL2411 1202 **Review Status:** Approved 11/30/2007
Comments:
Attachment:
Form DL2411 1202.PDF

Satisfied -Name: Form DL2401 1202 **Review Status:** Approved 11/30/2007
Comments:
Attachment:
Form DL2401 1202.PDF

Satisfied -Name: Roof Exclusion **Review Status:** Approved 11/30/2007
Comments:
Attachment:
Roof Exclusion.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #			
Assurant, Inc. Group	0019			
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Reliable Insurance Company	AZ	19615	41-0735002	

5. Company Tracking Number	A-DW-07 4949
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Wendy Sara-Kalisz 8655 East Via De Ventura Scottsdale AZ 85258		800-535-1333		
7.	Signature of authorized filer		<i>Wendy Sara</i>		
8.	Please print name of authorized filer		Wendy Sara-Kalisz		

Filing Information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	01.0 Property
10.	Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property (Fire and Allied Lines)
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Dwelling Program
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 01/01/0802/01/08 Renewal:
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	NA
17.	Reference Organization # & Title	NA
18.	Company's Date of Filing	10/29/07
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	A-DW-07 4949
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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American Reliable Insurance Company respectfully submits the attached forms revision filing to our currently approved Dwelling programs in Arkansas. Our proposed effective dates are January 1, 2008 for new and February 1, 2008 for renewal business.

There is a companion rate and rule filing.

22.	Filing Fees (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]
Check #: Amount:	
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

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.)

1.	This filing transmittal is part of Company Tracking #	A-DW-07 4949
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	Combo filing in SERFF
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Policy Cover	A6100P 0206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6100P	
02	Declarations Page	A6010D 1005	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Declarations Page	M8000D 1006	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Dwelling Policy - Broad	DP 00 02 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Dwelling Policy - Special	DP 00 03 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Special Provisions - Arkansas	DP 01 03 02 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	DP 01 03	
07	Automatic Increase in Insurance	DP 04 11 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Earthquake	DP 04 69 12 02	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	DP 04 69	
09	Limited Theft Coverage	DP 04 73 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	DP 04 75 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	Actual Cash Value Loss Settlement	DP 04 76 12 02	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # A-DW-07 4949 Page 2 of 3

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
12	Residential Burglary	A6018E 1205	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6018E	
13	Punitive Damages	A6137E 0501	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6291E	
14	Occupancy Endorsement	A6157E 0801	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15	Hazardous Substance Exclusion	A6346E 1206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6289E	
16	Vandalism or Malicious Mischief Vacancy	A6193E 1101	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
17	Building Exclusion Endorsement	A6246E 0404	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6156E	
18	Trampoline Exclusion	A6226E 0306	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6212E	
19	Personal Property Replacement Cost	A6232E 0903	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20	Water Limitation Endorsement	A6270E 0705	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
21	Swimming Pool or Spa Exclusion	A6310E 0306	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6212E	
22	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse Exclusion	A6319E 0506	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A8601E	

FORM FILING SCHEDULE *(cont.)*

State: Arkansas **Company Tracking #** A-DW-07 4949 **Page** 3 **of** 3

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
23	Actual Cash Value Defined	A8481E 0402	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
24	Mold Exclusion	A6348E0107 0107	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A8489E	
25	Specific Breed Animal Exclusion	A6349E 0107	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6283E	
26	Additional Insured	DP 04 41 12 02	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
27	Personal Liability - Additional Policy Conditions	DL 24 02 12 02	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
28	Increased Deductible for Loss or Damage Caused by Tenants	A6043E 1193	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		
29	Roof Exclusion	A6290E 1005	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn		

AMERICAN RELIABLE INSURANCE COMPANY
DWELLING PROGRAM
FORM FILING MEMORANDUM

American Reliable Insurance Company is proposing revisions to its currently approved Dwelling Product. We are adding a DP-2, DP-3 and vacant program. There is a companion rate and rule filing. Our proposed effective dates are 01/01/08 for new and 02/01/08 for renewal business.

The following changes have been made to the current filing:

FORM CHANGES

The following forms have been added:

A6100P0206	Policy Cover
A6010D1005	Declarations Page
M8000D1006	Declarations Page
DP 00 02 12 02	Dwelling Policy – Broad
DP 00 03 12 02	Dwelling Policy – Special
DP 01 03 02 07	Special Provisions - Arkansas
DP 04 11 12 02	Automatic Increase in Insurance
DP 04 69 12 02	Earthquake
DP 04 73 12 02	Limited Theft Coverage
DP 04 75 12 02	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof
Surfacing	
DP 04 76 12 02	Actual Cash Value Loss Settlement
A6018E1205	Residential Burglary
A6137E0501	Punitive Damages Exclusion
A6157E0801	Occupancy Endorsement
A6346E1206	Hazardous Substance Exclusion
A6193E1101	Vandalism or Malicious Mischief Vacancy
A6246E0404	Building Exclusion Endorsement
A6226E0306	Trampoline Exclusion
A6232E0903	Personal Property Replacement Cost
A6270E0705	Water Limitation Endorsement
A6310E0306	Swimming Pool or Spa Exclusion
A6319E0506	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse
Exclusion	
A8481E0402	Actual Cash Value Defined
A6348E0107	Mold Exclusion
A6349E0107	Specific Breed Animal Exclusion

The following forms have been deleted:

A5150P0305	Dwelling Policy Cover
DP 01 03 12 03	Special Provisions – Arkansas
DP 04 41 12 02	Additional Insured
DP 04 69 06 94	Earthquake Coverage
DL 24 02 12 02	Personal Liability – Additional Policy Conditions
A6018E0604	Optional Burglary Endorsement
A6043E1193	Increased Deductible For Loss or Damage Caused By Tenants
A6156E0801	Exclusion – Dwelling/Building
A6212E1102	Exclusion – Swimming Pool, Spa and Trampoline
A6283E0803	Animal Liability Exclusion
A6289E1005	Hazardous Substance Liability Exclusion
A6290E1005	Roof Exclusion
A6291E1005	Punitive Damage Exclusion
A8489E1002	Liability – Mold Exclusion
A8601E1203	Sexual Misconduct & Sexual Assault

AMERICAN RELIABLE INSURANCE COMPANY
DWELLING PROGRAM
FORM FILING MEMORANDUM

|

ARKANSAS CERTIFICATE OF COMPLIANCE
(You may print or type the information required by this form)



I, Valley Owens, Vice President of
(Name) (Title of Authorized Officer)
American Reliable Insurance Company
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

- a. Arkansas Code Annotated;
- b. Arkansas Rules and Regulations;
- c. Arkansas Insurance Bulletins, Directives and Orders;
- d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? *(Yes or No)* Yes

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number ▶ A-DW-07 4949

Signature of Authorized Officer ▶ *Valley Owens*

Name of Authorized Officer ▶ Valley Owens

Title of Authorized Officer ▶ Vice President

Email address of Authorized Officer ▶ Valley.Owens@assurant.com

Telephone # of Authorized Officer ▶ 800-535-1333

Date ▶ 10/29/2007

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us



ASSURANT
Specialty
Property

American Reliable
Insurance Company
American Bankers Insurance
Company of Florida
8655 E. Via De Ventura, Suite E200
Scottsdale, AZ 85258
T 480.483.8666 F 480.483.1675

SENT VIA SERFF

www.assurant.com

October 24, 2007

Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201

Re: American Reliable Insurance Company NAIC # 0019-19615
Forms Revisions FEIN: 41-0735002
Dwelling Programs
Internal LOBs – 55, 56, 42 & 43
Company Filing No.: A-DW-07 4949
Proposed Effective Dates: 01/01/2008 New Business
02/01/2008 Renewal Business

American Reliable Insurance Company respectfully submits the attached forms revision filing to our currently approved Dwelling programs in Arkansas. Our proposed effective dates are January 1, 2008 for new and February 1, 2008 for renewal business.

Enclosed for your review and consideration are:

- Ø This letter
- Ø Filing Memorandum
- Ø Certificate of Compliance
- Ø \$50.00 EFT Filing Fee

Please note there is a companion rate and rule filing.

We request the option of moving boxes, reformatting text and changing page size to accommodate system programming and client needs. The content will remain as approved by your Department.

Please feel free to contact me at the email address or telephone number listed below if you should have any questions. We look forward to receiving your Department's approval.

Regards,
Wendy Sara
Regulatory Analyst
New Email: Wendy.Sara@assurant.com
Phone: (800)-535-1333, Ext. 563

Attachments

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES LIABILITY
(Non-Owner Occupied Dwelling)

SCHEDULE*

Location*	
Number of Families*	
*Entries may be left blank if shown elsewhere in this policy for this coverage.	

DEFINITIONS

Definition **6.** "Insured location" is extended to include the premises shown in the Schedule above.

LIABILITY COVERAGES

Coverage **L** – Personal Liability and Coverage **M** – Medical Payments To Others are restricted to apply only with respect to "bodily injury" and "property damage" arising out of the ownership, maintenance, occupancy or use of the premises shown below.

EXCLUSIONS

Exclusion **E.2.** does not apply to the premises shown in the Schedule.

All other provisions of this policy apply.

PERSONAL LIABILITY

AGREEMENT

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

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
 - a.** Liability for "bodily injury" or "property damage" arising out of the:
 - (1)** Ownership of such vehicle or craft by an "insured";
 - (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - (3)** Entrustment of such vehicle or craft by an "insured" to any person;
 - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
 - b.** For the purpose of this definition:
 - (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
 - (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
 - (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
 - (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.
 - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 - 3.** "Business" means:
 - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b.** Any other activity engaged in for money or other compensation, except the following:
 - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4)** The rendering of home day care services to a relative of an "insured".
 - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
 - 5.** "Insured" means:
 - a.** You and residents of your household who are:
 - (1)** Your relatives; or
 - (2)** Other persons under the age of 21 and in the care of any person named above;
 - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1)** 24 and your relative; or
 - (2)** 21 and in your care or the care of a person described in **a.(1)** above;

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- d. With respect to a "motor vehicle" to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (2) Other persons using the vehicle on an "insured location" with your consent.

Throughout this policy, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

- 6. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
 - c. Any premises used by you in connection with a premises described in **a.** and **b.** above;
 - d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or

- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

- 7. "Motor vehicle" means:
 - a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.
- 8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage".
- 9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
- 10. "Residence employee" means:
 - a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.
- 11. "Residence premises" means:
 - a. The one family dwelling where you reside;
 - b. The two, three or four family dwelling where you reside in at least one of the family units; or
 - c. That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

LIABILITY COVERAGES

A. Coverage L – Personal Liability

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

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

B. Coverage M – Medical Payments To Others

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

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

EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **L** and **M** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;

- b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or

- c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
- 2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B. 6.a., b., d., e. or h.**; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. Coverages **L** and **M** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or

- (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in **(c)** and **(d)** above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage L – Personal Liability And Coverage M – Medical Payments To Others

Coverages **L** and **M** do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. This Exclusion **E.2.** does not apply to:

- (1) The rental or holding for rental of an "insured location";
 - (a) On an occasional basis if used only as a residence;

- (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
 - b. Rented to an "insured"; or
 - c. Rented to others by an "insured";
- that is not an "insured location";

5. War

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

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

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

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage L – Personal Liability

Coverage **L** does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence"; unless excluded in **a.** above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;
 or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
6. "Bodily injury" to you or an "insured" as defined under Definitions 5.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured":

- a. To repay; or
- b. Share damages with; another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage M – Medical Payments To Others

Coverage **M** does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

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

ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage **L** limit of liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

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

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
 - a. Caused intentionally by an "insured" who is 13 years of age or older;
 - b. To property owned by an "insured";
 - c. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - d. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or

- (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This Exclusion **d.(3)** does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

CONDITIONS

A. Limit Of Liability

Our total liability under Coverage **L** for all damages resulting from any one "occurrence" will not be more than the Coverage **L** limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

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

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;

2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help 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";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. With respect to **C. Damage To Property Of Others** under Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage M – Medical Payments To Others

1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage M – Medical Payments To Others

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

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage **L** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

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

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Subrogation

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

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

Subrogation does not apply to Coverage **M** or Paragraph **C. Damage To Property Of Others** under Additional Coverages.

K. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements;

relating to this insurance.

**AMERICAN RELIABLE INSURANCE COMPANY
ROOF EXCLUSION**

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is a condition of this policy that no coverage be afforded to any loss or damage to the roof of the building(s) described on the declaration page. Any loss or damage resulting from the condition of the roof is also excluded.

This exclusion will be removed when evidence is received in the Home Office that:

- (1) repairs have been made; or
- (2) entire roof has been replaced.

All other terms and conditions of this policy remain unchanged.

SERFF Tracking Number: ASPX-125340546 State: Arkansas
 Filing Company: American Reliable Insurance Company State Tracking Number: AR-PC-07-026597
 Company Tracking Number: A-DW-07 4949
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: SCO - Dwelling
 Project Name/Number: SCO - Dwelling/DF AR02532ARF01

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.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Declarations Page	10/29/2007	A6010D.PDF
No original date	Form	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	10/29/2007	DP 04 75.PDF
No original date	Form	Punitive Damages	10/29/2007	A6137E.PDF
No original date	Form	Hazardous Substance Exclusion	10/29/2007	A6346E.PDF

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING

DP 00 01 WHEN DP 00 08 IS ATTACHED, DP 00 02 AND DP 00 03

CONDITIONS

This endorsement modifies the loss settlement condition in the policy form with respect to a covered loss for roof surfacing caused by the peril of windstorm or hail. Such loss will be subject to actual cash value loss settlement. Therefore, the loss settlement conditions that pertain to "repair or replacement cost without deduction for depreciation" are changed as noted below:

E. Loss Settlement

1. In Forms DP 00 02 and DP 00 03:

- a. Paragraph 1.c. is deleted and replaced by the following:
 - c. Structures, including their roof surfacing, that are not buildings; and
- b. The following is added to Paragraph 1.:
 - d. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail;
- c. In Paragraph 2. the introductory statement "Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following": is deleted and replaced by the following:

2. Buildings under Coverage A or B, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail, at replacement cost without deduction for depreciation, subject to the following:

2. In Form DP 00 01 when DP 00 08 is attached:

- a. Paragraph 1.c. is deleted and replaced by the following:
 - c. Structures, including their roof surfacing, that are not buildings; and
- b. The following is added to Paragraph 1.:
 - d. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail;
- c. In Paragraph 2. the introductory statement "Buildings under Coverage A or B" is deleted and replaced by the following:
 2. Buildings under Coverage A or B, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail:

All other provisions of this policy apply.

**AMERICAN RELIABLE INSURANCE COMPANY
PUNITIVE DAMAGES EXCLUSION**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to any claim of or indemnification for punitive or exemplary damages. If a suit seeking both compensatory and punitive or exemplary damages has been brought against you for a claim covered by this policy, we will provide defense for such action. We will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages. This endorsement does not exclude wrongful death punitive damages.

All other provisions of this policy apply.

**AMERICAN RELIABLE INSURANCE COMPANY
OCCUPANCY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the policy.

It will be a Condition of this policy that the Company shall not be liable for any loss or losses that occur, while the described dwelling, whether it is intended for occupancy or not, is vacant beyond a sixty (60) day period of time.

All other Terms and Conditions of this Policy remain unchanged.