Filing at a Glance

Company: 13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.

Product Name: Condo	SERFF Tr Num: ARKS-125855339	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed	State Tr Num: #559464 $50
Sub-TOI: 04.0001 Condominium Homeowners	Co Tr Num:	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi
	Author:	Disposition Date: 10/13/2008
	Date Submitted: 10/13/2008	Disposition Status: Approved
Effective Date Requested (New): 01/01/2009		Effective Date (New): 01/01/2009
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

HO-6

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 10/13/2008	
State Status Changed: 10/13/2008	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

Introduction of Condo policy form.

Company and Contact

Filing Contact Information

Bill Williams, Underwriting Manager
10720 Kanis Rd
Little Rock, AR 72203

Bill.Williams@afbic.com
(501) 228-1463 [Phone]
(501) 228-1800[FAX]

Filing Company Information

13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.
No Address
City, AR 99999
(999) 999-9999 ext. [Phone]

CoCode: 13757
Group Code:
Group Name:
FEIN Number: 99-9999999

State of Domicile: Arkansas
Company Type:
State ID Number:

Filing Fees

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

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
559464	$50.00	
	$0.00	

SERFF Tracking Number:	*ARKS-125855339*	*State:*	*Arkansas*
Filing Company:	*13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.*	*State Tracking Number:*	*#559464 $50*
Company Tracking Number:			
TOI:	*04.0 Homeowners*	*Sub-TOI:*	*04.0001 Condominium Homeowners*
Product Name:	*Condo*		
Project Name/Number:	*/*		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	10/13/2008	10/13/2008

SERFF Tracking Number:	*ARKS-125855339*	*State:*	*Arkansas*
Filing Company:	*13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.*	*State Tracking Number:*	*#559464 $50*
Company Tracking Number:			
TOI:	*04.0 Homeowners*	*Sub-TOI:*	*04.0001 Condominium Homeowners*
Product Name:	*Condo*		
Project Name/Number:	*/*		

Disposition

Disposition Date: 10/13/2008

Effective Date (New): 01/01/2009

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*ARKS-125855339*	*State:*	*Arkansas*
Filing Company:	*13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.*	*State Tracking Number:*	*#559464 $50*
Company Tracking Number:			
TOI:	*04.0 Homeowners*	*Sub-TOI:*	*04.0001 Condominium Homeowners*
Product Name:	*Condo*		
Project Name/Number:	*/*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	ARKS-125855339		Yes
Form	Condominium Policy	Approved	Yes

SERFF Tracking Number:	*ARKS-125855339*	*State:*	*Arkansas*
Filing Company:	*13757 - Farm Bureau Mutual Insurance Company of Arkansas, Inc.*	*State Tracking Number:*	*#559464 $50*
Company Tracking Number:			
TOI:	*04.0 Homeowners*	*Sub-TOI:*	*04.0001 Condominium Homeowners*
Product Name:	*Condo*		
Project Name/Number:	*/*		

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Condominium Policy	HO-3550	01/09	Policy/Coverage Form	New	45.00	

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125855339 10/13/2008

Comments:

Attachments:

ARKS-125855339.pdf

ARKS-125855339-1.pdf

ARKS-125855339 BH

Effective March 1, 2007

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only
Approved until withdrawn or revoked OCT 13 2008 Arkansas Insurance Department By:

2. Insurance Department Use only	
a. Date the filing is received:	#5594464 50.00
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3.	Group Name	Group NAIC #

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Farm Bureau Mutual Insurance Co. of AR		13757	710232167	

RECEIVED
OCT 13 2008
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

5.	Company Tracking Number	

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Bill Williams, 10720 Kanis Road, Little Rock, AR 72211	Underwriting Manager	501-228-1463	501-228-1800	bill.williams@afbic.com

7.	Signature of authorized filer	Bill Williams
8.	Please print name of authorized filer	Bill Williams

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

9.	**Type of Insurance (TOI)**	04.0 Homeowners
10.	**Sub-Type of Insurance (Sub-TOI)**	04.0001 Condominium Homeowners
11.	**State Specific Product code(s)(if applicable)[See State Specific Requirements]**	
12.	**Company Program Title** (Marketing title)	
13.	**Filing Type**	☐ Rate/Loss Cost ☐ Rules ☐ Rates/Rules ☑ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: 01/01/09 Renewal:
15.	**Reference Filing?**	☐ Yes ☑ No
16.	**Reference Organization** (if applicable)	
17.	**Reference Organization # & Title**	
18.	**Company's Date of Filing**	10/10/08
19.	**Status of filing in domicile**	☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

We have developed a new Condominium Unit Owners Policy to add to our Homeowner Policy line. The policy is a modified version of our HO-3 policy. We are attaching a .pdf copy of the entire policy for your review.

We have counted the entire policy and calculated the Flesch Ease Reading Score to be a 45, which is an acceptable score for an insurance policy, in compliance with Act 517 of 1981, the Property and Casualty Insurance Policy Simplification Act.

We would like to begin issuing this policy form effective January 1, 2009.

View Complete Filing Description

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 #: 559464
Amount: $50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

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

Effective March 1, 2007

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 #**	
2.	**This filing corresponds to rate/rule filing number** (Company tracking number of rate/rule filing, if applicable)	

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	Condominium Unit Owners Policy	HO-3550 01/09	☑ New ☐ Replacement ☐ Withdrawn		
02			☐ New ☐ Replacement ☐ Withdrawn		
03			☐ New ☐ Replacement ☐ Withdrawn		
04			☐ New ☐ Replacement ☐ Withdrawn		
05			☐ New ☐ Replacement ☐ Withdrawn		
06			☐ New ☐ Replacement ☐ Withdrawn		
07			☐ New ☐ Replacement ☐ Withdrawn		
08			☐ New ☐ Replacement ☐ Withdrawn		
09			☐ New ☐ Replacement ☐ Withdrawn		
10			☐ New ☐ Replacement ☐ Withdrawn		

PC FFS-1

ARKANSAS INSURANCE DEPARTMENT
PROPERTY AND CASUALTY DIVISION

CERTIFICATE OF COMPLIANCE
FLESCH READING EASE TEST

INSURER NAME: Farm Bureau Mutual Insurance Co. of Arkansas, Inc.

INSURER NAIC NUMBER: #13757

POLICY FORM DESCRIPTION: HO-6 Condominium Unit Owners Policy

FORM NUMBER: HO-3550

EDITION DATE: 01-09

This form is to certify that the above captioned property policy form has achieved a Flesch Reading Ease Test Score of 45.25 and complies with the requirements of Act 517 of 1981, *the Property and Casualty Insurance Policy Simplification Act*, codified as Arkansas Code Ann. §§23-80-301 - 23-80-308.

Signature of Officer of Company
Title: Vice President/ General Manager

HO-6 Condominium Unit Owners Policy
Flesch Reading Ease Test

Page	syllables	words	sentences		words per sentence	syllables per word	score
1	995	552	33		16.73	1.80	37.36
2	1168	654	28		23.36	1.79	32.04
3	903	514	33		15.58	1.76	42.40
4	862	496	29		17.10	1.74	42.45
5	1131	708	40		17.70	1.60	53.72
6	832	520	14		37.14	1.60	33.78
7	894	539	40		13.48	1.66	52.84
8	997	579	35		16.54	1.72	44.37
9	814	537	40		13.43	1.52	64.97
10	973	592	39		15.18	1.64	52.38
11	858	593	30		19.77	1.45	64.37
12	924	558	35		15.94	1.66	50.56
13	1018	580	35		16.57	1.76	41.53
14	1050	574	43		13.35	1.83	38.53
15	1046	584	30		19.47	1.79	35.55
16	982	593	37		16.03	1.66	50.47
17	1088	631	35		18.03	1.72	42.66
18	1103	629	25		25.16	1.75	32.94
19	992	516	29		17.79	1.92	26.13
	18630	10949	630		17.38	1.70	45.25

$$206.835 - 1.015 \left(\frac{\text{total words}}{\text{total sentences}}\right) + 84.6 \left(\frac{\text{total syllables}}{\text{total words}}\right)$$

$$206.835 - 1.015 (17.37936508) + 84.6 (1.701525253)$$
$$206.835 - (17.64005556) + (143.9490364)$$
$$206.835 - (161.589092) = \boxed{45.245908}$$

FARM BUREAU MUTUAL INSURANCE COMPANY OF ARKANSAS, INC.

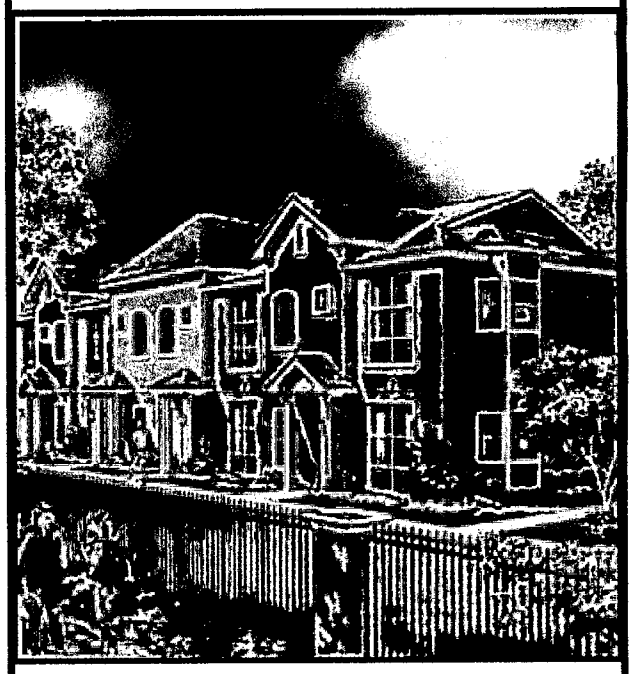
LITTLE ROCK, ARKANSAS 72203-0031

FARM BUREAU INSURANCE®

24-HOUR CLAIMS CALL CENTER
TOLL FREE 1-866-275-7322

HO-3550 (01/09)

FARM BUREAU MUTUAL INSURANCE COMPANY OF ARKANSAS, INC.



CONDOMINIUM

Unit Owners Policy

Form HO-6

FARM BUREAU INSURANCE®

HO 3550 (01/09)
PLEASE READ YOUR POLICY

b

Dear Policyholder:

Thank you for choosing to insure your property with us. We appreciate the opportunity to provide you with our insurance services. We recommend you read your policy carefully. There are definitions, conditions and exclusions that apply to your coverages. If you have any questions about your policy or if you need other insurance coverages, please give your insurance agent a call. Your agent will be happy to assist you.

You may contact us at:

Farm Bureau Center
P.O. Box 31
Little Rock, AR 72203-0031
501-244-4400
www.afbic.com

You may also contact:

The Arkansas Insurance Department
Consumer Services Department
1200 West Third Street
Little Rock, AR 72201-1904
1-800-852-5494

Again, "thank you" for the trust you have shown in our company by allowing us to provide you with insurance.

FARM BUREAU MUTUAL INSURANCE COMPANY OF ARKANSAS, INC.

TABLE OF CONTENTS
HO-6

FARM BUREAU MUTUAL INSURANCE COMPANY OF ARKANSAS, INC.

Condominium Unit Owners Policy
Form HO-6

INSURING AGREEMENT

We will provide the coverages **you** have selected. This agreement is made in reliance upon **your** statements to obtain coverage and **your** payment of premiums in amounts **we** require, and subject to all of the terms and conditions of this policy. **Your** selections are shown in the policy **Declaration**.

DEFINITIONS

The language of this policy includes certain common words for easy understanding. They have exact defined meanings. Unless specified, these definitions apply to Section I, Property Protection and Section II, Personal Liability Protection, and all endorsements. In this policy,

1. **"Actual cash value"** means replacement cost new less **depreciation**.

2. **"Association" or "association of condominium unit owners"** means the management or governing body of the **condominium unit** owners collectively.

3. **"Bodily injury"** means bodily harm, sickness, or disease, including needed care, loss of services, and resulting death.

4. **"Business"** includes a trade, profession or occupation, including farming, whether full or part-time. It does not include part-time or seasonal activities that are performed by minors.

5. **"Business property"** means property used to any extent with **your business** activities.

6. **"Collision"** means accidental contact with any object.

7. **"Condominium"** means the building or multi-**unit** complex that houses **your** specific **unit** in which the **residence premises** is located, for which **you** hold separate title and exclusive ownership. The **condominium** is governed by the **association of condominium unit owners**, of which **you** are a member and have joint ownership of the common areas and facilities.

8. **"Declaration"** means the page(s) that completes this policy by showing the coverages, limits, and other basic information.

9. **"Deductible"** means the amount of loss to be paid by **you** when a loss occurs. **We** pay for covered losses in excess of the **deductible** amount up to the limit of liability as shown in the policy or **Declaration**. A **deductible** will be withheld for each **occurrence** of loss, if applicable.

10. **"Depreciation"** means reduction in value of property based on age, condition and/or obsolescence of the property at the time of loss.

11. **"Fungi"** means any type or form of fungus, including wet rot, dry rot, rust, mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by any fungus. **Fungi** does not include any fungus that is on or contained in any goods or products intended for consumption.

12. **"Loss Assessment"** means an expense you may incur as a member of an **association of condominium unit owners.**

13. **"Motor vehicle"** means:

    a. motorized land or amphibious vehicle designed for travel on or off public roads or subject to **motor vehicle** registration;

    b. a trailer or semi-trailer designed for travel on public roads or subject to **motor vehicle** registration. It does not include a boat or utility trailer not being towed by or carried on a motorized vehicle;

    c. a motorized golf cart, snowmobile or other motorized land and/or amphibious vehicle owned by **you** and designed for recreational use off public roads, while off an insured **residence**. It does not include a motorized golf cart while used for golfing purposes;

    d. a motorcycle, motor scooter, moped, three wheeler, quadracycle, all-terrain cycle (ATC), all-terrain vehicle (ATV), and any similar vehicle with an engine exceeding 28cc engine displacement if gas powered, or 350 watts if battery powered;

    e. any vehicle while being towed by or carried on a motorized vehicle;

    f. a motorized lawn mower exceeding 35 horsepower.

14. **"Mysterious disappearance"** means the vanishing of an item when there is no explainable cause of its disappearance.

15. **"Occurrence"** means an accident, including continuous or repeated exposure to conditions.

16. "**Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant. This includes, but is not limited to, any actual or potential carcinogen or other substance which actually or potentially causes illness or disease, and includes smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and sewage. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.

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

18. **"Punitive damages"** means damages which may be imposed to punish a wrongdoer and to deter others from similar conduct.

19. "**Replacement cost**" means the cost, at the time of loss, of a new article identical to the one destroyed or stolen. When the identical article is no longer manufactured or is not available, **replacement cost** shall mean the cost of a new similar article, which is comparable in quality and usefulness.

20. **"Residence" or "residence premises"** under Property Protection, Section I means:

    a. The **unit** within the **condominium** where **you** reside as shown in the **Declaration,** and other structures and grounds reserved for **your** exclusive use as part of the **residence premises.**

    b. The part of any other premises, other buildings and grounds **you** use as a **residence** and is shown on the **Declaration** page.

    The words "**residence**" or "**residence premises**" under Personal Liability, Section II, mean:

    a. unless endorsed to show otherwise, any premises shown on the **Declaration** page as an insured premises, including structures and grounds reserved for **your** exclusive use as part of the **residence premises.**

    b. any part of a premises not owned by **you** but where **you** are temporarily residing.

21. **"Residence employee"** means **your** employee who performs duties in connection with the maintenance or use of the **residence premises**, including, but not limited to, household services or who performs similar duties elsewhere that are not in connection with **your business**.

22. **"Sexual harm"** means the actual, alleged, threatened, attempted, or coerced involvement in, or witnessing of, verbal or physical sexual molestation, rape, abuse, assault, or harassment.

23. **"Subrogation"** means a legal process of recovering for damages, which **we** will initiate against another party who has caused a loss to **your** property.

    This process is initiated only after the other party is determined negligent and after **we** have paid **you** for those same damages.

24. **"Theft"** means loss from the act of stealing with evidence thereof, or loss of property from a known place under circumstances where the logical conclusion would indicate that property was stolen. **Theft** by any of **your** relatives or employees is excluded. There is no intent to cover **mysterious disappearance** of property which is lost or misplaced.

25. **"Unit"** means a self contained section of a **condominium** that is individually owned by a **unit** owner. Each **unit** owner of a **condominium** has individual title to the space inside his/her **unit.**

26. **"Unoccupied"** means being without human inhabitants, but containing enough furnishings or other personal property to show an intent to return and occupy the **unit** at the address shown on **your Declaration.**

27. **"Vacant"** means without human inhabitants but without enough furnishings or other personal property to show an intent to return and occupy the **unit** at the address shown on **your Declaration**.

28. **"Vandalism"** means willful and malicious destruction of property.

29. **"We," "us," "our"** and "**the Company**" mean the Farm Bureau Mutual Insurance Company of Arkansas, Inc.

30. **"You"** and "**your**" refer to the policyholder first named in the policy **Declaration** and includes the policyholder's spouse, if living in the same household, and any dependent relatives living at the address shown on the **Declaration**.

    Under Personal Liability Protection, Section II, the words **"you"** and **"your"** also mean any person or organization legally responsible for animals or watercraft that **you** own to which this policy applies.

It does not include:

a. a person or organization using or having custody of these animals or watercraft in the course of any **business** or without the permission of a named insured;

b. a person or organization causing injury or death to anyone insured under this policy;

c. any employee who causes injury, sickness, disease, or death to any fellow employee in the course of their employment.

SECTION I
PROPERTY PROTECTION

UNIT COVERAGE - COVERAGE A

We will cover **your** interest in property within **your unit** that is not described as "Common Property" in the **Association of Condominium Unit Owners'** Agreement. **We** insure for accidental direct physical loss to such properties subject to all the exclusions and conditions applicable to Section I of this policy. **Your** Coverage A limit is shown on your latest **Declaration**.

We cover:

1. interior non-bearing walls and partitions inside **your unit**;

2. equipment used in the service of your **residence** while located inside **your unit**;

3. alterations, appliances, fixtures, and improvements that are attached to the **unit** as part of the building contained within the **residence premises**;

4. items of real property that pertain to the **residence premises,** which are owned exclusively by **you** and are **your** insurance responsibility under an **association** agreement;

5. structures owned solely by **you**, other than the **residence premises**, at the location shown on **your Declaration**; and

6. **your** share of any **association deductible** not assessed against all **unit** owners.

We do not cover:

1. land, including land on which the **condominium**, real property, or structures are located; and

2. structures used in whole or in part for **business or** farming, including storage for any **business** materials, equipment or supplies.

PERSONAL PROPERTY - COVERAGE C

We cover personal property owned or used by **you** while it is anywhere in the world. Any property which is usually at **your residence premises** but has been temporarily removed by **you**, is covered for up to 10% of the Personal Property Coverage limit, but not less than $1,000 while away from the **residence premises**.

We do not cover:

1. animals, birds or fish;

2. **motor vehicles**, or any parts thereof. This does not include lawn mowers which do not exceed 35 horsepower and are used to service **your residence premises**, or golf carts;

3. aircraft or aircraft parts. This does not include model and hobby aircraft designed for recreational use and not designed to transport people or property;

4. property of roomers and boarders not related to **you**; or property of tenants;

5. any personal property used to any extent for **business** purposes, or personal property rented to others;

6. property specifically described and insured by any other insurance;

7. personal property while in any other dwelling owned, rented, or occuped by **you**, except while **you** are temporarily residing there;

8. the value of information or records or the cost of reproducing information or records stored on paper or film, tape, disc, drum, and other magnetic recording or storage media for electronic data processing.

Special Limits on Certain Personal Property

Special limits apply to the following groups of property. These limits do not increase the amount of insurance provided under coverage C. The limit of insurance for each group is the maximum **we** will pay for any one loss for all property included in the group.

1. $ 200	On money, bank notes, gold or silver bullion, and stamps.
2. $2,000	On **theft** of firearms and related equipment.
3. $1,000	On securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, passports, manuscripts, airline and other tickets.
4. $2,500	On watercraft, including their trailers; equipment and outboard motors; golf carts and furnishings; and motorized lawnmowers which do not exceed 35 horsepower and are used to service **your residence premises**.
5. $2,000	On **theft** of silverware, goldware, pewterware, platinum, jewelry, watches, precious and semi-precious stones; and furs, including any article containing fur, which represents its principal value.
6. $2,500	On computers, including component equipment. This group limit also applies to antennas, towers and masts connected to electronic equipment on the **residence premises**. The word "antennas" includes devices which receive signals from satellites or earth stations.
7. $2,000	On collections of bottles, plates, dolls, sports memorabilia (including collectable cards and athletic equipment or clothes), stamps, coins, medals, knives, and similar items considered as collector items. This limit applies to books, albums, cases and accessories of the collection.
8. $2,500	On **theft** of tools.
9. $1,000	On trailers not used to tow watercraft or golf carts.
10. $ 500	On **theft** of audio or video media, including, but not limited to, tapes, compact discs, digital video discs, computer media or software.
11. $2,500	On audio or video media, including, but not limited to, tapes, compact discs, digital video discs, computer media, or software for any covered loss other than **theft.**

Each claim for loss or damage will be adjusted separately. A **deductible** will be withheld for each **occurrence** of loss. The amount of the **deductible** will be noted on **your Declaration**.

The Limit of Liability for Coverage C is shown on **your** policy **Declaration**.

ADDITIONAL LIVING EXPENSE COVERAGE D

If a covered peril causes direct physical damage to **your residence** and makes it uninhabitable, **we** will pay the reasonable increase in **your** living expense necessary to maintain **your** normal standard of living while **you** live elsewhere.

This coverage will begin the date of loss and will not extend beyond the reasonable period of time required to repair, rebuild, or replace the **property** damaged.

If a civil authority prohibits **you** from occupying the **residence premises** because of damage to a neighboring **premises** by a peril **we** insure against, **we** will pay reasonable living expense for up to two weeks.

These periods of time will not be shortened by the expiration of this policy. No **deductible** will apply to Coverage D.

The Limit of Liability for Coverage D is 40% of the Personal Property - Coverage C limit. This limit is shown on your Policy **Declaration**.

ADDITIONAL COVERAGES - SECTION I

We will not require **you** to pay a **deductible** for any loss covered under the Additional Coverages.

1. Debris Removal

   We will pay reasonable expenses, up to $500, which **you** incur to remove debris of covered property following a loss from an insured peril.

   This coverage also pays **your** reasonable expense, up to $500, for the removal from the **residence premises** of:

   a. **your** tree(s) felled by the peril of Windstorm or Hail

b. **your** tree(s) felled by the peril of Weight of Ice, Snow or Sleet;

provided the tree(s) damages property covered under Coverage A - Section I. This coverage does not apply to shrubs, plants or lawns.

Debris Removal coverage does not increase the limit applying to the property covered under Coverage A.

2. Fire Department Charges

We will pay up to $500 for **your** liability under an agreement for service charges made by a fire department when called to protect **your residence** from an insured peril. Payments are not in addition to the amount of insurance applying to the loss.

3. Credit Cards, Bank Fund Transfer Cards, and Forgery

If **your** personal credit card or bank fund transfer card is stolen or lost and **you** are legally required to pay for the unauthorized use of the card, **we** will cover the loss if **you** have met all the terms under which the card was issued. **We** will not cover the use of the card by a resident of **your** household or use by someone to whom **you** have loaned or given the card.

We will cover **your** loss caused by forgery or alteration of a check.

For any of these coverages, **we** will not pay more than $1,000 regardless of the number of unauthorized series of acts committed by any person or persons using one or more cards or forging or altering one or more checks.

We will not provide coverage for such losses when:

a. loss arises from **business** pursuits;

b. loss arises from dishonesty on the part of **you** or any member of **your** household; or if **you** do not agree to prosecute those guilty of such illegal use of a credit or bank fund transfer card or forgery or alteration of a check.

4. Necessary Repairs After Loss

We will pay the reasonable cost of necessary repairs made solely to protect covered property from additional damage following a loss from a peril **we** insure against. Payments will not increase the amount of insurance applying to the covered property.

5. Trees, Shrubs, and Plants

We will pay up to $250 per **occurrence** for loss to trees, shrubs, and plants that **you** own located at the **residence.**

Coverage applies to loss caused by the following perils **we** insure against: Fire or Lightening, Explosion, Riot or Civil Commotion, Aircraft, Vehicles (not owned or operated by an occupant of the **residence premises**), **Vandalism** or Malicious Mischief, or **Theft**.

Payments are not in addition to the amount of insurance applying to Coverage A or B. **We** will not provide coverage for trees, shrubs, or plants grown for **business** purposes.

6. Emergency Removal of Property

We will pay for property damaged in any way being removed or while removed from a **residence** because of danger from a peril **we** insure against. Coverage is limited to a 30-day period from the date of removal. Payments will not increase the amount of insurance applying to the covered property.

7. Refrigerated Food Products

We will pay up to $500 for any **occurrence** of loss to contents of all freezers or refrigerators on the **residence premises**. The contents must be owned by **you** and must not be for **business** purposes. The loss must be caused by a covered peril which interrupts electrical service, creating a change in temperature inside the refrigerators or freezers, thus causing the spoilage of food products. **You** must use all reasonable means to protect the property from further damage. Payments are not in addition to the amount of insurance applying to the covered property.

8. Locks

We will pay up to $250 for the reasonable expenses **you** incur to re-key locks on exterior doors when keys to those locks are part of a covered **theft** loss. This coverage applies to the **unit** located on the **residence premises** insured by this policy under Coverage A.

9. Identity Fraud

We will pay up to $1,000 for the reasonable expenses **you** incur as the direct result of any one identity fraud first discovered or learned of during the policy period. Any act or series of acts committed by one or more persons, or in which such person or persons aid or abet others against **you**, is considered to be one identity fraud, even if a series of acts continues into a subsequent policy period.

"Expenses" means resulting costs required to re-establish favorable credit standing such as notary and certified mail charges for documentation, loan application fees, attorney fees, telephone charges, and lost income from time taken off work.

We do not cover expenses arising out of or in connection with a **business**. **We** do not cover expenses incurred due to a fraudulent act committed by **you**.

10. Loss Assessment

We will pay up to $1,000 for **your** share of any **loss assessment** charged against all **unit** owners by an **association** of **condominium unit** owners when the loss **assessment** is made as a result of direct loss to property owned by all members collectively, including personal property, and caused by a peril insured against under Section I - Property Protection.

This coverage applies only to **loss assessments** charged against **you** as owner of the **residence premises** and member of the **association of condominium unit owners.**

PERILS WE INSURE AGAINST - SECTION I

We will pay, up to the limits of liability stated on **your Declaration** under Coverage A, for direct physical loss or damage to the insured **unit** listed on your Declaration. Certain types of losses are excluded in the following listed perils, the Exclusions - Section I, and other sections of this policy.

We will pay for direct physical loss or damage, up to the limits of liability as stated on **your** latest **Declaration** to your Personal Property when damage is caused by:

1. Fire or Lightning
2. Windstorm or Hail

   This does not include loss:

   a. caused directly or indirectly by frost, cold weather, ice, snow, or sleet whether driven by wind or not;

   b. to the interior of a building or property within, caused by rain, snow, sand, sleet, or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the rain, snow, sand, sleet, or dust enters.

3. Explosion

   This does not include explosion of steam boilers, steam pipes, steam turbines, steam engines, rupture or bursting of water pipes or pressure relief valves.

4. Riot or Civil Commotion

   This includes direct loss from looting during, and at the site of, the riot or civil commotion.

5. Aircraft

   This includes self-propelled missiles and spacecraft.

6. Vehicles

   This peril does not apply to loss to fences, driveways, walks, lawns, trees, shrubs, or plants when loss is caused by any vehicle owned or operated by an occupant of the **residence premises**.

7. Smoke

   This peril does not apply to loss caused by smoke from fireplaces, wood heating devices, or from agricultural smudging or industrial operations. Loss must be sudden and accidental.

8. **Vandalism** or Malicious Mischief

   This peril does not apply to:

   a. loss at any **residence premises** when the insured **unit** has been **vacant** or **unoccupied** for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered to be **vacant**;

   b. loss caused by **you** or anyone residing with **you**;

   c. direct or indirect

      (1) loss of;

      (2) alteration of;

      (3) damage to;

      (4) reduction in the functionality, availability, or operation of:

      a computer system, hardware, programs, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property is **yours** or not.

9. **Theft**

Loss must occur from the act of stealing (see definition of **theft**).

This peril does not apply to **theft:**

a. committed by **you** or any member of **your** household;

b. of any item from the part of the **residence premises you** rent to others;

c. away from the **residence premises** of:

(1) watercraft and its equipment, including outboard motors; campers; trailers; golf carts and furnishings; and motorized riding lawnmowers;

(2) property unattended in or on a **motor vehicle** unless there are visible marks of forcible entry into the locked vehicle. Such property is covered if the vehicle is stolen and not recovered.

10. collapse of buildings or any part of a building. Collapse does not include settling, cracking, shrinkage, bulging, or expansion.

This peril is limited to damage caused by:

a. a named peril insured against in this policy; or

b. the weight of contents, equipment, animals, or people; or

c. the weight of rain, ice, snow, or sleet on a roof.

This peril does not apply to losses to the following unless damage is caused directly by collapse of a building:

awnings, outdoor equipment, pavements, patios, underground pipes, flues, drains, septic tanks, foundations, retaining walls, wharves, or docks.

11. Falling Objects

This peril does not apply to loss to the interior of the building or property within unless the falling object first damages the exterior of the building. **We** do not cover damage to the falling object.

12. weight of ice, snow, or sleet that damages the **unit** or property in the **unit**.

13. sudden and accidental tearing apart, cracking, burning, or bulging of a heating or air conditioning system, water heating appliance, or fire sprinkler system located on the **residence premises**.

PLEASE NOTE EXCLUSIONS TO THIS PERIL (13) AS SHOWN IN PERIL 14 a., b., and c.

14. sudden and accidental discharge or overflow of water or steam from within a plumbing, heating or air conditioning system, household appliance, or automatic fire sprinkler system located on the **residence premises. We** will also pay the cost of tearing out and replacing any part of the covered **unit** necessary to repair the system or appliance from which water or steam escapes.

PERILS 13 AND 14 DO NOT APPLY TO LOSS:

a. caused by continuous or repeated seepage or leaking over a period of weeks, months, or years;

b. to a system or appliance from which the water or steam escapes;

c. to property on the **residence premises** which has been **vacant** or **unoccupied** for more than thirty (30) consecutive days immediately before the loss.

15. Freezing of plumbing, heating and air conditioning systems, domestic appliances, and automatic fire sprinkler systems.

This peril does not apply to loss to property on the **residence premises** while the insured **unit** is **vacant**, **unoccupied**, or under construction unless **you** take precautions to:

a. shut off the water supply and drain the plumbing systems and appliances; or

b. maintain adequate heat in the insured **residence.**

16. Sudden and accidental loss caused by surges of artificially generated electrical currents. This peril does not apply to tubes, transistors, or other electronic components. Nor does it apply to damage caused by low voltage or current.

DEDUCTIBLE PROVISIONS-SECTION I

Each claim for loss or damage will be adjusted separately. A **deductible** will be withheld for each **occurrence** of loss. The amount of the **deductible** will be noted on **your Declaration.**

EXCLUSIONS - SECTION I

Unless special permission for coverage is granted by endorsement, certain types of losses are not covered by **your** policy. In addition to losses excluded in other sections of this policy, **we** do not cover loss resulting directly or indirectly from the following causes, and 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. Enforcement of an ordinance or law regulating the construction, repair, or demolition of a building or other structures, unless specifically provided under this policy. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril **we** insure against.

2. Earthquake, including land shock waves or tremors before, during or after; volcanic eruption; landslide, mudslide or mudflow; subsidence or sinkhole; or any other earth movement resulting from natural or artificial causes.

3. Water damage, meaning:

   a. flood, surface water, waves, tidal water, or overflow of a body of water. **We** do not cover spray from any of these, whether or not driven by wind;

   b. water or sewage which backs up through sewers, drains or sump pumps; or

   c. water on or below the surface of the ground, regardless of its source. This includes water which exerts pressure on or flows, seeps, or leaks through any part of a building or other structure, sidewalk, driveway, or swimming pool.

4. Neglect by **you** to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril **we** insure against.

5. War (declared or undeclared), civil war, insurrection, rebellion, or revolution.

6. Nuclear action, meaning nuclear reaction, radiation, radioactive contamination, or discharge of a nuclear weapon even if accidental, or any consequence of any of these. Loss caused by nuclear action is not considered loss by perils of fire, explosion, or smoke.

7. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to fencing, pavement, patio, foundation, retaining wall, bulkhead, pier, wharf or dock, swimming pool and/or hot tub (including outdoor plumbing and filtering system of either).

8. Loss caused by:

   a. wear and tear; marring or scratching; or deterioration;

   b. inherent vice or latent defect;

   c. mechanical breakdown;

   d. **fungi**, unless the **fungi** is located upon the portion of the insured **unit** which must be repaired or replaced because of direct physical damage as the result of a covered loss;

   e. the cost of testing the insured **unit** for **fungi**, or the cost of remediation, containment, decontamination, or fumigation of **fungi**, whether the **fungi** is the result of a covered loss or otherwise;

   f. contamination, smog or smoke from agricultural smudging or industrial operations;

   g. settling, cracking, shrinkage, bulging or expansion of pavement, patios, foundations, walls, floors, roofs or ceilings;

   h. birds, vermin, skunks, rodents, insects, reptiles, or domestic animals (whether caused by one or more);

   i. acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.

9. Faulty design, specifications, workmanship, construction or material if a peril excluded by this policy contributes to the loss;

10. Weather conditions which contribute in any way with a cause or event specifically excluded;

11. Any fire which has been intentionally started or property which has been intentionally damaged by:

    a. **you**;
    b. anyone living in **your** household;
    c. anyone in **your** employment;
    d. anyone acting in **your** behalf or at **your** direction;

    for the purpose of destroying property which is insured.

12. The discharge, dispersal, migration, release or escape of **pollutants**. This exclusion will not apply to **bodily injury** and **property damage** caused by heat, smoke or fumes from a hostile fire. A hostile fire is one that becomes uncontrollable or breaks out from where it was intended to be.

13. Claims which arise while property is being used to any extent for an illegal purpose.

CONDITIONS - SECTION I

1. **What To Do In Case of Loss**

In case of loss to which this insurance may apply, **you** shall perform the following duties:

a. Give immediate notice to **us** or **our** agent. In case of **theft**, give notice to the local police. In case of loss under credit card and bank fund card coverage, also notify the issuer of the card;

b. Protect the property from further damage, making necessary and reasonable repairs to protect the property, and keeping records of the cost of such repairs;

c. Prepare an inventory of damaged or stolen property showing in detail the quantity, description, all mortgages, liens or claims against the property, and the amount of loss. Attach to the inventory all bills, receipts, and related documents that validate the figures in the inventory;

d. Exhibit the damaged property as often as **we** may require;

e. Submit to questioning, under oath, if **we** require. Questioning may be administered by any person named by **us**. **You** must sign any written copy of the questioning. If more than one person is questioned, **we** have the right to question and receive statements separately from each person and not in the presence of others;

f. Provide **us** with all records and documents **we** request which relate to **your** claim for loss or damage. **You** agree to permit **us** to make copies and obtain any releases necessary for records and documents **we** request in **our** investigation of **your** loss or damage.

g. Submit to **us**, within sixty (60) days after the **occurrence**, **your** signed, sworn statement of loss. The statement will be on forms supplied by **us**. The statement will give **us**:

1) the names and addresses of all persons involved, and witnesses, if any;

2) the hour, date, place, cause, and other facts about the loss;

3) **your** interest in the property stolen or damaged. This will include the interest of others and all encumbrances on the property;

4) other insurance which may cover the loss;

5) changes in title or occupancy of the property during the term of this policy;

6) specifications of any damaged building and detailed estimates for repair of the damage;

7) an inventory of damaged or stolen property described in 1(c) above;

8) evidence supporting a claim under the Credit Card, Bank Fund Card and Forgery Coverage, stating the amount and cause of loss;

h. Produce receipts of any increased costs to maintain **your** standard of living to substantiate loss under Coverage D, Additional Living Expenses.

i. When **we** request, **you** must assist **us** in all respects in the investigation or settlement of the claim or suit. This includes producing for questioning, under oath, members of **your** household, employees, or others who have knowledge of the loss.

THEFT WARRANTY - **You** warrant and agree to give prompt notice to the local police in the event of **theft** of insured property.

2. **What We Will Do After Receiving Your Loss Notice**

After **we** receive **your** properly executed proof of loss, **we** will notify **you** in writing within fifteen (15) days regarding:

a. acceptance or denial of **your** claim; or

b. **We** may require more time to review **your** claim. **We** will state the reason(s) why more time is needed.

If **our** investigation remains incomplete after a reasonable time period, **we** will send **you** another letter which will state that **our** investigation is incomplete. The letter will state the reason(s) why more time is needed.

If there is a reasonable basis supported by specific information that **you** fraudulently caused or contributed to the loss by arson, **we** will advise **you** of the acceptance or denial of the claim within a reasonable time following a full investigation.

3. How Losses Are Settled

Each claim for loss or damage will be adjusted separately. A **deductible** will be withheld for each **occurrence** of loss. The amount of the **deductible** will be noted on **your Declaration**.

Under Coverage A

Our limit of liability for loss will not exceed the least of the following amounts:

a. the amount necessary to repair the property to its condition immediately prior to the loss; or

b. the amount for which the damaged or destroyed property can be replaced with property of like kind, quality, and condition using common construction materials and methods. This includes functionally equivalent materials and methods for property which is obsolete, antique or custom. At **our** option, **we** may make a cash settlement and take all or part of the damaged property at its appraised or agreed value; or

c. the Coverage A limit of liability as described in this policy.

Under Coverage C

Our limit of liability for loss to personal property under Coverage C shall not exceed the least of the following amounts:

a. the **replacement cost** of the property at the time of loss; or

b. the amount necessary to repair the property to its condition immediately prior to the loss; or

c. any applicable special limit on certain types of personal property as shown in this policy; or

d. 400% of the **actual cash value** of the property at the time of loss, but not less than the initial purchase price; or

e. the limit of liability applying to personal property, Coverage C, in Section I, shown on your policy Declaration.

You may elect not to replace some or all of the destoyed or stolen property. Settlement for the property not replaced will be on an **actual cash value** basis, which includes deduction for **depreciation**. If **you** later decide to replace that property, **you** may make an additional claim under this provision within 180 days after the loss occurs.

We will not be liable under this provision unless and until actual repair or replacement is completed.

Loss to any of the following personal property will not be eligible for the **replacement cost** provision:

a. photographs or negatives, antiques, paintings, etchings, tapestries, statuary, articles made of marble or bronze, rare books or papers, procelains, rare glassware or any similar articles which, by their inherent nature, cannot be replaced with new articles;

b. property whose age or history contributes greatly to its value. Such property includes, but is not limited to, memorabilia, souvenirs, and collectors items;

c. property not maintained in good or workable condition;

d. property, which at the time of loss, is either obsolete or useless.

4. Loss to a Pair or Set

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

a. repair or replace any part to restore the pair or set to its value before the loss; or

b. pay the difference between the **actual cash value** of the property before and after the loss. In no event shall loss or damage to a part of the pair or set mean a total loss to the pair or set.

5. Our Payment of Loss

When **we** pay for a covered loss, **we** will adjust the loss with **you** and pay **you**, unless another payee is named in the policy or is legally entitled to be paid.

Our payment of loss will be determined by:

a. agreement between **you** and **us**; or
b. a court judgment.

6. Other Insurance

   a. If a loss covered by this policy is also covered by other insurance, except insurance in the name of an **association** of **condominium unit** owners, this insurance will be considered as excess coverage and will apply only after all other insurance has been used.

   b. If at any time of loss there is other insurance or a service agreement in the name of an **association** of **condominium unit** owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

7. Insurable Interest

   We will not pay for more than the insurable interest **you** have in the covered property at the time of loss.

8. Abandoned Property

   We will not accept any property abandoned by **you**.

9. Mortgagees and Loss Payees

   Mortgage Clause

   This clause applies only to coverage on a **condominium unit** that **you** own and does not affect **your** rights or duties. If a mortgagee is shown on the **Declaration** page, **we** will pay any loss covered by this policy to the mortgagee and **you** as interests appear. If more than one mortgagee is shown for an insured location, the order of **our** payment to each mortgagee is the same as the order of the precedence of the mortgagees.

   Settlement of Loss

   If **we** deny **your** claim, that denial does not apply to a valid claim of a 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;

   c. submits a signed, sworn proof of loss within sixty (60) days after receiving notice from **us** of **your** failure to provide the same;

   d. fully cooperates with **us** in the investigation or settlement of a loss to the insured property;

   e. has not participated in the breach of any term or condition of this policy by **you** or any insured person. This includes causing or procuring the damage or destruction of the property insured by this policy.

   Loss Payee Clause

   The loss payee shown by endorsement or on the **Declaration** page is a person or organization **you** have entered into a contract with for the sale of property insured by this policy.

   When both **you** and the loss payee have an insurable interest in property insured by this policy, **we** will:

   a. adjust covered losses with **you**; and

   b. pay any covered claim for loss or damage jointly to **you** and the loss payee, as interests may appear on the policy.

   Subrogation (Mortgagee or Loss Payee)

   If **we** pay the mortgagee or loss payee for any loss and deny payment to **you**:

   a. **we** are subrogated to the rights of the mortgagee, or loss payee, granted by the mortgage, promissory note, lien, or debt on the property; or

   b. at **our** option, **we** may pay to the mortgagee the debt secured by the mortgage, lien, or promissory note plus any accrued interest. In this event, **we** are entitled to receive a full endorsement, assignment, and/or transfer of the mortgage, lien, promissory note, or debt and other security to the extent of **our** payment to the mortgagee, or loss payee; and

   c. **we** will release the rights, assignment, security, and mortgage **we** have obtained from the mortgagee or loss payee if **we** later determine that **we** owe **your** claim for loss.

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

Cancellation

If this policy is cancelled for non-payment of premium, the mortgagee, loss payee, or additional interest shown on the **Declaration** page will be given ten (10) days notice.

If **we** cancel or refuse to renew this policy for any other reason, **we** will provide a thirty (30) day notice.

10. Suit Against the Company

    No legal action may be brought against **the Company** concerning any of the coverages provided in the policy until **you** have fully complied with all terms of the policy.

11. Bailee

    We will not recognize any assignment or grant any coverage for the benefit of any person or organization, other than **you**, holding, storing, or transporting property for a fee regardless of any other provision of this policy.

12. Vacancy or Unoccupancy

    If **you** vacate or fail to occupy the insured **unit** in the **residence premises** for a period of thirty (30) consecutive days, **we** will not cover loss to any property caused by the following perils:

    a. **vandalism** or malicious mischief;
    b. breakage of glass;
    c. sudden and accidental tearing apart, cracking, burning, or bulging of a heating or air conditioning system, household appliance, or automatic fire sprinkler system;
    d. sudden and accidental discharge or overflow of water or steam from within a plumbing or air conditioning system, household appliance, or automatic fire sprinkler system.

    We shall not be liable for any property loss if **you** vacate or fail to occupy the insured **unit** in the **residence premises** for a period of sixty (60) consecutive days.

SECTION II
PERSONAL LIABILITY PROTECTION

PERSONAL LIABILITY - COVERAGE E

Subject to the limits of liability shown on **your Declaration**, **we** will pay all sums, except **punitive damages**, arising out of any loss which **you** become legally obligated to pay as damages because of **bodily injury** or **property damage** covered by this policy.

If a claim is made or suit is brought against **you** for damages because of **bodily injury** and/or **property damage** covered by this policy, **we** will defend **you** at **our** expense, using lawyers of **our** choice.

We are not obligated to defend **you** after **we** have paid an amount equal to the limit of **our** liability. **We** may investigate or settle any claim or suit as **we** think appropriate.

MEDICAL PAYMENTS TO OTHERS - COVERAGE F

We will pay the fair expenses, because of an accident, for necessary medical, surgical, x-ray and dental services, prosthetic devices, eyeglasses, hearing aides, pharmaceuticals, ambulance, hospital, licensed nursing aid while in the hospital, and funeral services. These expenses must be incurred within one year from the date of an accident causing **bodily injury** covered by this policy.

Each person who sustains **bodily injury** is entitled to the protection when that person is:

1. on an insured premises with **your** permission; or
2. elsewhere, if the **bodily injury**:
    a. arises out of a condition in the **residence premises** or the adjoining ways; or
    b. is caused by the activities of **you** or any employee in the course of employment by **you** or in **your** care; or
    c. is caused by an animal owned by **you** or in **your** care.

We will pay expenses **you** have for first aid to persons covered for **bodily injury** under this policy. Payment of first aid is not an admission of liability by **us** or **you**.

ADDITIONAL COVERAGES - SECTION II

We will pay, in addition to **our** limit of liability:

1. Voluntary **Property Damage**

    Up to $500 per **occurrence** when **you** cause damage to property owned by others. **We** will, at **our** option, either pay the **actual cash value** of the damaged property or repair or replace the damaged property. But, **we** will not pay for **property damage**:

    a. caused intentionally by **you**, any member of **your** household, or any employee;
    b. to property owned by or rented to **you**, **your** tenant, or a member of **your** household;

a. caused intentionally by **you**, any member of **your** household, or any employee;

b. to property owned by or rented to **you**, **your** tenant, or a member of **your** household;

c. arising out of:

1) an act or omission in connection with a premises (other than **residence premises**) owned, rented, or controlled by **you**;

2) **business** pursuits;

3) ownership, maintenance, or use of a **motor vehicle**, trailer, semi-trailer, farm equipment, aircraft, or watercraft.

d. to property insured under Section I of this policy.

2. Loss Assessment

Under Section II - Personal Liability Protection, **we** will cover **your** share of any **loss assessment** charged against all **unit** owners by the **association of condominium unit owners** for damages the **association** may be obligated to pay because of:

a. **bodily injury** or **property damage** due to an **occurrence** for which this policy would apply.

b. liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:

1) the director, officer or trustee is elected by the members of an **association of condominium unit owners**; and

2) the director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of an **association of condominium unit owners.**

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

a. one **occurence**, including continuous or repeated exposure to the same general harmful condition; or

b. a covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

We do not cover **loss assessments** charged against **you** or an **association** by any governmental body.

3. The following expenses:

a. interest on the entire amount of damages awarded in a suit **we** defend, accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit of liability.

b. premiums on bonds required in a suit **we** defend. But, **we** will not pay the premium for the portion of a bond amount that is greater than **our** limit of liability. **We** have no obligation to apply for or furnish bonds.

c. all reasonable expenses **you** may have when **we** ask **you** to help **us** investigate or defend any claim or suit, including loss of earnings that **you** incur, not to exceed $50 per day.

EXCLUSIONS - SECTION II

Unless special permission for coverage is granted by endorsement or provision listed on the **Declaration**, certain types of losses are not covered by **your** policy. Under Personal Liability Coverage and Medical Payments to Others Coverage, **we** do not cover:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of:

a. aircraft. This exclusion does not include model and hobby aircraft designed for recreational use and not designed to transport people or property;

b. a **motor vehicle**. This exclusion does not apply to golf carts while used for golfing purposes, or motorized lawn mowers of 35 horsepower or less, when used to service **your residence premises**; or

c. watercraft not located on the **residence premises**, when powered by one or more motors with more than 25 total horsepower.

2. **bodily injury** or **property damage** arising out of the rendering or failure to render professional services;

3. **bodily injury** or **property damage** arising out of **your business** pursuits;

4. **bodily injury** or **property damage** arising out of any **residence premises** owned, rented, or controlled by **you** which is not an insured **residence premises** specified on **your** policy **Declaration**.

But, **we** will cover **bodily injury** to a **residence employee** arising out of and in the course of employment by **you** at such premises, unless benefits are payable or required to be provided under any Worker's Compensation Laws;

5. **bodily injury** or **property damage** caused intentionally by **you** or any covered person or at the direction of **you** or any covered person. The expected or unexpected results of such acts are not covered.

6. **bodily injury** or **property damage** arising out of war (declared or undeclared), civil war, insurrection, rebellion, or revolution.

7. **bodily injury** to **you** or any member of **your** household, other than residence employees;

8. **bodily injury** or **property damage** which occurs, in whole or in part, because of the actual, alleged, attempted, or threatened exposure to or transmission of a communicable disease, bacteria, parasite, virus, or any other organism regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage, by:

   a. **you**;
   b. any member of **your** household;
   c. anyone **you** employ; or
   d. any other person acting on **your** behalf or at **your** direction;

9. **bodily injury** or **property damage** arising from **sexual harm** committed, caused, instigated, or directed by:

   a. **you** or any covered person; or
   b. **your** employee or agent;

   whether or not such bodily injury or property damage is:

   a. intended;
   b. expected; or
   c. foreseeable.

   This exclusion also applies to **bodily injury** or **property damage** arising from the negligent:

   a. employment, hiring, contracting, and/or retention by anyone of a person who commits **sexual harm**;

   b. investigation of, or reporting or failure to report to the proper authorities, a person:
      1) employed;
      2) hired;
      3) contracted; or
      4) retained

      by **you** or any covered person who commits **sexual harm**;

   c. failure by **you** or any covered person to seek medical, psychological or other treatment, rehabilitation, or counseling, to prevent involvement in, instigation of, or continuation of **sexual harm** by:

      1) **you** or any covered person;
      2) **your** agent; or
      3) any person employed, contracted, hired and/or retained by any covered person;

   d. supervision of a person who commits **sexual harm**;

   e. entrustment of a person to any other person who commits **sexual harm**;

   f. allowing, by anyone, of any other person to be in the presence of any person who commits **sexual harm**;

   g. failure by anyone to take action to stop any other person who commits **sexual harm**, including, but not limited to, failure to warn such other person; and

   h. failure by anyone to prevent the commission of **sexual harm**.

   Paragraphs b., c.,e.,f.,g.,and h. above also apply to any person who may commit, has committed or is alleged to have committed **sexual harm**.

10. liability assumed under an oral or written contract or agreement in connection with any of **your business** or personal pursuits;

11. **property damage** to property owned by **you**;

12. **property damage** to property occupied, rented, or used by **you** or **your** employee, unless caused by fire, smoke or explosion.

    (This exclusion does not apply to the Voluntary Property Damage provision in Additional Coverages, Section II);

13. **bodily injury** to any employee if **you** are required to have a policy providing Worker's Compensation;

14. **bodily injury** or **property damage** arising out of the discharge, dispersal, migration, release or escape of **pollutants** at any time by **you** or any person, organization, or governmental authority.

    This exclusion does not apply to **bodily injury** or **property damage** caused by heat, smoke, or fumes from a hostile fire. A hostile fire is one that becomes uncontrollable or breaks out from where it was intended to be.

15. **bodily injury** or **property damage** which occurs, in whole or in part, because of the actual, alleged, attempted, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of insects, rust, bacteria, mold, mildew, wet rot or dry rot, or any other **fungi**, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage;

16. **bodily injury** or **property damage** arising out of the exposure to:

    a. asbestos, asbestos fibers or any other material or substance containing asbestos; or

    b. lead, paint containing lead, or any other material or substance containing lead; or

    c. radium, radon, or any other material or substance containing radium or radon;

17. any loss, cost, or expense arising out of any:

    a. request, demand, or order that **you** or any person test for, monitor, clean up, remove, remedy, repair, contain, treat, detoxify, or neutralize or in any way respond to, or assess the effects of **pollutants**, asbestos, lead, radium, radon, insects, rust, mold, mildew, wet rot or dry rot, or any other **fungi**; or

    b. fine, claim, or suit by or on behalf of any person, organization, or government authority for damages because of testing for, monitoring, cleaning up, removing, remedying, repairing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**, asbestos, lead, radium, radon, insects, rust, mold, mildew, wet rot or dry rot, or any other **fungi**;

18. claims which arise from activities involving an illegal purpose.

CONDITIONS - SECTION II

1. What to Do in Case of **Bodily Injury** or **Property Damage**

   In the event of **bodily injury** or **property damage**, **you** must:

   a. notify **us** or **our** agent as soon as possible.

      The notice must give:

      1) **your** name and policy number;

      2) the time, place and circumstances of the accident, **occurrence** or loss; and

      3) the names and addresses of injured persons and witnesses;

   b. Send **us** promptly any legal papers received relating to a claim or suit;

   c. Cooperate with **us** and assist **us** in any matter relating to a claim or suit;

   d. If a loss covered under Voluntary Property Damage occurs, send to **us** as soon as possible, a sworn proof of loss. **You** shall also exhibit any damaged property that is within **your** control.

   You will not, except at **your** own expense, voluntarily make any payment, assume any obligation, or incur any expenses other than for first aid expenses at the time of the accident.

2. Duties of an Injured Person – Medical Payments to Others Coverage

   The injured person or someone acting on behalf of the injured person will:

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

   b. submit to physical examination at **our** expense by doctors **we** select as often as **we** may reasonably require;

   c. authorize **us** to obtain medical and other records.

3. Limits of Liability

   Regardless of the number of persons insured, injured persons, claims made, or suits brought, **our** liability is limited as follows:

   a. The limit of liability stated in the **Declaration** for Personal Liability Coverage is the total limit of **our** liability for all damages resulting from any one **occurrence**;

   b. The limit of liability stated in the **Declaration** for Medical Payments to Others Coverage, as applicable to each person, is **our** limit of liability for all medical expenses for **bodily injury** to any one person as the result of any one accident.

      The medical payment limit for any one accident shall not exceed the limit of liability stated in **your** policy **Declaration** as applicable to each **occurrence for Personal Liability coverage**.

4. Severability of Insurance

This insurance applies separately to each insured person against whom claim is made or suit is brought, subject to the limits of liability for each **occurrence**.

5. Suit Against Us

You may not bring suit against **us** until **you** have fully complied with all the terms of this policy.

We may not be sued by any other party until **your** obligation to pay is finally determined either by judgment against **you** after actual trial or by written agreement from **you**, the claimant, and **us**.

No one shall have any right to make **us** a party to a suit to determine **your** liability.

6. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency claimed by **you**.

7. Other Insurance - Personal Liability Coverage

If **you** have other insurance for any loss to which this coverage applies, this insurance will be considered as excess coverage and will apply only after all other insurance has been used.

GENERAL POLICY CONDITIONS

1. Policy Period and Premium Payments

This policy applies to losses that occur during the policy period. Unless cancelled, this policy may be renewed at **our** option. The offer of renewal may include a change in coverage amounts, **deductible**, other policy conditions, provisions and exclusions. The required renewal premium must be paid by **you** and accepted by **us**. Failure to pay within the time allowed will terminate coverage as of the expiration date. If this policy does expire and **you** send a later payment of the required premium, **we** may reinstate this policy, at **our** option, as of the date and time payment is received. A new policy period is then established.

2. Nonrenewal

We may elect not to renew this policy. **We** may do so by delivering to **you** or mailing to **you**, written notice at least thirty (30) days before the expiration date of the policy period. Notice will be delivered or mailed to the latest mailing address shown in **our** records.

Proof of mailing will be sufficient proof of notice. The policy period will end on the date and time stated in the notice.

3. Cancellation of Coverage During the Policy Period

Policyholder Right to Cancel

A policyholder named on the **Declaration** may cancel this policy at any time by written notice mailed or delivered to **us**. The notice must indicate the date **you** want the coverage cancelled.

Our Right to Cancel

We may cancel this policy for one or more of the following reasons:

a. Non-payment of premium;

b. Fraud or misrepresentation made by or with **your** knowledge in obtaining or continuing this policy, or in presenting a claim under this policy;

c. The **occurrence** of a material change in the risk which substantially increases any hazard insured against after policy issuance;

d. Violation of any local fire, health, or safety regulation or ordinance with respect to any **insured property** or its use which substantially increases any hazard insured against under this policy;

e. A material violation of a material provision of this policy;

f. Failure to secure and maintain membership with a county Farm Bureau agricultural organization;

g. If this policy has been in effect for less than 60 days, and is not a renewal, **we** may cancel for any reason.

Notice of Cancellation

If **you** fail to pay any premium which is due during the policy period, **we** may cancel this policy by giving at least ten (10) days notice of cancellation.

If **we** cancel this policy for a reason described in **Our Right to Cancel** items (b) through (g), **we** will notify **you** in writing at least twenty (20) days before the date of cancellation.

Notice of cancellation will be delivered or mailed to the latest mailing address shown in **our** records. Proof of mailing will be sufficient proof of notice. The policy period will end on the date and time stated in the notice.

4. Return of Premium

When this policy is cancelled, the premium for the unexpired time in the policy period is refunded according to **our** cancellation table. If the return premium is not refunded with notice of cancellation, **we** will refund it within a reasonable time after the date of cancellation.

5. Concealment or Fraud

This entire policy is void when, either before or after a **loss**, there have been fraudulent acts or false statements made or material facts or circumstances concealed or misrepresented in regard to the insured property, the insurance coverage, or the **loss**. This condition applies to **you**, a **relative** or any member of **your** household, or **your** employee.

6. Changes

A waiver or change of any provision of this policy must be in writing by **us** and be shown on an endorsement or successive **Declaration** to be valid. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of the change.

7. Subrogation

If **we** make a payment under any coverage set forth in the policy and the person for whom payment was made has the right to receive damages from another, **we** shall be subrogated to that right. **You** shall sign and deliver all related papers and work with **us** in any reasonable manner to secure **our** rights. **We** will not be liable for payment of the loss if **you** do anything after the loss to impair **our** right to recovery. **We** shall be entitled to a recovery only after **you** have been fully compensated.

8. Conformity to Statutes

If any of the terms or conditions of this policy are in conflict with the laws of the State of Arkansas, the terms and conditions will be amended to conform to those laws.

9. Assignment

Your rights and duties under this policy may not be transferred without **our** written consent. If **you** die, **we** will provide coverage for:

a. a surviving member of **your** household who was covered under this policy at the time of death; or

b. **your** legal representative while acting within that capacity; or

c. a person having proper custody of **your** covered property until a legal representative is appointed.

All assignments are subject to **the Company's** underwriting guidelines.

10. Liberalization Clause

If **we** adopt any revision broadening coverage under this edition of the policy without additional premium charge, **we** will broaden coverage for **your** policy immediately. This clause does not apply to changes implemented through introduction of a subsequent edition of the policy.

11. War and Nuclear Hazards

We will not pay for any loss or damage caused by undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or military personnel, destruction or seizure or use for a military purpose, and any consequence of any of these. Discharge of a nuclear weapon is considered a warlike act even if accidental.

We will not pay for any loss or damage caused by nuclear hazards, any nuclear reaction, nuclear radiation or radioactive contamination, or any consequence of any of these, all whether directly or indirectly resulting from the peril insured against or other causes of loss under this policy.

12. Policy Participating and Non-Assessable

The distribution of earnings and savings of **the Company** is subject to the business discretion of the Board of Directors. **You** will be entitled to any dividends which are declared by the Board of Directors, when **your** policy meets the requirements as determined by the Board.

The policy is non-assessable, meaning that **you** are not subject to any assessment beyond the premiums **we** require for each policy term or premiums required for additional items insured or coverages requested.

13. Notice to Agent

Written notice by **you** or on **your** behalf to any of **our** authorized agents, with information sufficient to identify the insured, is considered to be notice to **us**.

14. Inspections

At **our** option **we** may inspect **your** property at any time. **We** do not assume any liability by exercising **our** right to inspect. **We** make no representations that **your** property is safe, not harmful to health or complies with any law, rule or regulation.

15. Mutual Policy Conditions

This policy is issued by Farm Bureau Mutual Insurance Company of Arkansas, Inc. ("Mutual Company"). By virtue of this policy being in force, and as a policyholder, **you** are a member of the Mutual Company. **You** are entitled to cast one vote in the election of directors and upon each matter coming to a vote at meetings of the members.

You may vote in person or by proxy. If **you** vote by proxy, unless previously given by virtue of **your** insurance application, the proxy must be executed and filed with the secretary of the Mutual Company at least ten days before the meeting as to which it is to be effective.

Your proxy may be revoked at any time by attending in person any membership meeting of the corporation or by written request to the secretary of the corporation not less than twenty days before the date of any membership meeting of the corporation.

Unless otherwise specified, any such revocation shall be solely with respect to the meeting which **you** attend or the meeting for which **you** have revoked the proxy in order to cast a vote. Unless revoked as provided herein, **your** proxy shall be effective for an initial term of one year or the duration of the policy, whichever period is shorter, and shall be deemed to be automatically reestablished for additional terms of one year or the duration of the policy, whichever is shorter, upon each subsequent renewal or reinstatement of **your** policy.

The annual meeting of the members of the Mutual Company shall be held on the dates of, at the time and place of, and in conjunction with the Annual Convention of the Arkansas Farm Bureau Federation.

COUNTY FARM BUREAU MEMBERSHIP

As a prerequisite to **your** purchase of this policy and any renewal of insurance hereunder, **you** must make application to be a member of and maintain **your** membership in the applicable local county Farm Bureau agricultural organization and affiliated state Farm Bureau agricultural organization (hereinafter collectively "Farm Bureau Federation"). **Your** failure to apply for membership and maintain **your** membership with the applicable Farm Bureau Federation as **our** sponsoring organization, including, but not limited to, **your** failure to pay the required membership dues to said Farm Bureau Federation, shall require the cancellation or non-renewal of **your** policy by **us**. Dues payable to Farm Bureau Federation are in consideration of membership in Farm Bureau Federation and other agricultural related services from Farm Bureau Federation, and are not premiums; and are not consideration of coverage under this policy; and are not payable to **us**.

IN WITNESS WHEREOF: Farm Bureau Mutual Insurance Company of Arkansas, Inc., has caused this policy to be signed by an officer of **the Company** and shall not be valid unless countersigned on the **Declaration** by a duly authorized representative of this Company.

Duff Wallace
Vice President / General Manager

ENDORSEMENT SECTION

The following are standard endorsements. One or more may be designated on your policy **Declaration**. Except as each endorsement provides, the definitions, exclusions, and conditions set forth in this policy booklet will apply to each endorsement. Please check the endorsement section of your latest policy **Declaration** to determine if any of the following endorsements apply to your coverage.

INCIDENTAL BUSINESS OCCUPANCY ENDORSEMENT A

When this Endorsement is designated on your policy **Declaration**, coverage under Personal Property in Section I, and Personal Liability / Medical Payments in Section II is extended.

Personal Property, Coverage C

Subject to the full terms, conditions, and limitations of the policy, **we** will provide coverage for unscheduled personal property, including equipment, supplies, and furnishings usual to the incidental **business**, as shown on your policy **Declaration**, but only while located at **your** insured **residence**.

Personal Liability, Coverage E
Medical Payments to Others, Coverage F

We will provide liability and medical coverage for **your** incidental **business** when the incidental **business** is located at **your residence premises**, as described in **your** policy **Declaration**. **We** will not provide liability or medical coverage for your incidental **business** because of:

1. damage arising out of the rendering or failure to render professional service;

2. damages arising out of full time **business** pursuits except those within the operation of the described incidental **business**;

3. **bodily injury** to any employee except for **your residence employee** while engaged in **your** employment;

4. **bodily injury** to any child or student arising out of punishment administered by **you** or at **your** direction.

Except for your employees, **we** will provide Medical Payments Coverage for others who are on **your** insured **residence premises** because of the described incidental **business** pursuits that are conducted.

Nothing herein contained shall alter, vary, waive, or extend any provision or condition of this policy except as herein provided.

EXTENDED THEFT - ENDORSEMENT D

When this Endorsement is designated on your policy **Declaration**, **we** will increase the total coverage for **theft** losses of personal property imposed by "SPECIAL LIMITS ON CERTAIN PERSONAL PROPERTY," Coverage C, numbers 2,5,8, and 10. The total coverage will increase to $5,000. Coverage on any single item is limited to $2,000.

Note: There are four extensions of this coverage and your **Declaration** will designate such coverage, if applicable, with the Endorsement code D1, D2, D3, or D4. The wording in each is identical except for the total coverage applicable (shown below). The limit per item remains $2,000 in all of these endorsements.

Total Coverage Applicable:

D1	$10,000
D2	$15,000
D3	$25,000
D4	$35,000

Nothing herein contained shall alter, vary, waive, or extend any provision or condition of this policy except as herein provided.

SEWAGE BACKUP COVERAGE ENDORSEMENT S

When this Endorsement is designated on your policy **Declaration**, coverage is amended as follows:

We will provide coverage for accidental direct physical loss caused by water or sewage, which backs up through sewers or drains including sump overflow. A $250 **deductible** will apply per **occurrence**, and the maximum amount **we** will pay per **occurrence** is $2,500. This limit does not increase the limits of liability applying to Coverages A and C.

We will not pay for physical loss of a sump pump or related equipment which is caused by mechanical breakdown.

Nothing herein contained shall alter, vary, waive, or extend any provision or condition of this policy except as herein provided.

INCREASED LOSS ASSESSMENT COVERAGE SECTION I & II
ENDORSEMENT U

For an additional premium, when this endorsement is designated on your policy **Declaration**, the limit of liability for Section I, Additional Coverage, Loss Assessment, and Section II, Additional Coverage, Loss Assessment, is increased to $5,000.

SPECIAL LIMIT

We will not pay more than $1,000 of **your loss assessment** that results from a **deductible** in the policy of insurance purchased by an **association of condominium unit owners.**

Nothing herein contained shall alter, vary, waive, or extend any provision or condition of this policy except as herein provided.