October 22-25, 2026 I Sheraton Boston Hotel

MAIA'S BIG EVENT 2026

Conference & Trade Show

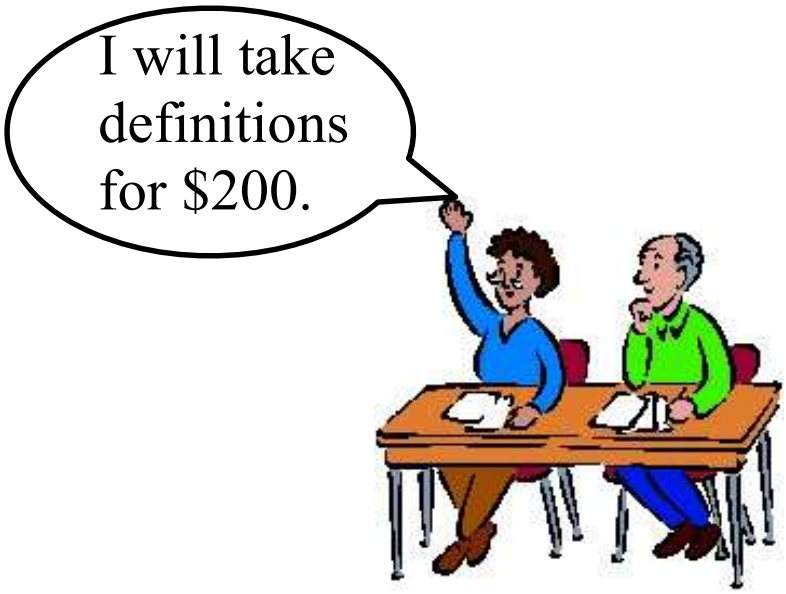
Celebrating Independence!

10/25/2026
9:00 am - 12:00 pm

Game Day 2026!

MAIA'S BIG EVENT 2026
Conference & Trade Show
Celebrating Independence!

Welcome to the Big Event Game Day



This program is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal or other expert assistance is required, the services of a competent professional person should be sought.

With special thanks to the Insurance Services Office, Inc. (ISO) and The Automobile Insurers Bureau of MA (AIB) for advance information, continued support, and permission to use their forms and information.

Warning

What forms will we be talking about today.

- © Insurance Services Office, Inc. (ISO)
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What forms will we NOT be talking about today.

- Contains copyrighted material of the Insurance Services Office, Inc.
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- AAIS
- MSO
- Carriers own forms

Review what they state and compare and contrast coverage.

If it's not ISO or AIB out of the box; know what the differences are by asking the claims department to give you the cheat sheets.

Thanks ISO & AIB for allowing us to use your forms!

Together through a fun team effort we will explore the following forms and endorsements;

ISO's 2022 Homeowners

AIB's 2026 Edition MAP

ISO's 2018 PAP

ISO's 2015 Personal Umbrella

NFIP Dwelling Form

Many endorsements, issues and information too numerous to mention☺

HOMEOWNERS 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

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:

(a) An aircraft, hovercraft or watercraft by any person; or

(b) A motor vehicle by an "insured";

(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, except model or hobby watercraft not designed to carry people or cargo; and

(4) Motor vehicle means a "motor vehicle" as defined in **11.** 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;

b. The leasing of the mineral rights of an "insured location";

c. "Home-sharing host activities"; or

d. 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 $5,000 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".

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4. "Cannabis" means:

a. Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

b. Paragraph **4.a.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

(1) Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

(2) Any compound, by-product, extract, derivative, mixture or combination, such as:

(a) Resin, oil or wax;

(b) Hash or hemp; or

(c) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **4.b.(1)** above.

c. Paragraph **4.a.** above includes, but is not limited to, marijuana.

5. "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".

6. "Home-sharing host activities" means:

a. The:

(1) Rental or holding for rental; or

(2) Mutual exchange of services;

of the "residence premises", in whole or in part, by an "insured" to a "home-sharing occupant" through the use of a "home-sharing network platform"; and

b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or

(2) Mutual exchange of services;

except those property or services provided by another party.

7. "Home-sharing network platform" means an online-enabled application, web site or digital network that:

a. Is used for the purpose of facilitating, for money, mutual exchange of services or other compensation, the rental of a dwelling or other structure, in whole or in part; and

b. Allows for the agreement and compensation with respect to such rental to be transacted through such online-enabled application, web site or digital network.

8. "Home-sharing occupant" means a person, other than an "insured", who:

a. Has entered into an agreement or arranged compensation with an "insured" through the use of a "home-sharing network platform" for "home-sharing host activities"; or

b. Is accompanying or staying with a person described in Paragraph **8.a.** above under such "home-sharing host activities".

9. "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 your care or the care of a resident of your household who is your relative;

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 resident of your household who is your relative; or

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c. Under Section **II:**

(1) 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 described in **9.a.** or **b.** "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

(2) With respect to a "motor vehicle" to which this Policy applies:

(a) Persons while engaged in your employ or that of any person described in **9.a.** or **b.;** or

(b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections **I** and **II,** when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

10. "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.

11. "Motor vehicle" means:

a. A land or amphibious vehicle that is self-propelled or capable of being self-propelled; or

b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **11.a.** above.

12. "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".

13. "Property damage" means physical injury to, destruction of or loss of use of tangible property.

14. "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.

15. "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.

C. In this Policy, the terms:

1. Roomer;

2. Boarder;

3. Tenant; or

4. Guest;

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and

b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

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 "residence premises" 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 from which any "business" is conducted; or

d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" 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.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage **A.** Use of this coverage does not reduce the Coverage **A** limit of liability.

C. Coverage C – Personal Property

1. Covered Property

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

a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or

b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Locations

a. Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage **C,** or $1,500, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the "residence premises" because it is:

(a) Being remodeled, renovated or repaired; and

(b) Not fit to live in or store property in; or

(2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

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b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage **C,** or $1,500, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the "residence premises" because it is:

(a) Being remodeled, renovated or repaired; and

(b) Not fit to live in or store property in; or

(2) Usually located in an "insured's" residence, other than the "residence premises".

3. Special Limits Of Liability

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

a. $300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

b. $2,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

c. $2,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.

d. $2,000 on trailers or semitrailers not used with watercraft of all types.

e. $2,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.

f. $3,000 for loss by theft of firearms and related equipment.

g. $3,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

h. $3,000 on property, on the "residence premises", used primarily for "business" purposes.

i. $1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:

(1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

(2) In or upon a "motor vehicle".

j. $2,000 on portable electronic equipment that:

(1) Reproduces, receives or transmits audio, visual or data signals;

(2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and

(3) Is in or upon a "motor vehicle".

k. $300 on antennas, tapes, wires, records, disks or other media that are

(1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

(2) In or upon a "motor vehicle".

l. $2,000 on model or hobby aircraft not used or designed to carry people or cargo.

4. Property Not Covered

We do not cover:

a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;

b. Animals, birds or fish;

c. "Motor vehicles".

This includes a "motor vehicle's" equipment, and parts, that are in or upon the "motor vehicle". However, this Paragraph **4.c.** does not apply to:

(1) Portable electronic equipment that:

(a) Reproduces, receives or transmits audio, visual or data signals; and

(b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

(2) "Motor vehicles" not required to be registered for use on public roads or property which are:

(a) Used solely to service a residence; or

(b) Designed to assist the handicapped;

d. 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;

e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

f. Property of:

(1) A "home-sharing occupant";

(2) Any other person occupying the "residence premises" as a result of any "home-sharing host activities"; and

(3) Roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

g. Property in:

(1) A space while rented or primarily held for rental to a "home-sharing occupant"; or

(2) Subject to Paragraph **g.(1),** an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.9.** Landlord's Furnishings under Section **I** – Property Coverages;

h. Property used primarily for "home-sharing host activities";

i. Property rented or held for rental to others off the "residence premises";

j. "Business" data, including such 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;

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

l. Water or steam;

m. Virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency; or

n. Any:

(1) Controlled Substances, other than "cannabis", as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; and

(2) "Cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

Controlled Substances include but are not limited to cocaine, LSD and all narcotic drugs.

However, this Paragraph **4.n.** does not apply to:

(3) Prescription drugs obtained following the lawful orders of a licensed health care professional; or

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(4) Goods or products containing or derived from hemp, including, but not limited to:

(a) Seeds;

(b) Food;

(c) Clothing;

(d) Lotions, oils or extracts;

(e) Building materials; or

(f) Paper.

However, this Paragraph **4.n.(4)** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

D. Coverage D – Loss Of Use

The limit of liability for Coverage **D** is the total limit for the coverages in **1.** Additional Living Expense, **2.** Fair Rental Value and **3.** Civil Authority Prohibits Use below.

1. Additional Living Expense

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you and residents of your household who are:

a. Your relatives; or

b. Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damaged property or, if your household permanently relocates, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section **I** makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

However, we do not cover any fair rental value arising out of or in connection with "home-sharing host activities".

Payment will be for the shortest time required to repair or replace the damaged property.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1.** Additional Living Expense and **2.** Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

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

The periods of time under **1.** Additional Living Expense, **2.** Fair Rental Value and **3.** Civil Authority Prohibits Use above are not limited by expiration of this Policy.

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

(1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or

(2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

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

b. We will also pay your reasonable expense, up to $3,000, for the removal from the "residence premises" of:

(1) Your trees felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or

(2) A neighbor's trees felled by a Peril Insured Against under Coverage **C;**

provided the trees:

(3) Damage a covered structure; or

(4) Do not damage a covered structure, but:

(a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

(b) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The $3,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. No more than $1,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage 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, described in **C.3.** under Section **I** – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

a. Fire or Lightning;

b. Explosion;

c. Riot or Civil Commotion;

d. Aircraft;

e. Vehicles not owned or operated by a resident of the "residence premises";

f. Vandalism or Malicious Mischief; or

g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than $1,500 of this limit will be paid for any one tree, shrub or plant. We do not cover:

h. Property, other than "cannabis", grown for "business" purposes; or

i. "Cannabis" whether or not grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

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

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

6. Loss Assessment

a. We will pay up to $2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage **A,** other than:

(1) Earthquake; or

(2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of $2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

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

c. Paragraph **Q. Policy Period** under **Section I – Conditions** does not apply to this coverage.

This coverage is additional insurance.

7. Collapse

a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.

b. For the purpose of this Additional Coverage – Collapse, abrupt 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 intended purpose.

c. This Additional Coverage – Collapse does not apply to:

(1) A building or any part of a building that is in danger of falling down or caving in;

(2) A part of a building that is standing, even if it has separated from another part of the building; or

(3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

(1) The Perils Insured Against named under Coverage **C;**

(2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;

(3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" 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.

e. 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 **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

8. 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 "residence premises" 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 in **a.(2)** above. A dwelling being constructed, remodeled, renovated or repaired is not considered vacant.

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

9. Landlord's Furnishings

We will pay up to $3,000 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage **C,** other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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

10. Ordinance Or Law

a. We will pay up to 10% of the limit of liability that applies to Coverage **A** for 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. 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.

c. 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 any "insured" 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.

11. Grave Markers

We will pay up to $5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage **C.**

This coverage does not increase the limits of liability that apply to the damaged covered property.

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SECTION I – PERILS INSURED AGAINST

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

1. We insure against direct physical loss to property described in Coverages **A** and **B.**

2. We do not insure, however, for loss:

a. Excluded under Section **I** – Exclusions;

b. Involving collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above;

except as provided in **E.7.** Collapse under Section **I** – Property Coverages; 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:

(a) If such loss arises out of or results from "home-sharing host activities"; or

(b) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if:

(a) The loss arises out of or results from "home-sharing host activities"; or

(b) The dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed, remodeled, renovated or repaired is not considered vacant;

(5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:

(a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

(b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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; or

(6) 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, 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;

(g) Birds, rodents or insects;

(h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

(i) Animals owned or kept by an "insured".

Exception To c.(6)

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 "residence premises"; or

(ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", 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 "residence premises".

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

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.

Section **I** – Exclusion **A.3.** Water, 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 **c.(5)** and **(6)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision 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 any of the following perils unless the loss is excluded in Section **I** – Exclusions.

1. **Fire Or Lightning**
2. **Windstorm Or Hail**

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

   This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
3. **Explosion**
4. **Riot Or Civil Commotion**
5. **Aircraft**

   This peril includes self-propelled missiles and spacecraft.

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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 caused by vandalism or malicious mischief to property arising out of or resulting from "home-sharing host activities".

9. Theft

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured";

(4) That occurs off the "residence premises" of:

(a) Trailers, semitrailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss; or

(5) If such loss arises out of or results from "home-sharing host activities".

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

(3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or

(4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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. Section **I** – Exclusion **A.3.** Water, 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 under this peril.

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 is 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.

SECTION I – 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 for in **E.10.** Ordinance Or Law under Section **I** – Property Coverages;

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

c. Requiring any "insured" 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.

This Exclusion **A.2.** applies regardless of whether any of the above, in **A.2.a.** through **A.2.d.,** is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.2.a.** through **A.2.d.,** is covered.

3. Water

This means:

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

b. Water which:

(1) Backs up through sewers or drains; or

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(2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;

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

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

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.,** is caused by an act of nature or is otherwise caused.

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

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

4. Power Failure

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

5. Neglect

Neglect means neglect of an "insured" 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; or

c. Destruction, seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **N.** Nuclear Hazard Clause under Section **I** – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" 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.

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 "residence premises".

SECTION I – CONDITIONS

A. 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. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or

2. For more than the applicable limit of liability.

B. Deductible

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

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

2. If two or more deductibles under this Policy apply to the loss, only the highest deductible amount will apply.

C. 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, an "insured" seeking coverage or a representative of either:

1. Give prompt notice to us or our agent;

2. Notify the police in case of loss by theft;

3. 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;

4. Cooperate with us in the investigation of a claim;

5. 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;

6. 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 "insured", and sign the same;

7. 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. The interests of all "insureds" and 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 **5.** above; and

g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement

In this Condition **D.,** 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 **E.10.** Ordinance Or Law under Section **I** – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:

a. Personal property;

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b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;

c. Structures that are not buildings; and

d. Grave markers, including mausoleums;

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

2. Buildings covered 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 any 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 described 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 damaged property is both:

(1) Less than 5% of the amount of insurance in this Policy on the building; and

(2) Less than $5,000;

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 **D.** Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

E. 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.

F. 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 "residence premises" 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.

G. Other Insurance And Service Agreement

If a loss covered by this Policy 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 Policy 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.

H. Suit Against Us

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

I. 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.

J. 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.

K. Abandonment Of Property

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

L. 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. Paragraphs **F.** Appraisal, **H.** Suit Against Us and **J.** Loss Payment under Section **I** – Conditions 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

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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.

M. 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.

N. 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 under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

O. 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.

P. Volcanic Eruption Period

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

Q. Policy Period

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

R. Concealment Or Fraud

We provide coverage to no "insureds" under this Policy if, whether before or after a loss, an "insured" 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.

S. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

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

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which 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 F – Medical Payments To Others

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

1. To a person on the "insured location" with the permission of an "insured"; or

2. To a person off the "insured location", if the "bodily injury":

a. Arises out of a condition on the "insured location" or the ways immediately adjoining;

b. Is caused by the activities of an "insured";

c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or

d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. Motor Vehicle Liability

1. Coverages **E** and **F** 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 a residence;

c. A riding lawn mower that, at the time of the "occurrence", is being used to mow a lawn;

d. 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";

e. 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:

(a) On an "insured location" as defined in Definition **B.10.a., b., d., e.** or **h.**; or

(b) Off an "insured location" and the "motor vehicle" is:

(i) Designed as a toy vehicle for use by children under seven years of age;

(ii) Powered by one or more batteries; and

(iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;

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f. A motorized golf cart that is owned by an "insured", designed to carry up to four 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 **E** and **F** 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 an "insured"; or

c. Is not a sailing vessel and is powered by one or more engines or motors, including those that power a water jet pump, totaling:

(1) 25 horsepower or less; or

(2) More than 25 horsepower; and

(a) Not owned by an "insured"; or

(b) Are outboard engines or motors owned by an "insured" who acquired such engines or motors:

(i) During the policy period; or

(ii) Before the policy period, but only if you declare them at policy inception or your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in **(b)** 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 E – Personal Liability And Coverage F – Medical Payments To Others

Coverages **E** and **F** 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 or property than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" or "property damage" 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. With respect to other than "home-sharing host activities", 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. A Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; or

b. Any "cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

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Controlled Substances include but are not limited to cocaine, LSD and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

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 E – Personal Liability

Coverage **E** 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, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;

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 Definition **9.a.** or **b.**

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

a. Repay; or

b. Share damages with;

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

G. Coverage F – Medical Payments To Others

Coverage **F** 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:

a. A "home-sharing occupant"; or

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

SECTION II – 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 **E** 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 $5,000 per "occurrence" for "property damage" to property of others caused by an "insured".

2. We will not pay for "property damage":

a. To the extent of any amount recoverable under Section **I;**

b. Caused intentionally by an "insured" who is 13 years of age or older;

c. To property owned by an "insured";

d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. Arising out of:

(1) A "business" engaged in by an "insured";

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

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

This Exclusion **e.(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.

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D. Loss Assessment

1. We will pay up to $2,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:

a. "Bodily injury" or "property damage" not excluded from coverage under Section **II** – Exclusions; or

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

(1) Is elected by the members of a corporation or association of property owners; and

(2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

2. Paragraph **I. Policy Period** under **Section II – Conditions** does not apply to this **Loss Assessment Coverage.**

3. Regardless of the number of assessments, the limit of $2,000 is the most we will pay for loss arising out of:

a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

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

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

SECTION II – CONDITIONS

A. Limit Of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** Limit Of Liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from 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 **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** Limit Of Liability shown in the Declarations.

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 Section **II** – 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 F – 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 F – 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 Section **II.**
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 **E** 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. 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.

SECTIONS I AND II – CONDITIONS

A. 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.

B. 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.

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C. 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.

D. 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.

E. Assignment

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

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person or organization. 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 **F** or Paragraph **C. Damage To Property Of Others** under **Section II – Additional Coverages.**

G. Death

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

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the Policy at the time of death; and
2. "Insured" includes:
   a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
   b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

Automobile Insurers Bureau

Massachusetts Automobile Insurance Policy

Please read your policy. Part of the policy is a page marked “Coverage Selections.” It shows the types and amounts of coverage you have purchased. As you read the policy, check the Coverage Selections Page to make sure it shows exactly what you intended to buy. If there is any question, call your agent or company right away.

2026Edition

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Introduction 1

This insurance policy is a legal contract between the policy owner (you) and the company (we or us). It insures you and **your auto** for the period shown on the Coverage Selections Page.

As long as you pay your premium, we agree to provide you or others the benefits to which you or they are entitled. The exact terms and conditions are explained in the following pages.

There are two basic categories of insurance described in this policy, Compulsory Insurance and Optional Insurance.

Compulsory Insurance. There are four Parts to Compulsory Insurance. They are all required by law. Every auto registered in Massachusetts must have them.

Optional Insurance. There are eight Parts to Optional Insurance. Some of them extend the coverage or the amounts of protection provided by Compulsory Insurance. Some of them provide protection not found in Compulsory Insurance. You do not have to buy any of these eight Parts if you do not want to.

Auto insurance claims arise in different ways. Autos are sometimes stolen or damaged. Accidents may injure people in **your auto**, people in other autos or **pedestrians.** You may be responsible for an accident or someone else may be. An accident may happen in Massachusetts or out of state. Different situations require different kinds of insurance.

Please read the whole policy to see what kinds of insurance are available to cover these different situations. You should check the Coverage Selections Page to make sure it correctly indicates the coverages you purchased. Each coverage you purchased will show a premium charge next to it. If no premium charge is shown, you do not have that coverage.

Sometimes you and we will agree to change this policy. The only way that can be done is by an “Endorsement” added to this policy form. All endorsements must be in writing. They then become part of this policy.

We are pleased to have you as a customer and hope you have a safe and accident-free year. But if you need us, we are here to help you. If you have an accident or loss, or if someone sues you, contact your agent or us.

Do the same if you have any questions or complaints. If you think we have treated you unfairly at any time, you may contact the Division of Insurance, (617) 521-7794.

2 Definitions

Throughout this policy:

1. **We, Us** or **Our** – refers to the company issuing this policy.

2. **You** or **Your** – refers to the person(s) named in Item 1 of the Coverage Selections Page. This includes your spouse while a **household member**.

3. **Accident** – means an unexpected, unintended event that causes bodily injury or property damage arising out of the ownership, maintenance, or use of an auto.

4. **Auto** – means a land motor vehicle or **trailer** but does not include:

A. Any vehicle operated on rails or crawler treads.

B. Any vehicle or **trailer** while it is located for use as a residence or premises. We consider such a vehicle to be an auto while it is being used on public roads or for recreational use.

C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.

D. Any vehicle not subject to motor vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle.

Other words and phrases are defined. They are in boldface when used.

5. **Your Auto** – means:

A. The vehicle(s) described on the Coverage Selections Page.

B. Any auto while used as a temporary substitute for the described auto with the consent of the owner while the described auto is out of normal use because of a breakdown, repair, servicing, loss, or destruction. This does not include a motorcycle. However, if a motorcycle is the vehicle described on the Coverage Selections Page, then a motorcycle used as a temporary substitute is included in the term **your auto.** However **your auto** does not include a substitute vehicle owned by you.

C. A private passenger auto, **trailer**, motorcycle, pick-up truck, van or similar vehicle, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. We provide coverage for an additional auto only if you ask us to insure it within seven days after you take title or the effective date of the lease.

If a replacement or additional auto is a pick-up truck, van or similar vehicle, it must not be used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing,

maintaining or repairing furnishings or equipment.

For Parts 1, 2, 3, 4, 5 and 6 the term **your auto** also includes any **trailer** not described on the Coverage Selections Page as covered under those Parts.

6. **Trailer** – means a vehicle designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van, or similar vehicle and designed for use on public roads. This includes a farm wagon or a farm implement.
7. **Occupying** – means in, upon, entering into, or getting out of.
8. **Collision** – means the accidental upset of **your auto** or any physical contact of **your auto** with another object.
9. **Household Member** – means anyone living in your household who is related to you by blood, marriage, or adoption. This includes wards, step-children or foster children.
10. **Pedestrian** – includes anyone incurring bodily injury as a result of being struck by an auto in an accident and who is not **occupying** an auto at the time of the accident.

Our Agreement

This policy is a legal contract under Massachusetts law. Because this is an auto policy, it only covers accidents and losses which result from the ownership, maintenance or use of autos. The exact protection is determined by the coverages you purchased.

We agree to provide the insurance protection you purchased for accidents which happen while this policy is in force.

You agree to pay premiums when due and to cooperate with us in case of accidents or claims.

Our contract consists of this policy, the Coverage Selections Page, any endorsements agreed upon, and your application for insurance. Oral promises or statements made by you or our agent are not part of this policy.

There are many laws relating to auto insurance. We and you must and do agree that, when those laws apply, they are part of this policy.

4

Compulsory Insurance

There are four Parts to Compulsory Insurance. They are called Compulsory Insurance because Massachusetts law requires you to buy all of them before you can register **your auto**. No law requires you to buy more than Compulsory Insurance. However, if you have financed **your auto**, the bank or finance company may require that you have some Optional Insurance as a condition of your loan.

The amount of your coverage and the cost of each Part is shown on the Coverage Selections Page.

Your Compulsory Insurance does not pay for any damage to **your auto.**

Part 1. Bodily Injury To Others.

Under this Part, we will pay damages to people injured or killed by **your auto** in Massachusetts accidents. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement. We will not pay punitive or exemplary damages. We will pay only if you or someone else using **your auto** with your consent is legally responsible for the accident. The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one accident is $25,000. Subject to this $25,000 limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident is $50,000. This is the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

We will not pay or defend:

1. For injuries to guest occupants of **your auto**.

2. For accidents outside of Massachusetts or in places in Massachusetts where the public has no right of access.

3. For injuries to any employees of the legally responsible person if they are entitled to benefits for the same injury under any workers' compensation law or similar law.

4. For accidents while **your auto** is being used as, or is available for use as, a public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to the use of **your auto** in a share-the-expense car pool, or in an expense reimbursement program either as a volunteer or at work. This does not apply to the use of **your auto** in providing volunteer transportation services at the direction of a charitable group.

The law provides a special protection for anyone entitled to damages under this Part. We must pay their claims even if false statements were made when applying for this policy or **your auto** registration. We must also pay even if

you or the legally responsible person fails to cooperate with us after the accident. We will, however, be entitled to reimbursement from the person who did not cooperate or who made any false statements.

If a claim is covered by us and by another company authorized to sell auto insurance in Massachusetts, we will pay only our proportionate share. If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner's auto insurance must pay its limits before we pay. Then, we will pay, up to the limits shown on your Coverage Selections Page, for any damages not covered by that insurance.

Part 2. Personal Injury Protection.

The benefits under this Part are commonly known as "PIP" or "No-Fault" benefits. It makes no difference who is legally responsible for the accident.

We will pay the benefits described below to you and other people injured or killed in auto accidents. For any one accident, we will pay as many people as are injured, but the most we will pay for injuries to any one person is $8,000. This is the most we will pay no matter how many autos or premiums are shown on the Coverage Selections Page.

We will pay three kinds of benefits:

A. Medical Expenses
We will pay all reasonable expenses incurred as a result of the accident for necessary medical, surgical, X-ray, and dental services. This includes prosthetic devices. It also includes ambulance, hospital, professional nursing, and funeral services.

B. Lost Wages
If an injured person is out of work because of the accident, we will pay lost wages up to 75% of his or her average weekly gross wage or equivalent for the year ending on the day immediately before the accident. We will not pay for the loss of any other type of income. If the injured person was unemployed at the time of the accident, we will pay up to 75% of the amount he or she actually lost in earning power as a result of the accident.

C. Replacement Services
We will reimburse the injured person for reasonable payments made to anyone outside his or her household for necessary services that he or she would have performed without pay for the benefit of the household, had he or she not been injured.

We will pay PIP benefits to or for:

1. You, or any other person, if injured while **occupying your auto** with your consent.

2. You, or anyone living in your household, if injured while **occupying** an auto which does not have Compulsory Insurance or if struck by an auto which does not have Compulsory Insurance.
3. Any **pedestrian**, including you, if struck by **your auto** in Massachusetts or any Massachusetts resident who, while a **pedestrian**, is struck by **your auto** outside of Massachusetts.

Benefits are paid only for expenses or losses incurred within two years after the accident.

If the accident is in Massachusetts, or if it is outside Massachusetts and the injured person does not sue for damages, we will pay benefits within a reasonable time – usually thirty days. If the accident is outside Massachusetts and the injured person does sue, then we can wait for a settlement or judgment before paying benefits.

Some people have a wage continuation program at work. If so, we will pay them only the difference between the total we would ordinarily pay under this Part and the amount of the program payments. We will, however, reimburse the program if it allows benefits to be converted into cash or additional retirement credit. Sometimes program benefits are reduced or used up because of payments to the person injured in an accident. In that case, we will pay for lost wages resulting from any other illness or injury that person has within one year of our last payment. The exact amount of our payments under this paragraph will be determined by Massachusetts law.

Some people have a policy of health, sickness, or disability insurance or a contract or agreement with a group, organization, partnership or corporation to provide, pay for, or reimburse the cost of medical expenses (“health plan”). If so, we will pay up to $2,000 of medical expenses for any injured person. We will also pay medical expenses in excess of $2,000 for such injured person which will not be paid by a health plan. Medical expenses must be submitted to the health plan to determine what the health plan will pay before we pay benefits in excess of $2,000 under this Part. We will not pay for medical expenses in excess of $2,000 that the health plan would have paid had the injured person sought treatment in accordance with the requirements of the health plan. In any case, our total payment for medical expenses, lost wages and replacement services will not exceed $8,000.

Within two years after an accident, we may pay the cost of renewing or continuing in force a policy of health, sickness or disability insurance for anyone covered under this Part who is unwilling or unable to pay such cost. Our payment will not exceed the cost of renewing or continuing such policy for a period of two years after the accident. Our payment will not reduce the benefits otherwise payable under this Part.

We will not pay PIP benefits to or for:

1. Anyone who, at the time of the accident, was operating or occupying a motorcycle, any motor vehicle not subject to motor vehicle registration, or a motorized bicycle or moped.
2. Anyone who contributed to his or her injury by operating an auto (a) while under the influence of alcohol, marijuana, or a narcotic drug, (b) while committing a felony or seeking to avoid arrest by a police officer, or (c) with the specific intent of causing injury to himself, herself or others.
3. Anyone who is entitled to benefits under any workers' compensation law or similar law for the same injury.
4. Any person while **your auto** is being used as, or is available for use as, a public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to the use of **your auto** in a share-the-expense car pool, or in an expense reimbursement program either as a volunteer or at work. This does not apply to the use of **your auto** in providing volunteer transportation services at the direction of a charitable group.
5. Any person injured while an auto is being used in any racing, speed, stunting, or demolition contest or activity.

When you purchased this Part you were given the choice to exclude yourself, or yourself and **household members**, from some or all of the PIP coverage. The portion of each claim you may have agreed to exclude is called a "deductible." You paid a smaller premium if you chose a deductible. In that case, we will only pay up to the difference between $8,000 and the amount of your deductible. The deductible is shown on the Coverage Selections Page.

If anyone is entitled to PIP benefits and also to benefits under another Part of this policy, we will pay from this Part first.

We will not pay PIP benefits to or for an injured person, to the extent those benefits would duplicate expenses or losses recovered by that person in a court judgment or settlement.

If anyone covered under this policy is also entitled to PIP benefits from any other auto policy, the total benefits payable will not be more than the highest amount payable under whichever one of the policies would have paid the most. Each insurer will pay only its proportionate share. We will not pay benefits under this Part which duplicate payments made under the No-Fault coverage of any other auto policy.

Compulsory Insurance (Continued)

Part 3. Bodily Injury Caused By An Uninsured Auto.

Sometimes an owner or operator of an auto legally responsible for an accident is uninsured. Some accidents involve unidentified hit-and-run autos. Under this Part, we will pay damages for bodily injury to people injured or killed in certain accidents caused by uninsured or hit-and-run autos. We will pay only if the injured person is legally entitled to recover from the owner or operator of the uninsured or hit-and-run auto. We will pay for hit-and-run accidents only if the owner or operator causing the accident cannot be identified. Sometimes the company insuring the auto responsible for an accident will deny coverage or become insolvent. We consider such an auto to be uninsured for purposes of this Part. However, we do not consider an auto owned by a governmental unit which is self-insured, or by someone who is legally self-insured, to be an uninsured auto.

This Part is Compulsory. You must have limits of $25,000 per person and $50,000 per accident. However, you may want to buy more protection. If so, we must sell you limits up to $40,000 per person and $90,000 per accident, provided you have purchased at least these limits for Part 5. Higher limits may be purchased if agreed upon by you and by us.

We will pay damages to or for:

1. You, while **occupying your auto**, while **occupying** an auto you do not own, or if injured as a **pedestrian**.
2. Any **household member,** while **occupying your auto,** while **occupying** an auto not owned by you, or if injured as a **pedestrian**. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for your spouse or any **household member** who has an auto policy of his or her own. We will not pay damages to or for anyone who is covered by an auto policy of another **household member** providing uninsured auto insurance with higher limits.
3. Anyone else while **occupying your auto.** We will not pay damages to or for anyone else who has an auto policy of his or her own. We will not pay damages to or for anyone who is covered by an auto policy of another **household member** providing uninsured auto insurance.
4. Anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part.

If you are injured while **occupying your auto** and you have two or more autos insured with us with different limits, we will only pay up to the limits shown on your Coverage Selections Page for the auto you are **occupying** when injured.

If you are injured as a **pedestrian** or while **occupying** an auto you do not own and you have two or more auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay damages to anyone under this Part while **your auto** is being used as, or is available for use as, a public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to the use of **your auto** in a share-the-expense car pool or an expense reimbursement program either as a volunteer or at work. This does not apply to the use of **your auto** in providing volunteer transportation services at the direction of a charitable group.

We will not pay under this Part for injuries which occur while an auto is being used in any racing, speed, stunting, or demolition contest or activity.

We will not pay damages to or for you, if struck by, or while **occupying** an auto you own and which does not have compulsory auto insurance.

Likewise, we will not pay damages to or for any **household member** if struck by, or while **occupying** an auto owned by that **household member** which does not have compulsory auto insurance.

The most we will pay for damages to or for anyone injured while using an auto without the consent of the owner is $40,000 per person and $90,000 per accident, or the limits you purchased, whichever is less.

We will reduce the damages an injured person is entitled to recover by:

1. The amount recovered from any legally responsible person provided the injured person is fully paid for his or her damages for bodily injury.
2. The amount paid under a workers' compensation law or similar law.
3. Any expenses that are payable or would have been payable, except for a deductible, under the PIP coverage of this policy or any other auto policy.

We will pay the balance of the damages up to the limits shown for this Part on your Coverage Selections Page.

The decision as to whether an injured person is entitled to recover damages from the legally responsible owner or operator will be by agreement between us and the injured person. The amount of the damages, if any, will be determined in the same way. Arbitration will be used if no agreement can be reached. Unless otherwise agreed, all monetary awards not paid within thirty days after the receipt of the award will bear interest from the date of the award at the rate allowed by statute. In no event may a demand for arbitration be the first notice of claim. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be filed.

If an injured person settles a claim as a result of an accident covered under this Part, we will pay that person only if the claim was settled with our consent. We will not be bound under this Part by any judgment resulting from a lawsuit brought without our written consent. We will not unreasonably withhold our consent.

The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one accident is shown on the Coverage Selections Page as the “per person” limit. Subject to this limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident is shown on the Coverage Selections Page as the “per accident” limit. This is the most we will pay as the result of a single accident.

The limits of two or more autos or policies shall not be added together, combined, or stacked, to determine the limits of coverage available to anyone covered under this Part. This applies regardless of the number of autos involved, persons covered, claims made, or premiums shown on the Coverage Selections Page.

We will not make payments under this Part which duplicate payments under the uninsured auto insurance of any other auto policy.

This Part will not benefit any insurer or self-insurer under a workers’ compensation law or any similar law.

Part 4. Damage To Someone Else’s Property.

Under this Part, we will pay for damage or destruction of the tangible property of others caused by an accident and arising from the ownership, maintenance, or use of an auto, including loading and unloading. The amount we will pay is the amount the owner of the property is legally entitled to collect through a court judgment or settlement for the damaged property. We will pay only if you, a **household member,** or someone else using **your auto** with your consent is legally responsible for the accident. The amount we will pay includes, if any, applicable sales tax and the loss of use of the damaged property. The amount we will pay does not include compensation for physical damage to, or towing or recovery of, **your auto** or other auto used by you or a **household member** with the consent of the owner, or any decreased value or intangible loss claimed to result from the property damage unless otherwise required by law.

This Part is Compulsory. You must have limits of at least $30,000. However, you may want to buy more protection. Higher limits may be purchased if agreed upon by you and by us.

We will not pay for property damage which occurs:

1. While **your auto** is being used as, or is available for use as, a public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to

the use of **your auto** in a share-the-expense car pool or an expense reimbursement program either as a volunteer or at work. This does not apply to the use of **your auto** in providing volunteer transportation sources at the direction of a charitable group.

2. While any auto is being used by anyone in the course of his or her employment in the business of selling, servicing, repairing or parking autos. This exclusion does not apply to the ownership, maintenance or use of **your auto** by you or a **household member**.
3. While anyone is using an auto in the course of any business other than the business of selling, servicing, repairing or parking autos. This exclusion does not apply to private passenger autos. It applies to pick-up trucks, vans, or similar vehicles used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining, or repairing furnishings or equipment.
4. While a **household member** is using an auto which you or any **household member** owns or uses regularly unless a premium for this Part is shown for that auto on the Coverage Selections Page.
5. While you are using an auto which you own or use regularly unless a premium for this Part is shown for that auto on the Coverage Selections Page.
6. To an auto or other property owned by you or the legally responsible person. Similarly, we will not pay for damage to an auto or other property, except for a private residence or garage, which you or the legally responsible person rents or has in his or her care.
7. When the property damage is caused by anyone using an auto without the consent of the owner.
8. While an auto is being used in any racing, speed, stunting, or demolition contest or activity.

The most we will pay for damage resulting from any one accident is shown on the Coverage Selections Page. This is the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner's auto insurance must pay its limit before we pay. Then, we will pay for any damages not paid by that insurance, up to the policy limit shown on the Coverage Selections Page. However, if the claim is covered by us and another auto policy, we will pay only our proportionate share of those damages not paid by the owner's auto insurance.

Under this Part, we may have to pay for property damage even if you or the legally responsible person fails to give us prompt notice of the accident. In that case we may be entitled to reimbursement from that person.

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Optional Insurance

There are eight separate Parts to Optional Insurance. They are called Optional Insurance because they are not required by law. The amount of insurance and cost of any of these Parts you purchased is shown on the Coverage Selections Page.
With the exception of Towing and Labor (Part 11), we must sell you any or all of the Optional coverages you wish. These are subject to certain deductibles and limits specified in Massachusetts law. However, the law states that we may refuse to sell Collision (Part 7), Limited Collision (Part 8), and Comprehensive (Part 9) in certain specified instances.

Because Collision (Part 7) and Limited Collision (Part 8) duplicate each other in many ways, you may buy one of them but not both. If you do not buy either one, you still have the right to sue people who damage **your auto** but we will not provide any assistance to you under this policy.

We will not pay under any of the Optional coverages:

1. If the accident happens while **your auto** is being used as, or is available for use as, a public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to the use of **your auto** in a share-the-expense car pool or an expense reimbursement program either as a volunteer or at work. This does not apply to the use of **your auto** in providing volunteer transportation service at the direction of a charitable group.
2. For loss of or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, unless it has been permanently installed in the auto in locations used by the auto manufacturer for installation of such equipment. If the electronic equipment is permanently installed but not in locations used by the auto manufacturer, we will only pay up to $1,000 for loss to such equipment.

Electronic Equipment includes but is not limited to:

A. Radios and Stereos;
B. Cassette and Compact Disc Systems;
C. Navigation Systems, Internet Access Systems, and Personal Computers;
D. Video Entertainment Systems, Telephones and Televisions;
E. Two-way mobile radios, Scanners and Citizens Band Radios;
F. Dashcams

Tapes, discs, cassettes, and other media are not covered.

3. For loss of or damage to any custom furnishings or custom equipment in or upon any pick-up truck, van or similar vehicle. Custom furnishings or custom equipment include but are not limited to the following items: special carpeting and insulation, furniture, bars, television receivers, facilities for cooking and sleeping, height-extending roofs, custom murals, paintings or other decals or graphics.
4. For loss or damage to equipment designed for the detection or avoidance of any law enforcement speed measuring device. This does not apply to electronic equipment designed solely for safety warning systems.
5. For injury or damage that is intentionally caused by you, a **household member** or anyone else using **your auto** with your consent.
6. For injury or damage resulting from an accident while an auto is being used in any racing, speed, stunting, or demolition contest or activity.

Part 5. Optional Bodily Injury to Others.

Under this Part, we will pay damages to people injured or killed in an accident if you or a **household member** is legally responsible for the accident and such accident arises out of the ownership, maintenance, or use of an auto by you or the **household member**. We will also pay damages if someone else using **your auto** with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement. We will not pay punitive or exemplary damages.

This Part is similar to Compulsory Bodily Injury To Others (Part 1). It pays for accidents involving **your auto** in Massachusetts and does not pay for the benefit of anyone using an auto without the consent of the owner. Unlike the Compulsory Part, this Part provides coverage for injuries to guest occupants and for accidents occurring outside Massachusetts.

We will not pay or defend:

1. For injuries to employees of the person using the auto who are injured in the course of employment.
2. For injuries resulting from an accident while a **household member** is using an auto which you or any **household member** owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.
3. For injuries resulting from an accident while you are using an auto which you own or use regularly unless a premium for this Part is shown for that auto on the Coverage Selections Page.
4. While any auto is being used by anyone in the course of his or her employment in the business of selling, servicing, repairing, or parking autos. This exclusion does not apply to the ownership, maintenance or use of **your auto** by you or a **household member**.

5. While anyone is using a vehicle in the course of any business other than the business of selling, servicing, repairing or parking autos. This exclusion does not apply to private passenger autos. It applies to pick-up trucks, vans, or similar vehicles used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining, or repairing furnishings or equipment.
6. For liability assumed under any other contract or agreement.

Your policy will automatically apply to an accident that occurs in any other State or a Canadian province if you have purchased any coverage under this Part If the state or province has a:

1. Financial responsibility law or similar law requiring limits of liability for bodily injury or property damage higher than the limits you have purchased, your policy will provide the higher required limits.
2. Compulsory insurance or similar law requiring **your auto** to have insurance whenever it is used in the state or province, your policy will provide at least the required minimum amounts and types of coverage.

The limits shown for this Part on the Coverage Selections Page are the total limits you have under Compulsory Bodily Injury to Others (Part 1) and this Part. This means that the Compulsory limits are included within the limits shown on the Coverage Selections Page for this Part and are not in addition to them.

The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one accident is shown on the Coverage Selections Page as the “per person” limit for the auto involved in that accident. Subject to this limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident is shown on the Coverage Selections Page as the “per accident” limit for the auto involved in that accident. This is the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner’s auto insurance must pay its limits before we pay. Then, we will pay for any damages not paid by that insurance, up to the policy limits shown on your Coverage Selections Page. If the claim is covered by us and another auto policy, we will pay only our proportionate share of those damages not paid by the owner’s auto insurance.

Any payments we make to anyone or for anyone under Bodily Injury Caused By An Uninsured Auto (Part 3) will reduce the amount of damages that person is entitled to recover from anyone covered under this Part.

We will also pay up to $250 for the cost of bail bonds required as a result of an accident covered under this Part including bail bonds for traffic law violations related to the accident.

We must sell you limits up to $40,000 per person and $90,000 per accident if you want to buy them. Higher limits may be purchased if agreed upon by you and by us.

Part 6. Medical Payments.

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident. The coverage of this Part is always secondary to and in excess of any health benefit plan which allows for coordination of benefits under Massachusetts law and the Personal Injury Protection coverage of this policy or any other Massachusetts automobile insurance policy.

We will pay for expenses resulting from bodily injuries to anyone **occupying your auto** at the time of the accident. We will also pay for expenses resulting from bodily injuries to you or any **household member** if struck by an auto or if **occupying** someone else's auto at the time of the accident.

We will not pay for expenses resulting from injuries to:

1. Anyone injured while in a vehicle which had been placed off the public roads for use as a residence.
2. Anyone injured in the course of employment in selling, servicing, repairing or parking autos if that person is entitled to workers' compensation benefits.
3. Anyone employed by you or your spouse who is injured in the course of employment. This exception does not apply to any domestic employee who is not entitled to any workers' compensation benefits.
4. Anyone injured while **occupying** an auto without a reasonable belief that he or she had the consent of the owner to do so.
5. A **household member**, other than your spouse, while occupying or struck by an auto owned or regularly used by you or any **household member** unless a premium for this Part is shown for that auto on the Coverage Selections Page.
6. You while occupying or struck by an auto owned or regularly used by you unless a premium for this Part is shown for that auto on the Coverage Selections Page.
7. Any person who contributed to his or her injury by operating an auto (a) while under the influence of alcohol, marijuana, or narcotic drugs, (b) while committing a felony or seeking to avoid arrest by a police officer, or (c) with the specific intent of causing injury to himself, herself, or others.
8. Anyone who is entitled to benefits under a workers' compensation law or similar law for the same injury.

No payments will be made under this Part that duplicate payments made for the same bodily injuries under Parts 1, 2, 3, 5, or 12 of this Policy. In addition, no payments will be made under this Part that duplicate payments made for the same bodily injuries under any other auto insurance policy or under a health insurance policy covering the injured person.

We will not pay for expenses incurred more than two years after the date of the accident. We will not pay under this Part for any expenses that are payable, or would have been payable except for a deductible, under the PIP coverage of this policy or any other Massachusetts auto policy.

The most we will pay for any one person as a result of any one accident is shown on the Coverage Selections Page. That amount is also the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

If someone covered under this Part is also entitled to Medical Payments coverage under another auto policy issued to you or any **household member,** we will pay only our proportionate share. If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner's Medical Payments insurance must pay its limit before we pay. Then, we will pay up to the limit shown on your Coverage Selections Page for any expenses not covered by that insurance.

We will not pay benefits under this Part which duplicate payments made under the Medical Payments coverage of any other auto policy.

We must sell you limits of $5,000 per person if you want to buy them. Higher limits may be purchased if agreed upon by you and us.

Part 7. Collision

Under this Part, we will pay for any direct and accidental damage to **your auto** caused by a **collision**. We will also pay for **collision** damage to other private passenger autos while being used by you or a **household member** with the consent of the owner. It does not matter who is at fault. We will pay the cost to repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the **collision**. We will not pay for any decrease in value claimed to result from the loss. The most we will pay will be either the actual cash value of the auto or the cost to repair the auto, whichever is less. The cost to repair the auto is limited to the prevailing competitive price, which is the price we can secure from a licensed repair facility conveniently located to you. Unless you have purchased agreed amount coverage, actual cash value of the auto will be determined at the time of the loss. Actual cash value may include an adjustment for depreciation and betterment and for the physical condition of the auto. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.

We will also pay reasonable and necessary expenses for towing, recovery and storage of **your auto**.

In all cases we will subtract the deductible amount you selected. Unless you selected a different amount, the law sets your deductible at $500. Your deductible is shown on the Coverage Selections Page.

We will not pay for damage to any auto which is owned or regularly used by you or a **household member** unless a premium for this Part is shown for that auto on the Coverage Selections Page.

We will not pay for any liability assumed under any other contract or agreement.

We will not pay for a **collision** loss for an accident which occurs while **your auto** is being operated by a **household member** who is not listed as an operator on this policy. Payment is withheld when the **household member**, if listed, would require the payment of additional premium on this policy because:

1. The **household member** would be classified as an inexperienced operator, or
2. More points would be assigned under a merit rating plan.

You must notify us within 60 days after a person who will operate **your auto** becomes a **household member,** if that person was not a **household member** on the effective date of your policy. In the same manner, you must notify us if a **household member,** who will operate **your auto,** becomes a licensed operator.

If we pay for the total loss of **your auto,** we will suspend the Collision Coverage for that auto until it passes a motor vehicle Test.

Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement. An additional premium will be charged for insuring a camper body.

If an auto covered under this Part is not owned by you at the time of the accident, the owner's auto insurance must pay its limit before we pay. Then, we will pay, up to the limit shown on your Coverage Selections Page, for any damage not covered by that insurance less the deductible amount you selected.

Part 8. Limited Collision.

Under this Part, we will pay in some situations for direct and accidental damage to **your auto** caused by a **collision.** We will also pay in these situations for damage to other private passenger autos while being used by you or a **household member** with the consent of the owner.

We will pay the cost to repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the **collision**. We will not pay for any decrease in value claimed to result from the loss. The most we will pay will be either the actual cash value of the auto or the cost to repair the auto, whichever is less. The cost to repair the auto is limited to the prevailing competitive price, which is the price we can secure from a licensed repair facility conveniently located to you. Unless you have purchased agreed amount coverage, actual cash value of the auto will be determined at the time of the loss. Actual cash value may include an adjustment for depreciation and betterment and for the physical condition of the auto. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.

We will also pay reasonable and necessary expenses for towing, recovery and storage of **your auto**.

Optional Insurance (Continued)

In all cases we will subtract the deductible amount you selected. Unless you selected a different amount, the law sets your deductible at $500. Your deductible is shown on the Coverage Selections Page.

We will not pay for damage to any auto which is owned or regularly used by you or a **household member** unless a premium for this Part is shown for that auto on the Coverage Selections Page.

We will not pay for any liability assumed under any other contract or agreement.

We will not pay for a loss for an accident which occurs while **your auto** is being operated by a **household member** who is not listed as an operator of this policy. Payment is withheld when the **household member,** if listed, would require the payment of additional premium on this policy because:

1. The **household member** would be classified as an inexperienced operator, or
2. More points would be assigned under a merit rating plan.

You must notify us within 60 days after a person who will operate **your auto** becomes a **household member** if that person was not a **household member** on the effective date of your policy. In the same manner, you must notify us if a **household member,** who will operate **your auto,** becomes a licensed operator.

The protection under this Part is not as broad as under Collision coverage but the premium is considerably less.

We only pay under this Part for multiple car accidents in which the driver of the auto we are covering was no more than 50% at fault. We will not pay if the owner of the other auto cannot be identified. We are required to determine whether the driver of the auto we are covering was more than 50% at fault. We will notify you of our decision.

As long as the driver of the auto covered under this Part was not more than 50% at fault, his or her percentage of fault will not affect the amount of our payment.

We will consider the driver of the auto covered under this Part to be no more than 50% at fault if:

1. The auto was legally parked when struck by another auto.
2. The auto was struck in the rear by another auto moving in the same direction.
3. The operator of the other auto was convicted of certain violations of law. We will not pay if the operator of the auto covered under this Part was also convicted of one of the same violations.
4. That driver is entitled to recover in court against an identified person for some reason other than those listed above.

If we pay for the total loss of **your auto,** we will suspend the Limited Collision Coverage for that auto until it passes a motor vehicle inspection test.

Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement. An additional premium will be charged for insuring a camper body.

If an auto covered under this Part is not owned by you at the time of the accident, the owner's auto insurance must pay its limit before we pay. Then, we will pay, up to the limit shown on your Coverage Selections Page, for any damage not covered by that insurance less the deductible amount you selected.

Part 9. Comprehensive.

Under this Part, we will pay for direct and accidental damage to or loss of **your auto** other than damage caused by **collision.** We will also pay for such damage or loss to other private passenger autos while being used by you or a **household member** with the consent of the owner.

We will pay the cost to repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of loss. We will not pay for any decrease in value claimed to result from the loss. The most we will pay will be either the actual cash value of the auto or the cost to repair the auto, whichever is less. The cost to repair the auto is limited to the prevailing competitive price, which is the price we can secure from a licensed repair facility conveniently located to you. Unless you have purchased agreed amount coverage, actual cash value of the auto will be determined at the time of the loss. Actual cash value may include an adjustment for depreciation and betterment and for the physical condition of the auto. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part. We will reimburse you for substitute transportation expenses if **your auto** is stolen.

We will also pay reasonable and necessary expenses for towing, recovery and storage of **your auto**.

In all cases we will subtract the deductible amount you selected. Unless you selected a different amount, the law sets your deductible at $500. Your deductible is shown on the Coverage Selections Page. Your deductible does not apply to glass breakage or substitute transportation expenses following a theft.

We will not pay for such damage or loss to any auto which is owned or regularly used by you or a **household member** unless a premium for this Part is shown for that auto on the Coverage Selections Page. This part is not a substitute for Collision (Part 7) or Limited Collision (Part 8).

We will not pay for any liability assumed under any other contract or agreement.

Optional Insurance (Continued)

We consider glass breakage when not involving other collision loss to be a Comprehensive loss. We consider the following types of losses to be Comprehensive and not Collision losses: losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal.

If **your auto** is stolen, you must report the theft to us and the police. We will reimburse you only for transportation expenses incurred after the first 48 hours following those reports. We will not pay for transportation expenses incurred prior to that time. After that, we will reimburse you up to $15 a day to a maximum of $450.

Your right to reimbursement stops on the day **your auto** is located or before that time if we pay you for the theft loss.

If you choose not to rent an auto, we will reimburse you up to the same amount for taxicab fares, bus fares and other transportation expenses. If **your auto** is found, we will pay the cost of transporting it to your last address shown on the Coverage Selections Page. However, our total payment for transporting the auto and for repairs will not be more than the actual cash value of the auto.

If **your auto** is damaged by fire, you must report the loss to us and the fire department.

Massachusetts law requires that if we pay for the total loss of **your auto** as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto unless it is made reasonably available for our inspection within two Registry of Motor Vehicles business days following the day you acquired it. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement. An additional premium will be charged for insuring a camper body.

If an auto covered under this Part is not owned by you at the time of the accident, the owner’s auto insurance must pay its limit before we pay. Then, we will pay, up to the limit shown on your Coverage Selections Page, for any damage or loss not covered by that insurance less the deductible amount you selected.

Part 10. Substitute Transportation.

Under this Part, we will reimburse you for substitute transportation expenses, up to the limits shown on your Coverage Selections Page, when you are unable to use **your auto** due to a covered loss.

We will reimburse you if **your auto** has been involved in a collision and is being repaired or replaced, or when **your auto** cannot be used because of damage or loss, including theft, that is covered under Comprehensive (Part 9). No reimbursement will be made unless you lose the use of **your auto** for at least 24 hours. (Except in case of a stolen vehicle then please see specific theft time frame below).

Reimbursement for rental charges and other transportation expenses will end at the earliest of the following: when **your auto** has been returned to you, when repairs have been completed, or when **your auto** has been replaced. We will reimburse only for a period of time that is reasonable for repairing or replacing **your auto**. If we determine that **your auto** is a total loss, reimbursement for rental charges and other transportation expenses will end seven business days after we offer to pay the actual cash value under Part 7, Part 8, or Part 9.

If **your auto** is stolen, you must report the theft to both us and the police. We will reimburse you only for transportation expenses incurred after the first 48 hours following those reports. We will not reimburse transportation expenses incurred before that time.

Under Comprehensive (Part 9), substitute transportation coverage is provided when **your auto** is stolen. If you have purchased both Comprehensive coverage and substitute transportation coverage with limits of $15 per day to a maximum of $450 under this Part, Comprehensive coverage will apply first until its limits are exhausted, after which this Part will apply. If you have purchased substitute transportation limits of $30 per day to a maximum of $900 under this Part, the most payable under both Comprehensive (Part 9) and this Part combined is $30 per day to a maximum of $900. If you have purchased higher limits under this Part, the maximum payable under both coverages will be the limits shown for this Part. Coverage under this Part will not duplicate any payments made under Comprehensive (Part 9).

If you choose not to rent an auto, we will reimburse you up to the same amounts for taxicab fares, bus fares, and other transportation expenses.

Part 11. Towing And Labor.

Under this Part, we will pay up to the limit shown on your Coverage Selections Page for towing, recovery, and labor costs incurred each time **your auto** is disabled. We will pay only for labor done at the scene to the extent that the labor was needed to get **your auto** going. We will not pay for the cost of repair parts.

Part 12. Bodily Injury Caused By An Underinsured Auto.

Sometimes an owner or operator of an auto legally responsible for an accident is underinsured. Under this Part, we will pay damages for bodily injury to people injured or killed as a result of certain accidents caused by someone who does not have enough insurance.

We will only pay if the injured person is legally entitled to recover from the owners or the operators of all underinsured autos. Such injured person has a claim under this Part when the limits for auto bodily injury liability insurance covering the owners and operators of the legally responsible autos are:

1. Less than the limits shown for this Part on your Coverage Selections Page;

   and

2. Not sufficient to pay for the damages sustained by the injured person.

We will pay damages to or for:

1. You, while **occupying your auto**, while **occupying** an auto you do not own, or if injured as a **pedestrian**.
2. Any **household member,** while **occupying your auto,** while **occupying** an auto not owned by you, or if injured as a **pedestrian**. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for your spouse or any **household member** who has an auto policy of his or her own. We will not pay damages to or for anyone who is covered by an auto policy of another **household member** providing underinsured auto insurance with higher limits.
3. Anyone else while **occupying your auto.** We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own. We will not pay damages for anyone who is covered by an auto policy of another **household member** providing underinsured auto coverage.
4. Anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part.

If you are injured while **occupying your auto** and you have two or more autos insured with us with different limits, we will only pay up to the limits shown on your Coverage Selections Page for the auto you are **occupying** when injured.

If you are injured as a **pedestrian** or while **occupying** an auto you do not own and have two or more auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay to or for:

1. You while **occupying** an auto you own unless a premium charge is shown for that auto on your Coverage Selections Page.
2. Anyone injured while using an auto without the consent of the owner.
3. Any **household member** if struck by or while **occupying** an auto owned by that **household member** which does not have Massachusetts compulsory auto insurance.

We will reduce the damages an injured person is entitled to recover by:

1. The total amount collected from the automobile bodily injury liability insurance covering the legally responsible owners and operators of all insured autos.
2. The amount recovered from any legally responsible person provided the injured person is fully paid for his or her damages for bodily injury.
3. The amount paid under a workers' compensation law or similar law.
4. Any expenses that are payable or would have been payable, except for a deductible, under the PIP coverage of this policy or any other auto policy.

If only one person sustains bodily injury, we will pay any unpaid damages up to the difference between the total amount collected from the auto bodily injury liability insurance covering the legally responsible owners and operators of all insured autos and the "per person" limit shown for this Part on your Coverage Selections Page. This is the most we will pay for injuries to one or more persons as the result of bodily injury to any one person in any one accident.

Subject to the "per person" limit, if two or more people sustain bodily injury and are entitled to coverage under this Part, we will pay any unpaid damages up to the difference between the auto bodily injury liability insurance "per accident" limit covering the legally responsible owners and operators and the "per accident" limit shown for this Part on your Coverage Selections Page. This is the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident.

The decision as to whether an injured person is legally entitled to recover damages from the legally responsible owner or operator will be by agreement between us and the injured person. The amount of damages, if any, will be determined in the same way. Arbitration will be used if no agreement can be reached. Unless otherwise agreed, all monetary awards not paid within thirty days after receipt of the award shall bear interest from the date of the award at the rate allowed by statute. In no event may a demand for arbitration constitute first notice of claim. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be filed.

If an injured person settles a claim as a result of an accident covered under this Part, we will pay that person only if the claim was settled with our consent. We will not be bound under this Part by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.

The limits of two or more autos or policies shall not be added together, combined or stacked, to determine the limits of coverage available to anyone covered under this Part, regardless of the number of autos involved, persons covered, claims made, or premiums shown on the Coverage Selections Page.

We will not make payments under this Part which duplicate payments under the underinsured auto insurance of any other auto policy.

This Part will not benefit any insurer or self-insurer under a workers' compensation law or any similar law.

This section of the policy contains general provisions which, unless otherwise noted, apply to all your coverages. It also describes some situations in which policy benefits will not be paid.

1. Where You Are Covered.

Compulsory Bodily Injury To Others (Part 1) only covers accidents in Massachusetts. All the other Parts provide coverage for accidents and losses which happen in the United States or Canada. We consider United States territories and possessions and Puerto Rico to be part of the United States. We will pay for accidents and losses which happen while **your auto** is being transported between ports of the United States and Canada. **Your auto** is not covered in any other country.

2. Our Duty To Defend You And Our Right To Settle.

We have the right to defend any lawsuit brought against anyone covered under this policy for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit, but our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court's permission, the maximum limits of coverage under this policy. We may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy, without the need for a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

3. Additional Costs We Will Pay.

We will pay, in addition to the limits shown for Compulsory and Optional Bodily Injury To Others (Parts 1 and 5) and Damage To Someone Else's Property (Part 4):

A. Premiums on appeal bonds and premiums on bonds to release attachments for an amount up to the applicable limits you selected in any suit we defend.

B. Interest on that part of a judgment or arbitration award that is within our limits of liability which accrues after the judgment or award in any matter we defend. We will not pay interest that accrues after we have offered to pay up to the limits you selected.

C. Up to $40 a day for loss of earnings, but not for loss of other income, to any person covered under this policy who attends hearings or trials at our request.

D. Other reasonable expenses incurred at our request.

General Provisions And Exclusions (Continued)

4. What Happens If You Die.

If you die, we will continue coverage for the period of this policy for:

A. Your spouse, if a **household member** at your death.

B. Any legal representative to the extent he or she is responsible for maintenance or use of **your auto**.

C. Any person having proper temporary custody of **your auto.**

5. Our Right To Be Repaid.

Sometimes we may make a payment under this policy to you or to someone else who has a separate legal right to recover damages from others. In that case, those legal rights may be exercised by us. Anyone receiving payment under those circumstances must do nothing to interfere with those rights. He or she must also do whatever is necessary to help us recover for ourselves up to the amount we have paid. If we then recover more than we paid, we will pay that person the excess, less his or her proportionate share of the costs of recovery, including reasonable attorney's fees. Any amount recovered, because of a payment we make under Part 3 or Part 12 of this policy shall first be applied to any unpaid damages due that person. Such unpaid damages must be a part of a claim settled with our consent or a part of a judgment resulting from a lawsuit brought with our written consent. Any balance then remaining shall be applied to the amounts we have paid under Part 3 or Part 12. We will reduce the amount we will pay that person by his or her proportionate share of the costs of recovery including reasonable attorney's fees.

Sometimes you or someone else may recover money from the person legally responsible for an accident and also receive money from us for the same accident. If so, the amount we paid must be repaid to us to the extent that you or someone else recovers. If you or someone else recover money from the person legally responsible for the accident and also receive money from us for the same accident as a payment under Part 3 or Part 12 of this policy, we must be repaid for any amounts so paid but only to the extent that such recovery exceeds any unpaid damages due that person under a claim settled with our consent or judgment resulting from a lawsuit brought with our written consent.

Whenever we are entitled to repayment from anyone, the amount owed us can be reduced by our proportionate share of the costs of recovering the money, including reasonable attorneys' fees.

6. When You Have More Than One Auto Policy With Us.	You may have more than one policy with us covering the same accident. In that case, the most we will pay is the highest amount payable under the applicable coverage in any one of those policies. However, claims made under Bodily Injury Caused By An Uninsured Auto (Part 3) and Bodily Injury Caused By An Underinsured Auto (Part 12) are treated differently. The difference is explained in the description of the coverage for that Part.
7. If You Go Bankrupt.	Bankruptcy or insolvency of any person covered under this policy does not relieve us of any of our obligations under this policy.
8. We Do Not Pay For Nuclear Losses Or War Losses.	We will not pay under Damage To Someone Else's Property (Part 4) and Optional Bodily Injury To Others (Part 5) for any person who is an insured under a nuclear energy liability policy or who would be an insured under such a policy had it not already exhausted its limits. We will not pay under Medical Payments (Part 6), Collision, Limited Collision or Comprehensive (Parts 7, 8 and 9) for losses or damage caused by radioactive contamination or by acts of war, insurrection, rebellion or revolution or any act incident to any of these.
9. We Do Not Pay For Ordinary Wear Or Tear.	We will not pay for damage to **your auto** which is due solely to ordinary wear and tear, freezing, mechanical or electrical failure, or for ordinary road damage to tires. We will, however, pay for this damage if it is the result of some other loss which is covered by this policy.
10. If We Pay For A Total Loss.	If we pay for the total loss of **your auto,** we have the right, if we so choose, to take title to that auto. We also have the right, if we so choose, to take any damaged part for which we pay.
11. Repair And Payment After A Collision or Loss; If We Disagree On The Amount (Parts 7, 8 and 9).	Under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9), you must allow us to have the auto appraised after a collision or loss. If we have a direct payment plan approved by the Commissioner of Insurance, we will pay you in accordance with the appraisal and allow you to select a repair shop of your choice. If you choose not to have **your auto** repaired, or if we do not receive your Repair Certificate Form, or, when requested, you do not not make **your auto** available for reinspection within a reasonable period of time following repair, our payments automatically reduce the actual cash value of **your auto** if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased. If you choose not to accept payment under our direct payment plan or we do not have such a plan, and you have **your auto** repaired in accordance with the appraisal, you must send us a Completed Work Claim Form. We must pay you within 7 days after receiving the form.

If we fail to pay you within 7 days after receipt of the Completed Work Claim Form, you have the right to sue us. If a court decides that we were unreasonable in refusing to pay you on time, you are entitled to double the amount of damage plus costs and reasonable attorneys' fees. We will pay the repair shop directly if you request and the repair shop certifies that it meets certain requirements. If you choose not to have **your auto** repaired, or if we do not receive your Completed Work Claim Form, we will determine the amount of decrease in the actual cash value of **your auto** and pay you that amount less your deductible. Our payment reduces the actual cash value of **your auto** if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased. We have a right to inspect all repairs.

Sometimes there may be a disagreement as to the amount of money we owe for losses or damage to an auto. If so, Massachusetts law sets forth a method of settling the disagreement. Either you or we can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. The appraisers must then follow a procedure set by law to establish the amount of damage. Their decision will be binding on you and us. You and we must share the cost of the appraisal.

12. Sales Tax. Under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9) we will pay, subject to your deductible, all sales taxes applicable to the loss of an auto or damage to an auto.

13. Secured Lenders. When your Coverage Selections Page shows that a lender has a secured interest in **your auto,** we will make payments under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9) according to the legal interests of each party.

The secured lender's right of payment will not be affected by your acts or neglect. However we will not pay if the loss of or damage to **your auto** is the result of conversion, embezzlement, or secretion by you or any **household member.** Also, we will not pay the secured lender if the loss of or damage to **your auto** is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any secured lender we shall, to the extent of our payment have the right to exercise any of the secured lender's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the secured lender must do so within 30 days after the loss or damage becomes known to the secured lender.

	In order for us to cancel the rights of any secured lender shown on the Coverage Selections Page, a notice of cancellation must be sent to the secured lender as provided in this policy.
14. No Benefits To Anyone In The Auto Business.	Coverage under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9) shall not in any way benefit any person or organization having possession of **you auto** for the purpose of servicing, repairing, parking, storing, or transporting it or for any similar purpose.
15. If Two Or More Autos Are Insured Under This Policy.	Two or more autos may be insured under this policy. There may be different limits for each auto. If so, when someone covered under this policy is injured while a **pedestrian** or is using an auto other than **your auto** at the time of the accident, the most we will pay under any applicable Part is the highest limit shown for that Part for any one auto on your Coverage Selections Page.
16. Trailers.	When a **trailer** is attached to an auto, we consider the auto and **trailer** together to be one auto in applying the limits shown on the Coverage Selections Page under Bodily Injury To Others, Damage To Someone Else's Property and Optional Bodily Injury To Others (Parts 1, 4 and 5).
17. Premiums For Extensions Or Renewals.	The premium we will charge for any extension or renewal of this policy will be in accordance with our rates and rules in effect at the time of the effective date of the extension or renewal.
18. False Information.	If you or someone on your behalf gives us false, deceptive, misleading or incomplete information in any application or policy change request and if such false, deceptive, misleading or incomplete information increases our risk of loss, we may refuse to pay claims under any or all of the Optional Insurance Parts of this policy. Such information includes the description and the place of garaging of the vehicles to be insured, the names of all **household members** and customary operators required to be listed and the answers given for all listed operators. We may also limit our payments to those amounts that we are required to sell under the compulsory coverages of this policy.
19. Changes Which Affect Premium.	If the information contained in your application changes before this policy expires, we have the right to adjust your premium to reflect such changes. You must inform us of any changes which may have a material effect on your insurance coverage or premium charges. This includes the description, ownership, type of usage and place of garaging of **your auto.** It also includes the **household members** and individuals who customarily operate **your auto**.
20. Pre-Insurance Inspection.	Massachusetts law provides that we may inspect certain motor vehicles for providing coverage for Collision, Limited Collision, or Comprehensive (Parts 7, 8 or 9).

General Provisions And Exclusions (Continued)

21. Actual Cash Value.

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our decision shall be based on a consideration of all of the following factors:

1) The retail book value for an auto of like kind and quality, but for the damage incurred;
2) The price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
3) The decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
4) The actual cost of purchase of an available auto of like kind and quality but for the damaged sustained.

22. Assignment.

Under Collision (Part 7), Limited Collision (Part 8), and Comprehensive (Part 9), an assignment of interest under this policy will not bind us without our knowledge or consent. Any improper assignment shall be void and invalid. The assignee shall acquire no rights under this contract and we shall not recognize any such assignment. This limitation on assignment shall not affect our right to subrogation under this policy.

Cancellation. Cancellation of this policy is something you should ordinarily have no reason to worry about.

You can cancel any of the Optional Insurance Parts at any time. Because all of the Compulsory Insurance Parts are required, you cannot cancel any of them separately. You can cancel all of the policy by giving us or your agent notice. Cancelling your insurance policy without securing alternate coverage may result in a lapse of protection, leaving you financially exposed in the event of a loss. Please ensure that you have obtained coverage with another insurance company should you decide to cancel or non-renew your policy with us.

We can cancel all or any part of this policy including your Compulsory Insurance if:

1. You have not paid your premiums.
2. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
3. The driver's license or auto registration of you, or any person who resides in your household and usually operates an auto insured under this policy, has been under suspension or revocation during the policy period.
4. You fail to comply with a request for a safety inspection test for a vehicle for which total damage has been paid.

We can cancel Collision (Part 7), Limited Collision (Part 8), and Comprehensive (Part 9) on a vehicle:

1. Customarily driven by or owned by persons who have within the last five years been convicted of vehicular homicide, auto related fraud, or auto theft, or
2. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages, or
3. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs, or
4. For which a salvage title has been issued by the Registrar of Motor Vehicles unless a new certificate of title has been issued in accordance with Massachusetts law, or
5. Designated as a "high-theft vehicle" which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.

Cancellation And Renewal (Continued)

We may also cancel:

1. Collision (Part 7) and Limited Collision (Part 8) on a vehicle customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault accident is one in which you or any person who customarily drives **your auto** was more than 50% at fault; and.
2. Comprehensive (Part 9) on a vehicle customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license or auto registration of anyone residing in your household who usually operates **your auto** has been under suspension or revocation during the policy period, we may suspend coverage for that person under any of the Optional Insurance Parts of the policy. We may also reduce the limits available for that person under Bodily Injury Caused By An Uninsured Auto (Part 3), Damage To Someone Else's Property (Part 4) to the minimum limits we are required to sell.

We can cancel Towing And Labor (Part 11) for reasons other than those listed above if we do so within the first 90 days of the policy period. We can cancel, in the same manner, coverage limits which are higher than the limits we are required by law to sell you and any coverages designed to reduce the deductibles set by law.

Automatic Termination.

Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:

1. You return the registration plates for **your auto** to the Registry of Motor Vehicles.
2. You purchase a new policy with another company covering **your auto** and a new Certificate of Insurance is filed with the Registry of Motor Vehicles.
3. You transfer title to **your auto**, and you do not register another auto. In this case, the policy will terminate 30 days from the date of transfer of title.

However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.

Legal Notice Requirement.

Any notice of cancellation will be sent to you at your last address shown on the Coverage Selections Page at least 20 days prior to the effective date. A notice sent by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service will be considered sufficient notice.

In order for us to cancel the rights of any secured lender shown on the Coverage Selections Page, a notice of cancellation must also be sent to the secured lender in a similar manner.

If we cancel this policy in its entirety, the cancellation is not effective unless we send the required notice to the Registry of Motor Vehicles.

If the policy is cancelled, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect. If the policy is cancelled by you or by law, we may give you a refund which is less than proportional based on a “short rate” table.

No refund of premium will be sent to you upon cancellation of the policy until we receive a receipt showing that the registration plates assigned to the insured motor vehicle have been returned to the Registry of Motor Vehicles or other document showing that you have replaced the insurance required by law.

If you think that we have cancelled your policy illegally, you can appeal to the Board of Appeals on Motor Vehicle Liability Policies and Bonds. Your cancellation notice will explain how to appeal.

Renewal. If we decide not to renew this policy or any of its Parts, we must mail our notice to your agent or to you at your last address shown on the Coverage Selections Page at least 45 days before your policy reaches its expiration date. A notice sent by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service will be considered sufficient notice. If we require a renewal application, and you fail to complete and return it to us within the specified time, we then have the right to cancel the renewal policy.

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When There Is An Accident Or Loss

First, Help Any Injured Person.

Call an ambulance or the police and, of course, cooperate with them. Do whatever is reasonable to protect the auto from further damage or loss. Where there is coverage provided by this policy, we will pay for any coverage provided by this policy, we will pay for any reasonable expenses incurred in doing this.

Second, Notify The Police, Registry Or Fire Department.

Under Massachusetts law, notice to the local or state police and the Registry of Motor Vehicles is required within 5 days if there is anyone injured in an accident, no matter how slight the injury, or if there is reason to believe that there has been over $1,000 in total property damage.

Within 24 hours, notify both the police and us if **your auto** is stolen or if you have been involved in a hit-and-run accident. You must report a fire loss to the fire department. The notice to the police or the fire department must be on the form required by law and can be obtained at your local police department, state police barracks, or the Registry of Motor Vehicles.

Third, File The Claim With Us.

We do not know about accidents or losses until you or someone else notifies us. We, or our agent, must be notified promptly of the accident or loss by you or someone on your behalf. The notification should include as many details as possible, including names and addresses of drivers, injured persons and witnesses. If you or any person seeking payment under this policy fail to notify us promptly of any accident or claim under Parts 2, 3, 6, or 12 of this policy, we may not be required to pay claims under any of these parts.

If you are filing a claim for damage to **your auto**, you or someone on your behalf must file a proof of loss within 91 days after the accident.

Fourth, Cooperate With Us.

After an accident or loss, you or anyone else covered under this policy must cooperate with us in the investigation, settlement and defense of any claim or lawsuit. We must be sent copies of all legal documents in connection with the accident or loss.

We may also require you and any person seeking payment under any part of this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim.

If anyone makes a claim or seeks payment under Personal Injury Protection, Bodily Injury Caused By An Uninsured Auto, Medical Payments, or Bodily Injury Caused By An Underinsured Auto (Parts 2, 3, 6 or 12), we have a right to require that person to be examined by doctors selected by us. If anyone seeks continuing payments under any of these Parts, we may also require additional examinations at reasonable intervals. We will pay for these examinations. We must also be authorized to obtain medical reports and other records pertinent to the claim.

Failure to cooperate with us may result in the denial of the claim.

Remember: Defensive Driving Can Save Your Life And Your Money

PERSONAL AUTO POLICY

AGREEMENT

In return for payment of the premium and subject to all the terms of this Policy, we agree with you as follows:

DEFINITIONS

A. Throughout this Policy, "you" and "your" refer to:

1. The named insured shown in the Declarations; and

2. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this Policy, the spouse will be considered "you" and "your" under this Policy but only until the earlier of:

a. The end of 90 days following the spouse's change of residency;

b. The effective date of another policy listing the spouse as a named insured; or

c. The end of the policy period.

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

C. For purposes of this Policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and

2. For a continuous period of at least six months.

Other words and phrases are defined. They are in quotation marks when used.

D. "Bodily injury" means bodily harm, sickness or disease, including death that results.

E. "Business" includes trade, profession or occupation.

F. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

G. "Occupying" means:

1. In;

2. Upon; or

3. Getting in, on, out or off.

H. "Property damage" means physical injury to, destruction of or loss of use of tangible property.

I. "Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or

2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in **1.** or **2.** above.

J. "Your covered auto" means:

1. Any vehicle shown in the Declarations;

2. A "newly acquired auto";

3. Any "trailer" you own; or

4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:

a. Breakdown;

b. Repair;

c. Servicing;

d. Loss; or

e. Destruction.

This provision **(J.4.)** does not apply to Coverage For Damage To Your Auto.

K. "Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

a. A private passenger auto; or

b. A pickup or van, for which no other insurance policy provides coverage, that:

(1) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and

(2) Is not used for the delivery or transportation of goods and materials unless such use is:

(a) Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or

(b) For farming or ranching.

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2. Coverage for a "newly acquired auto" is provided as follows:

a. For any coverage provided in this Policy other than Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. However, for this coverage to apply, you must ask us to insure it within 14 days after you become the owner.

b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

(1) 14 days after you become the owner, if the Declarations indicates that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

(2) Four days after you become the owner, if the Declarations does not indicate that Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of $500 will apply.

c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

(1) 14 days after you become the owner, if the Declarations indicates that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

(2) Four days after you become the owner, if the Declarations does not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the four-day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of $500 will apply.

d. For all coverages addressed in Paragraphs **K.2.a., b.** and **c.,** if you first ask us to insure the "newly acquired auto" after the applicable time period has elapsed, coverage will begin on the day you first ask us to insure the "newly acquired auto".

L. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured". We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this Policy.

B. "Insured" as used in this Part means:

1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer".

2. Any person using "your covered auto".

3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.

4. For any auto or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This provision **(B.4.)** applies only if the person or organization does not own or hire the auto or "trailer".

SUPPLEMENTARY PAYMENTS

We will pay on behalf of an "insured":

1. Up to $250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this Policy.

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2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.

3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

4. Up to $250 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.

5. Other reasonable expenses incurred at our request.

These payments will not reduce the limit of liability.

EXCLUSIONS

A. We do not provide Liability Coverage for any "insured":

1. Who intentionally causes "bodily injury" or "property damage".

2. For "property damage" to property owned or being transported by that "insured".

3. For "property damage" to property:

a. Rented to;

b. Used by; or

c. In the care of;

that "insured".

This exclusion **(A.3.)** does not apply to "property damage" to a residence or private garage.

4. For "bodily injury" to an employee of that "insured" during the course of employment. This exclusion **(A.4.)** does not apply to "bodily injury" to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.

5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This includes but is not limited to any period of time a vehicle is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(A.5.)** does not apply to:

a. A share-the-expense car pool; or

b. The ownership or operation of a vehicle while it is being used for volunteer or charitable purposes.

6. While employed or otherwise engaged in the "business" of:

a. Selling;

b. Repairing;

c. Servicing;

d. Storing; or

e. Parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion **(A.6.)** does not apply to the ownership, maintenance or use of "your covered auto" by:

(1) You;

(2) Any "family member"; or

(3) Any partner, agent or employee of you or any "family member".

7. Maintaining or using any vehicle while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion **A.6.**

This exclusion **(A.7.)** does not apply to the maintenance or use of a:

a. Private passenger auto;

b. Pickup or van; or

c. "Trailer" used with a vehicle described in **a.** or **b.** above.

8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion **(A.8.)** does not apply to a "family member" using "your covered auto" which is owned by you.

9. For "bodily injury" or "property damage" for which that "insured":

a. Is an insured under a nuclear energy liability policy; or

b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters; or

(3) Nuclear Insurance Association of Canada.

10. For the ownership, maintenance or use of "your covered auto" while:

a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

a. Has fewer than four wheels; or

b. Is designed mainly for use off public roads.

This exclusion **(B.1.)** does not apply:

(1) While such vehicle is being used by an "insured" in a medical emergency;

(2) To any "trailer"; or

(3) To any non-owned golf cart.

2. Any vehicle, other than "your covered auto", which is:

a. Owned by you; or

b. Furnished or available for your regular use.

3. Any vehicle, other than "your covered auto", which is:

a. Owned by any "family member"; or

b. Furnished or available for the regular use of any "family member".

However, this exclusion **(B.3.)** does not apply to you while you are maintaining or "occupying" any vehicle which is:

(1) Owned by a "family member"; or

(2) Furnished or available for the regular use of a "family member".

4. Any vehicle, located inside a facility designed for racing, for the purpose of:

a. Participating or competing in; or

b. Practicing or preparing for;

any prearranged or organized:

(1) Racing or speed contest; or

(2) Driver skill training or driver skill event.

5. Any vehicle which is designed or can be used for flight.

LIMIT OF LIABILITY

A. The Limit Of Liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the Limit Of Liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The Limit Of Liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

This is the most we will pay regardless of the number of:

1. "Insureds";

2. Claims made;

3. Vehicles or premiums shown in the Declarations; or

4. Vehicles involved in the auto accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **B** or Part **C** of this Policy; or

2. Any Underinsured Motorists Coverage provided by this Policy.

OUT OF STATE COVERAGE

If an auto accident to which this Policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, we will interpret your policy for that accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.

2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this Policy is certified as future proof of financial responsibility, this Policy shall comply with the law to the extent required.

OTHER INSURANCE

If there is other applicable liability insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this Policy.

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PART B – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by an accident; and

2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within three years from the date of the accident.

B. "Insured" as used in this Part means:

1. You or any "family member":

a. While "occupying"; or

b. As a pedestrian when struck by;

a motor vehicle designed for use mainly on public roads or a trailer of any type.

2. Any other person while "occupying" "your covered auto".

EXCLUSIONS

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.

2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(2.)** does not apply:

a. To a share-the-expense car pool; or

b. While "your covered auto" is being used for volunteer or charitable purposes.

3. Sustained while "occupying" any vehicle located for use as a residence or premises.

4. Occurring during the course of employment if workers' compensation benefits are required or available for the "bodily injury".

5. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:

a. Owned by you; or

b. Furnished or available for your regular use.

6. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:

a. Owned by any "family member"; or

b. Furnished or available for the regular use of any "family member".

However, this exclusion **(6.)** does not apply to you.

7. Sustained while "occupying" a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion **(7.)** does not apply to a "family member" using "your covered auto" which is owned by you.

8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured". This exclusion **(8.)** does not apply to "bodily injury" sustained while "occupying" a:

a. Private passenger auto;

b. Pickup or van; or

c. "Trailer" used with a vehicle described in **a.** or **b.** above.

9. Caused by or as a consequence of:

a. Discharge of a nuclear weapon (even if accidental);

b. War (declared or undeclared);

c. Civil war;

d. Insurrection; or

e. Rebellion or revolution.

10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:

a. Nuclear reaction;

b. Radiation; or

c. Radioactive contamination.

11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:

a. Participating or competing in; or

b. Practicing or preparing for;

any prearranged or organized:

(1) Racing or speed contest; or

(2) Driver skill training or driver skill event.

12. Sustained while "occupying", or when struck by, "your covered auto" while:

a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

13. Sustained while "occupying", or when struck by, any vehicle which is designed or can be used for flight.

LIMIT OF LIABILITY

A. The Limit Of Liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

1. "Insureds";

2. Claims made;

3. Vehicles or premiums shown in the Declarations; or

4. Vehicles involved in the accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **A** or Part **C** of this Policy; or

2. Any Underinsured Motorists Coverage provided by this Policy.

OTHER INSURANCE

If there is other applicable auto medical payments insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

PART C – UNINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":

1. Sustained by an "insured"; and

2. Caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this Part means:

1. You or any "family member";

2. Any other person "occupying" "your covered auto"; or

3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in **1.** or **2.** above.

C. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no bodily injury liability bond or policy applies at the time of the accident.

2. To which a bodily injury liability bond or policy applies at the time of the accident. In this case its limit for bodily injury liability must be less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged.

3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:

a. You or any "family member";

b. A vehicle which you or any "family member" are "occupying"; or

c. "Your covered auto".

4. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:

a. Denies coverage; or

b. Is or becomes insolvent.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

(1) Owned by or furnished or available for the regular use of you or any "family member".

(2) Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.

(3) Owned by any governmental unit or agency.

(4) Operated on rails or crawler treads.

(5) Designed mainly for use off public roads while not on public roads.

(6) While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this Policy. This includes a trailer of any type used with that vehicle.

2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

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B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

1. If that "insured" or the legal representative settles the "bodily injury" claim and such settlement prejudices our right to recover payment.

2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" is being used by any "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(B.2.)** does not apply:

a. To a share-the-expense car pool; or

b. While "your covered auto" is being used for volunteer or charitable purposes.

3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion **(B.3.)** does not apply to a "family member" using "your covered auto" which is owned by you.

4. While "occupying", or when struck by, "your covered auto" while:

a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

5. While "occupying", or when struck by, any vehicle which is designed or can be used for flight.

C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:

1. Workers' compensation law; or

2. Disability benefits law.

D. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

LIMIT OF LIABILITY

A. The Limit Of Liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the Limit Of Liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";

2. Claims made;

3. Vehicles or premiums shown in the Declarations; or

4. Vehicles involved in the accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part **A** or Part **B** of this Policy; or

2. Any Underinsured Motorists Coverage provided by this Policy.

C. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

D. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:

1. Workers' compensation law; or

2. Disability benefits law.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the Policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.

3. If the coverage under this Policy is provided:

a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.

b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

A. If we and an "insured" do not agree:

1. Whether that "insured" is legally entitled to recover damages; or

2. As to the amount of damages which are recoverable by that "insured";

from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. Pay the expenses it incurs; and

2. Bear the expenses of the third arbitrator equally.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:

1. Whether the "insured" is legally entitled to recover damages; and

2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto", including its equipment, minus any applicable deductible shown in the Declarations. If loss to more than one "your covered auto" or "non-owned auto" results from the same "collision", only the highest applicable deductible will apply. We will pay for loss to "your covered auto" caused by:

1. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for that auto.

2. "Collision" only if the Declarations indicates that Collision Coverage is provided for that auto.

If there is a loss to a "non-owned auto", we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or its impact with another vehicle or object.

Loss caused by the following is considered other than "collision":

1. Missiles or falling objects;

2. Fire;

3. Theft or larceny;

4. Explosion or earthquake;

5. Windstorm;

6. Hail, water or flood;

7. Malicious mischief or vandalism;

8. Riot or civil commotion;

9. Contact with bird or animal; or

10. Breakage of glass.

If breakage of glass is caused by a "collision", you may elect to have it considered a loss caused by "collision".

C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member" while in the custody of or being operated by you or any "family member"; or

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2. Any auto or "trailer" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:

a. Breakdown;

b. Repair;

c. Servicing;

d. Loss; or

e. Destruction.

D. "Custom equipment" means equipment, furnishings and parts in or upon any auto, other than:

1. Original manufacturer equipment, furnishings or parts; or

2. Any replacement of original manufacturer equipment, furnishings or parts with other equipment, furnishings or parts of like kind and quality.

"Custom equipment" includes but is not limited to:

a. Special carpeting or insulation;

b. Furniture or bars;

c. Height-extending roofs;

d. Body, engine, exhaust or suspension enhancers;

e. Winches, or anti-roll or anti-sway bars;

f. Custom grilles, louvers, side pipes, hood scoops or spoilers;

g. Custom wheels, tires or spinners;

h. Custom chrome, murals, paintwork, decals or other graphics; or

i. Caps, covers or bedliners.

"Custom equipment" does not include electronic equipment that reproduces, receives or transmits audio, visual or data signals.

TRANSPORTATION EXPENSES

A. In addition, we will pay, without application of a deductible, up to a maximum of $900 for:

1. Temporary transportation expenses not exceeding $30 per day incurred by you in the event of a loss to "your covered auto". We will pay for such expenses if the loss is caused by:

a. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for that auto.

b. "Collision" only if the Declarations indicates that Collision Coverage is provided for that auto.

2. Expenses for which you become legally responsible in the event of loss to a "non-owned auto". We will pay for such expenses if the loss is caused by:

a. Other than "collision" only if the Declarations indicates that Other Than Collision Coverage is provided for any "your covered auto".

b. "Collision" only if the Declarations indicates that Collision Coverage is provided for any "your covered auto".

However, the most we will pay for any expenses for loss of use is $30 per day.

B. Subject to the provisions of Paragraph **A.,** if the loss is caused by:

1. A total theft of "your covered auto" or a "non-owned auto", we will pay only expenses incurred during the period:

a. Beginning 48 hours after the theft; and

b. Ending when "your covered auto" or the "non-owned auto" is returned to use or we pay for its loss.

2. Other than theft of a "your covered auto" or a "non-owned auto", we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

Our payment will be limited to that period of time reasonably required to repair or replace the "your covered auto" or the "non-owned auto".

EXCLUSIONS

We will not pay for:

1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This includes but is not limited to any period of time "your covered auto" or any "non-owned auto" is being used by any person who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the vehicle.

This exclusion **(1.)** does not apply:

a. To a share-the-expense car pool; or

b. While "your covered auto" or any "non-owned auto" is being used for volunteer or charitable purposes.

2. Damage due and confined to:

a. Wear and tear;

b. Freezing;

c. Mechanical or electrical breakdown or failure; or

d. Road damage to tires.

This exclusion **(2.)** does not apply if the damage results from the total theft of "your covered auto" or any "non-owned auto".

3. Loss due to or as a consequence of:

a. Radioactive contamination;

b. Discharge of any nuclear weapon (even if accidental);

c. War (declared or undeclared);

d. Civil war;

e. Insurrection; or

f. Rebellion or revolution.

4. Loss to any electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes but is not limited to:

a. Radios and stereos;

b. Tape decks;

c. Compact disc systems;

d. Navigation systems;

e. Internet access systems;

f. Personal computers;

g. Video entertainment systems;

h. Telephones;

i. Televisions;

j. Two-way mobile radios;

k. Scanners; or

l. Citizens band radios.

This exclusion **(4.)** does not apply to electronic equipment that is permanently installed in "your covered auto" or any "non-owned auto".

5. Loss to tapes, records, discs or other media used with equipment described in Exclusion **4.**

6. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by governmental or civil authorities.

This exclusion **(6.)** does not apply to the interests of Loss Payees in "your covered auto".

7. Loss to:

a. A "trailer", camper body or motor home, which is not shown in the Declarations; or

b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:

(1) Cooking, dining, plumbing or refrigeration facilities;

(2) Awnings or cabanas; or

(3) Any other facilities or equipment used with a "trailer", camper body or motor home.

This exclusion **(7.)** does not apply to a:

a. "Trailer", and its facilities or equipment, which you do not own; or

b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:

(1) Acquire during the policy period; and

(2) Ask us to insure within 14 days after you become the owner.

8. Loss to any "non-owned auto" when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.

9. Loss to equipment designed or used for the detection or location of radar or laser.

10. Loss to any "custom equipment" in or upon "your covered auto" or any "non-owned auto".

This exclusion **(10.)** does not apply to the first $1,500 of "custom equipment" in or upon "your covered auto" or any "non-owned auto".

11. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:

a. Selling;

b. Repairing;

c. Servicing;

d. Storing; or

e. Parking;

vehicles designed for use on public highways. This includes road testing and delivery.

12. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:

a. Participating or competing in; or

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b. Practicing or preparing for;

any prearranged or organized:

(1) Racing or speed contest; or

(2) Driver skill training or driver skill event.

13. Loss to, or loss of use of, a "non-owned auto" rented by:

a. You; or

b. Any "family member";

if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that "family member", pursuant to the provisions of any applicable rental agreement or state law.

14. Loss to "your covered auto" which occurs while:

a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member".

15. Loss to, or loss of use of, a "non-owned auto" used by:

a. You; or

b. Any "family member";

in connection with a personal vehicle sharing program if the provisions of such a personal vehicle sharing program preclude the recovery of such loss or loss of use, from you or that "family member", or if otherwise precluded by any state law.

16. Loss to any vehicle which is designed or can be used for flight.

LIMIT OF LIABILITY

A. Our limit of liability for loss will be the lesser of the:

1. Actual cash value of the stolen or damaged property; or

2. Amount necessary to repair or replace the property with other property of like kind and quality.

However, the most we will pay for loss to:

a. Any "non-owned auto" which is a trailer is $1,500.

b. Electronic equipment that reproduces, receives or transmits audio, visual or data signals, which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment, is $1,000.

c. "Custom equipment" in or upon "your covered auto" or any "non-owned auto" is $1,500.

B. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.

C. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or

2. The address shown in this Policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the "non-owned auto".

2. Any other applicable physical damage insurance.

3. Any other source of recovery applicable to the loss.

APPRAISAL

A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and 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 be binding. Each party will:

1. Pay its chosen appraiser; and

2. Bear the expenses of the appraisal and umpire equally.

B. We do not waive any of our rights under this Policy by agreeing to an appraisal.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us:

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.

B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.

2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.

3. Submit, as often as we reasonably require:

a. To physical exams by physicians we select. We will pay for these exams.

b. To examination under oath and subscribe the same.

c. To recorded statements.

4. Authorize us to obtain:

a. Medical reports; and

b. Other pertinent records.

5. Submit a proof of loss when required by us.

C. A person seeking Uninsured Motorists Coverage must also:

1. Promptly notify the police if a hit-and-run driver is involved.

2. Promptly send us copies of the legal papers if a suit is brought.

D. A person seeking Coverage For Damage To Your Auto must also:

1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and its equipment from further loss. We will pay reasonable expenses incurred to do this.

2. Promptly notify the police if "your covered auto" or any "non-owned auto" is stolen.

3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART F – GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of the "insured" shall not relieve us of any obligations under this Policy.

CHANGES

A. This Policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.

B. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

1. The number, type or use classification of insured vehicles;

2. Operators using insured vehicles;

3. The place of principal garaging of insured vehicles; or

4. Coverage, deductible or limits.

If a change resulting from **A.** or **B.** requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph **(C.)** 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 your policy; or

2. An Amendatory Endorsement.

FRAUD

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this Policy.

LEGAL ACTION AGAINST US

A. No legal action may be brought against us until there has been full compliance with all the terms of this Policy. In addition, under Part **A,** no legal action may be brought against us until:

1. We agree in writing that the "insured" has an obligation to pay; or

2. The amount of that obligation has been finally determined by judgment after trial.

B. No person or organization has any right under this Policy to bring us into any action to determine the liability of an "insured".

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OUR RIGHT TO RECOVER PAYMENT

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

1. Whatever is necessary to enable us to exercise our rights; and

2. Nothing after loss to prejudice them.

However, our rights in this paragraph **(A.)** do not apply under Part **D,** against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.

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

1. Hold in trust for us the proceeds of the recovery; and

2. Reimburse us to the extent of our payment.

POLICY PERIOD AND TERRITORY

A. This Policy applies only to accidents and losses which occur:

1. During the policy period as shown in the Declarations; and

2. Within the policy territory.

B. The policy territory is:

1. The United States of America, its territories or possessions;

2. Puerto Rico; or

3. Canada.

This Policy also applies to loss to, or accidents involving, "your covered auto" while being transported between their ports.

TERMINATION

A. Cancellation

This Policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:

a. Returning this Policy to us; or

b. Giving us advance written notice of the date cancellation is to take effect.

2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this Policy:

a. At least 10 days' notice:

(1) If cancellation is for nonpayment of premium; or

(2) If notice is mailed during the first 60 days this Policy is in effect and this is not a renewal or continuation policy; or

b. At least 20 days' notice in all other cases.

3. After this Policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:

a. For nonpayment of premium; or

b. If your driver's license or that of:

(1) Any driver who lives with you; or

(2) Any driver who customarily uses "your covered auto";

has been suspended or revoked. This must have occurred:

(a) During the policy period; or

(b) Since the last anniversary of the original effective date if the policy period is other than one year; or

c. If the Policy was obtained through material misrepresentation.

B. Nonrenewal

If we decide not to renew or continue this Policy, we will mail notice to the named insured shown in the Declarations at the address shown in this Policy. Notice will be mailed at least 20 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than six months, we will have the right not to renew or continue this Policy every six months, beginning six months after its original effective date.

2. Six months or longer, but less than one year, we will have the right not to renew or continue this Policy at the end of the policy period.

3. One year or longer, we will have the right not to renew or continue this Policy at each anniversary of its original effective date.

C. Automatic Termination

If we offer to renew or continue and you or your representative does not accept, this Policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto", any similar insurance provided by this Policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this Policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

A. Your rights and duties under this Policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".

B. Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

If this Policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

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PERSONAL UMBRELLA LIABILITY POLICY

AGREEMENT

In return for payment of the premium and subject to all the terms of this Policy, we agree with you as follows:

I. Definitions

A. Throughout this Policy, "you" and "your" refer to:

1. The "named insured" shown in the Declarations; and

2. The spouse if a resident of the same household.

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

C. For purposes of this Policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and

2. For a continuous period of at least six months.

Other words and phrases are defined. They are in quotation marks when used.

D. "Aircraft Liability", "Hovercraft Liability", "Recreational Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **2.** below, mean the following:

1. Liability for "bodily injury" or "property damage" arising out of:

a. The ownership of such vehicle or craft by an "insured";

b. The maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;

c. The entrustment of such vehicle or craft by an "insured" to any person;

d. The failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or

e. Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

2. For the purpose of this definition:

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

b. Hovercraft means a self-propelled motorized ground-effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

c. Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and

d. Recreational Motor Vehicle means a "recreational motor vehicle" as defined in Paragraph **N.**

E. "Auto" means:

1. A private passenger motor vehicle, motorcycle, moped or motor home;

2. A vehicle designed to be pulled by a private passenger motor vehicle or motor home; or

3. A farm wagon or farm implement while towed by a private passenger motor vehicle or motor home.

F. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

G. "Business" means:

1. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

2. Any other activity engaged in for money or other compensation, except the following:

a. One or more activities, not described in **b.** through **d.** below, for which no "insured" receives more than $2,000 in total compensation for the 12 months before the beginning of the policy period;

b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

d. The rendering of home day care services to a relative of an "insured".

H. "Family member" means a resident of your household who is:

1. Your relative, including a ward or foster child; or

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2. Under the age of 21 and in the care of you or an "insured" who is age 21 or over.

I. "Fuel system" means:

1. One or more containers, tanks or vessels which have a total combined storage capacity of 100 or more U.S. gallons of liquid fuel; and:

a. Are, or were, located on any single location covered by "underlying insurance"; and

b. Are, or were, used to hold liquid fuel that is intended to be used solely for one or more of the following:

(1) To heat or cool a building;

(2) To heat water;

(3) To cook food; or

(4) To power motor vehicles, other motorized land conveyances or watercraft owned by an "insured";

2. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph **I.1.;**

3. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph **I.1.;**

4. A boiler, furnace or a water heater, the liquid fuel for which is stored in a container, tank or vessel described in Paragraph **I.1.;**

5. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph **I.1.;** or

6. A structure that is specifically designed and built to hold the liquid fuel that escapes from one or more containers, tanks or vessels described in Paragraph **I.1.**

J. "Insured" means:

1. You.

2. A "family member".

3. Any person using an "auto", "recreational motor vehicle", or watercraft, which is owned by you and covered under this Policy. Any person using a temporary substitute for such "auto" or "recreational motor vehicle" is also an "insured".

4. Any other person or organization but only with respect to the legal responsibility for acts or omissions of you or any "family member" while you or any "family member" is using an "auto" or "recreational motor vehicle" covered under this Policy. However, the owner or lessor of an "auto" or "recreational motor vehicle" loaned to or hired for use by an "insured" or on an "insured's" behalf, is not an "insured".

5. With respect to animals owned by you or any "family member", any person or organization legally responsible for such animals. However, a person or organization using or having custody of such animals in the course of any "business" or without the consent of the owner is not an "insured".

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

1. "Bodily injury"; or

2. "Property damage".

L. "Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

1. False arrest, detention or imprisonment;

2. Malicious prosecution;

3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

5. Oral or written publication, in any manner, of material that violates a person's right of privacy.

M. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

N. "Recreational motor vehicle" means:

1. All-terrain vehicle;

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2. Dune buggy;

3. Golf cart;

4. Snowmobile; or

5. Any other motorized land vehicle which is designed for recreational use off public roads.

O. "Retained limit" means:

1. The total limits of any "underlying insurance" and any other insurance that applies to an "occurrence" or offense which:

a. Are available to an "insured"; or

b. Would have been available except for the bankruptcy or insolvency of an insurer providing "underlying insurance"; or

2. The deductible, if any, as stated in the Declarations, if the "occurrence" or offense:

a. Is covered by this Policy; and

b. Is not covered by "underlying insurance" or any other insurance.

P. "Underlying insurance" means any policy providing the "insured" with primary liability insurance covering one or more of the types of liability listed in the Declarations and at limits no less than the retained policy limits shown for those types of liability listed in the Declarations.

II. Coverages

A. Insuring Agreement

We will pay damages, in excess of the "retained limit", for:

1. "Bodily injury" or "property damage" for which an "insured" becomes legally liable due to an "occurrence" to which this insurance applies; and

2. "Personal injury" for which an "insured" becomes legally liable due to one or more offenses listed under the definition of "personal injury" to which this insurance applies.

Damages include prejudgment interest awarded against an "insured".

B. Defense Coverage

1. 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" or "personal injury" caused by an offense to which this Policy applies, we:

a. Will provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. However, we are not obligated to defend any suit or settle any claim if:

(1) The "occurrence" or offense is covered by other "underlying insurance" available to the "insured"; or

(2) There is no applicable "underlying insurance" in effect at the time of the "occurrence" or offense and the amount of damages claimed or incurred is less than the applicable deductible amount shown in the Declarations;

b. May join, at our expense, with the "insured" or any insurer providing "underlying insurance" in the investigation, defense or settlement of any claim or suit which we believe may require payment under this Policy.

However, we will not contribute to the costs and expenses incurred by any insurer providing "underlying insurance"; and

c. Will pay any expense incurred for the "insured's" defense, with our written consent, in any country where we are prevented from defending an "insured" because of laws or other reasons.

2. 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" or offense has been exhausted by payment of judgments or settlements.

C. Additional Coverages

We will 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 to the extent they exceed our 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 our share of the 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.

These payments will not reduce the limit of liability.

D. Limit Of Liability

Our total liability under this Policy for all damages resulting from any one "occurrence" or offense will not be more than the Limit Of Liability as shown in the Declarations of this Policy. This limit is the most we will pay regardless of the number of "insureds", claims made, persons injured, or vehicles involved in an accident.

III. Exclusions

A. The coverages provided by this Policy do not apply to:

1. "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 or property than initially expected or intended.

However, this exclusion **(A.1.)** does not apply to:

(1) "Bodily injury" or "property damage" resulting from the use of reasonable force by an "insured" to protect persons or property; or

(2) "Bodily injury" or "property damage" resulting from the use of reasonable force by an "insured" to prevent or eliminate danger in the operation of "autos", "recreational motor vehicles" or watercraft;

2. "Personal injury":

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

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

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

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

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

3. "Bodily injury", "personal injury" or "property damage" arising out of or in connection with a "business":

a. Engaged in by an "insured"; or

b. Conducted from:

(1) Any part of a premises owned by or rented to an "insured"; or

(2) Vacant land owned by or rented to an "insured".

This exclusion **(A.3.)** 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".

However, this exclusion **(A.3.)** does not apply to:

(1) The rental or holding for rental of:

(a) The residence premises shown in the Declarations:

(i) On an occasional basis if used only as a residence;

(ii) 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

(iii) In part, as an office, school, studio or private garage;

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(b) Any part of a one- to four-family dwelling, other than the residence premises, to the extent that personal liability coverage is provided by "underlying insurance";

(c) A condominium, cooperative, or apartment unit, other than the residence premises, to the extent that personal liability coverage is provided by "underlying insurance";

(2) Civic or public activities performed by an "insured" without compensation other than reimbursement of expenses;

(3) An insured minor involved in self-employed "business" pursuits, which are occasional or part-time and customarily undertaken on that basis by minors. A minor means a person who has not attained his or her:

(a) 18th birthday; or

(b) 21st birthday if a full-time student;

(4) The use of an "auto" you own, or a temporary substitute for such "auto", by you, a "family member" or a partner, agent or employee of you or a "family member" while employed or otherwise engaged in the "business" of:

(a) Selling;

(b) Repairing;

(c) Servicing;

(d) Storing; or

(e) Parking;

vehicles designed for use mainly on public highways;

(5) The use of an "auto" for "business" purposes, other than an auto business, by an "insured";

4. "Bodily injury" or "property damage" arising out of the ownership or operation of an "auto" while it is being used as a public or livery conveyance. This exclusion **(A.4.)** does not apply to:

a. A share-the-expense car pool; or

b. The ownership or operation of an "auto" while it is being used for volunteer or charitable purposes;

5. "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "auto" while:

a. Enrolled in a personal vehicle sharing program under the terms of a written agreement; and

b. Being used in connection with such personal vehicle sharing program by anyone other than you or any "family member";

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

7. "Aircraft Liability";

8. "Hovercraft Liability";

9. "Watercraft Liability".

However, this exclusion **(A.9.)** does not apply to the extent that watercraft coverage is provided by "underlying insurance" at the time of the "occurrence";

10. "Recreational Motor Vehicle Liability".

However, this exclusion **(A.10.)** does not apply with respect to any "recreational motor vehicle":

a. Owned by you or a "family member" to the extent that "recreational motor vehicle" coverage is provided by "underlying insurance" at the time of the "occurrence"; or

b. That you or a "family member" does not own;

11. "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;

12. A person using an "auto", "recreational motor vehicle" or watercraft without a reasonable belief that that person is entitled to do so. This exclusion **(A.12.)** does not apply to a "family member" using an "auto", "recreational motor vehicle" or watercraft you own;

13. The ownership, maintenance or use of:

a. Any "auto" for the purpose of:

(1) Participating or competing in; or

(2) Practicing or preparing for;

any prearranged or organized:

(a) Racing or speed contest; or

(b) Driver skill training or driver skill event; and

b. Any watercraft which, at the time of the "occurrence", is:

(1) Being operated in; or

(2) Practicing or preparing for;

any prearranged or organized:

(a) Race;

(b) Stunt activity;

(c) Speed contest; or

(d) Other competition.

However, this exclusion **(A.13.)** does not apply to:

(1) Motorcycle rider skill training in connection with a course designed by the Motorcycle Safety Foundation, or any similar course administered by any state agency, to improve motorcycle rider skills;

(2) A sailing vessel; or

(3) Watercraft involved in predicted log cruises;

14. "Bodily injury" or "personal injury" to you or a "family member".

This exclusion also applies to any claim made or suit brought:

a. To repay; or

b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" or "personal injury" to you or a "family member";

15. "Bodily injury" or "personal injury" arising out of:

a. The transmission of a communicable disease by an "insured";

b. Sexual molestation, corporal punishment or physical or mental abuse; or

c. The use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) 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 **(A.15.)** does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional;

16. "Bodily injury", "personal injury" or "property damage" arising out of an act or omission of an "insured" as an officer or member of a board of directors of a corporation or organization. However, this exclusion **(A.16.)** does not apply if the corporation or organization is not-for-profit and the "insured" receives no compensation other than reimbursement of expenses;

17. "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 the residence premises shown in the Declarations;

18. "Property damage" to property rented to, occupied or used by, or in the care, custody or control of, an "insured" to the extent that the "insured" is obligated by contract to provide insurance for such property. However, this exclusion **(A.18.)** does not apply to "property damage" caused by fire, smoke or explosion;

19. "Bodily injury" to any person eligible to receive any benefits:

a. Voluntarily provided; or

b. Required to be provided;

by an "insured" under any:

(1) Workers' compensation law;

(2) Nonoccupational disability law; or

(3) Occupational disease law;

20. "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; or

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(3) Nuclear Insurance Association of Canada;

or any of their successors; or

b. Would be an insured under that policy but for the exhaustion of its limit of liability;

21. "Bodily injury", "personal injury" or "property damage" caused by an "occurrence" or offense involving the escape of fuel from a "fuel system";

22. "Bodily injury" or "personal injury" caused by an "occurrence" or offense involving the absorption, ingestion or inhalation of lead; or

23. "Personal injury" or "property damage" caused by an "occurrence" or offense of lead contamination.

B. Liability coverage does not apply to any assessment charged against you as a member of an association, corporation or community of property owners.

C. We do not provide:

1. Automobile no-fault or any similar coverage under this Policy; or

2. Uninsured Motorists Coverage, Underinsured Motorists Coverage, or any similar coverage unless this Policy is endorsed to provide such coverage.

IV. Maintenance Of Underlying Insurance

You must maintain the "underlying insurance" at the full limits stated in the Declarations and with no change to more restrictive conditions during the term of this Policy. If any "underlying insurance" is canceled or not renewed and not replaced, you must notify us at once.

If you fail to maintain "underlying insurance", we will not be liable under this Policy for more than we would have been liable if that "underlying insurance" was in effect.

V. Duties After Loss

In case of an "occurrence" or offense likely to involve the insurance under this Policy, 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:

A. Give written notice to us or our agent as soon as is practical. Such notice shall set forth:

1. The identity of the Policy and named insured shown in the Declarations;

2. Reasonably available information about the time, place and circumstances of the "occurrence" or offense; and

3. The names and addresses of any claimants and witnesses.

B. If a claim is made or a suit is brought against an "insured", the "insured" must:

1. Notify us immediately in writing;

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" or offense;

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.

C. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense to others.

VI. General Provisions

A. Appeals

If an "insured" or any insurer providing "underlying insurance" elects not to appeal a judgment which exceeds the "retained limit", we may do so at our own expense. We will pay all costs, taxes, expenses and interest related to our appeal. These payments will not reduce the limit of liability.

B. Bankruptcy Of An Insured

Bankruptcy or insolvency of an "insured" will neither:

1. Relieve us of our obligations under this Policy; nor

2. Operate to cause this Policy to become primary in the event the "insured" is unable to satisfy the "retained limit" either because of insufficient "underlying insurance" or insufficient personal assets.

C. Bankruptcy Of An Underlying Insurer

In the event of bankruptcy or insolvency of any underlying insurer, the insurance afforded by this Policy shall not replace such "underlying insurance", but shall apply as if the "underlying insurance" was valid and collectible.

D. Fraud

We do not provide coverage for any "insured" who has made fraudulent statements or engaged in fraudulent conduct in connection with any "occurrence" or offense for which coverage is sought under this Policy.

E. 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.

F. Other Insurance

The coverage afforded by this Policy is excess over any other insurance available to an "insured", except insurance written specifically to be excess over this Policy.

G. Our Right To Recover Payment

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

1. Whatever is necessary to enable us to exercise our rights; and

2. Nothing after loss to prejudice them.

H. Policy Period And Territory

The policy period is stated in the Declarations. This Policy applies to an "occurrence" or offense which takes place anywhere in the world.

I. Severability Of Insurance

This insurance applies separately to each "insured". However, this provision will not increase our limit of liability for any one "occurrence" or offense.

J. Suit Against Us

1. No legal action can be brought against us:

a. Unless there has been full compliance with all of the terms of this Policy; and

b. Until the obligation of the "insured" has been determined by final judgment or by agreement signed by us.

2. No person or organization has any right under this Policy to join us as a party to any legal action against an "insured".

K. Termination

1. Cancellation By You

You may cancel this Policy by:

a. Returning it to us; or

b. Giving us advance written notice of the date cancellation is to take effect.

2. Cancellation By Us

We may cancel this Policy as 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 by letting you know at least 30 days before the date cancellation takes effect.

3. 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.

4. Other Termination Provisions

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

b. 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.

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L. Transfer Of Your Interest In This Policy

1. Your rights and duties under this Policy may not be assigned without our written consent. However, if you die, coverage will be provided for:

a. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations;

b. Any member of your household who is an "insured" at the time of your death, but only while a resident of the residence premises; or

c. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your "autos" or the residence premises shown in the Declarations.

2. Coverage will only be provided until the end of the policy period.

M. Waiver Or Change Of Policy Provisions

This Policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of the change.

National Flood Insurance Program

Dwelling Form

Standard Flood Insurance Policy

F-122 / October 2021

FEMA

FEDERAL EMERGENCY MANAGEMENT AGENCY, FEDERAL INSURANCE AND MITIGATION ADMINISTRATION

Standard Flood Insurance Policy

Dwelling Form

Please read the policy carefully. The flood insurance provided is subject to limitations, restrictions, and exclusions.

I. AGREEMENT

A. This policy insures the following types of property only:

1. A one to four family residential building, not under a condominium form of ownership;
2. A single-family dwelling unit in a condominium building; *and*
3. Personal property in a building.

B. The Federal Emergency Management Agency (FEMA) provides flood insurance under the terms of the National Flood Insurance Act of 1968 and its amendments, and Title 44 of the Code of Federal Regulations.

C. We will pay you for direct physical loss by or from flood to your insured property if you:

1. Have paid the full amount due (including applicable premiums, surcharges, and fees);
2. Comply with all terms and conditions of this policy; *and*
3. Have furnished accurate information and statements.

D. We have the right to review the information you give us at any time and revise your policy based on our review.

E. This policy insures only one building. If you own more than one building, coverage will apply to the single building specifically described in the Flood Insurance Application.

F. Subject to the exception in I.G below, multiple policies with building coverage cannot be issued to insure a single building to one insured or to different insureds, even if separate policies were issued through different NFIP insurers. Payment for damages may only be made under a single policy for building damages under Coverage A–Building Property.

G. A Dwelling Form policy with building coverage may be issued to a unit owner in a condominium building that is also insured under a Residential Condominium Building Association Policy (RCBAP). **However, no more than $250,000 may be paid in combined benefits for a single unit under the Dwelling Form policy and the RCBAP. We will only pay for damage once. Items of damage paid for under an RCBAP cannot also be claimed under the Dwelling Form policy.**

II. DEFINITIONS

A. In this policy, "you" and "your" refer to the named insured(s) shown on the Declarations Page of this policy and the spouse of the named insured, if a resident of the same household. Insured(s) also includes: Any mortgagee and loss payee named in the Application and Declarations Page, as well as any other mortgagee or loss payee determined to exist at the time of loss, in the order of precedence. "We," "us," and "our" refer to the insurer.

Some definitions are complex because they are provided as they appear in the law or regulations, or result from court cases.

B. Flood, as used in this flood insurance policy, means:

1. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (one of which is your property) from:
   a. Overflow of inland or tidal waters;
   b. Unusual and rapid accumulation or runoff of surface waters from any source;
   c. Mudflow.
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion

or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined in B.1.a above.

C. The following are the other key definitions we use in this policy:

1. **Act.** The National Flood Insurance Act of 1968 and any amendments to it.
2. **Actual Cash Value.** The cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.
3. **Application.** The statement made and signed by you or your agent in applying for this policy. The application gives information we use to determine the eligibility of the risk, the kind of policy to be issued, and the correct premium payment. The application is part of this flood insurance policy.
4. **Base Flood.** A flood having a one percent chance of being equaled or exceeded in any given year.
5. **Basement.** Any area of a building, including any sunken room or sunken portion of a room, having its floor below ground level on all sides.
6. **Building**
   a. A structure with two or more outside rigid walls and a fully secured roof that is affixed to a permanent site;
   b. A manufactured home, also known as a mobile home, is a structure: built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation; *or*
   c. A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and building ordinances or laws.

   Building does not mean a gas or liquid storage tank, shipping container, or a recreational vehicle, park trailer, or other similar vehicle, except as described in C.6.c above.
7. **Cancellation.** The ending of the insurance coverage provided by this policy before the expiration date.
8. **Condominium.** That form of ownership of one or more buildings in which each unit owner has an undivided interest in common elements.
9. **Condominium Association.** The entity made up of the unit owners responsible for the maintenance and operation of:
   a. Common elements owned in undivided shares by unit owners; *and*
   b. Other buildings in which the unit owners have use rights; where membership in the entity is a required condition of ownership.
10. **Condominium Building.** A type of building for which the form of ownership is one in which each unit owner has an undivided interest in common elements of the building.
11. **Declarations Page.** A computer-generated summary of information you provided in your application for insurance. The Declarations Page also describes the term of the policy, limits of coverage, and displays the premium and our name. The Declarations Page is a part of this flood insurance policy.
12. **Deductible.** The amount of an insured loss that is your responsibility and that is incurred by you before any amounts are paid for the insured loss under this policy.
13. **Described Location.** The location where the insured building(s) or personal property are found. The described location is shown on the Declarations Page.
14. D**irect Physical Loss By or From Flood.** Loss or damage to insured property, directly caused by a flood. There must be evidence of physical changes to the property.
15. **Dwelling.** A building designed for use as a residence for no more than four families or a single-family unit in a condominium building.
16. **Elevated Building.** A building that has no basement and that has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.
17. **Emergency Program.** The initial phase of a community's participation in the National Flood Insurance Program. During this phase, only limited amounts of insurance are available under the Act and the regulations prescribed pursuant to the Act.
18. **Federal Policy Fee.** A flat rate charge you must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out the National Flood Insurance Program.
19. **Improvements.** Fixtures, alterations, installations, or additions comprising a part of the dwelling or apartment in which you reside.
20. **Mudflow.** A river of liquid and flowing mud on the surface of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or

a saturated soil mass moving by liquidity down a slope, are not mudflows.

21. **National Flood Insurance Program (NFIP).** The program of flood insurance coverage and floodplain management administered under the Act and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.
22. **Policy.** The entire written contract between you and us. It includes:
    a. This printed form;
    b. The application and Declarations Page;
    c. Any endorsement(s) that may be issued; *and*
    d. Any renewal certificate indicating that coverage has been instituted for a new policy and new policy term. Only one dwelling, which you specifically described in the application, may be insured under this policy.
23. **Pollutants.** Substances that include, but are not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.
24. **Post-FIRM Building.** A building for which construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.
25. **Principal Residence.** The dwelling in which you or your spouse have lived for at least 80 percent of:
    a. The 365 days immediately preceding the time of loss; *or*
    b. The period of ownership of you or your spouse, if either you or your spouse owned the dwelling for less than 365 days immediately preceding the time of loss.
26. **Probation Surcharge.** A flat charge you must pay on each new or renewal policy issued covering property in a community the NFIP has placed on probation under the provisions of 44 CFR 59.24.
27. **Regular Program.** The final phase of a community's participation in the National Flood Insurance Program. In this phase, a Flood Insurance Rate Map is in effect and full limits of coverage are available under the Act and the regulations prescribed pursuant to the Act.
28. **Special Flood Hazard Area (SFHA).** An area having special flood or mudflow, and/or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or Flood Insurance Rate Map as Zone A, AO, A1–A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1–A30, V1–V30, VE, or V.
29. **Unit.** A single-family residential space you own in a condominium building.
30. **Valued Policy.** A policy in which the insured and the insurer agree on the value of the property insured, that value being payable in the event of a total loss. The Standard Flood Insurance Policy is not a valued policy.

III. PROPERTY INSURED

A. Coverage A—Building Property

We insure against direct physical loss by or from flood to:

1. The dwelling at the described location, or for a period of 45 days at another location as set forth in III.C.2.b, Property Removed to Safety.
2. Additions and extensions attached to and in contact with the dwelling by means of a rigid exterior wall, a solid load-bearing interior wall, a stairway, an elevated walkway, or a roof. At your option, additions and extensions connected by any of these methods may be separately insured. Additions and extensions attached to and in contact with the building by means of a common interior wall that is not a solid load-bearing wall are always considered part of the dwelling and cannot be separately insured.
3. A detached garage at the described location. **Coverage is limited to no more than 10 percent of the limit of liability on the dwelling.** Use of this insurance is at your option but reduces the building limit of liability. **We do not cover any detached garage used or held for use for residential (i.e., dwelling), business, or farming purposes.**

4. Materials and supplies to be used for construction, alteration, or repair of the dwelling or a detached garage while the materials and supplies are stored in a fully enclosed building at the described location or on an adjacent property.

5. A building under construction, alteration, or repair at the described location.

   a. If the structure is not yet walled or roofed as described in the definition for building (see II.C.6.a) then coverage applies:

   (1) Only while such work is in progress; *or*

   (2) If such work is halted, only for a period of up to 90 continuous days thereafter.

   b. However, coverage does not apply until the building is walled and roofed if the lowest floor, including the basement floor, of a non-elevated building or the lowest elevated floor of an elevated building is:

   (1) Below the base flood elevation in Zones AH, AE, A1–A30, AR, AR/AE, AR/AH, AR/A1–A30, AR/A, AR/AO; *or*

   (2) Below the base flood elevation adjusted to include the effect of wave action in Zones VE or V1–V30.

   The lowest floor level is based on the bottom of the lowest horizontal structural member of the floor in Zones VE or V1–V30 or the top of the floor in Zones AH, AE, A1–A30, AR, AR/AE, AR/AH, AR/A1–A30, AR/A, and AR/AO.

6. A manufactured home or a travel trailer, as described in the II.C.6. If the manufactured home or travel trailer is in a special flood hazard area, it must be anchored in the following manner at the time of the loss:

   a. By over-the-top or frame ties to ground anchors; *or*

   b. In accordance with the manufacturer's specifications; *or*

   c. In compliance with the community's floodplain management requirements unless it has been continuously insured by the NFIP at the same described location since September 30, 1982.

7. The following items of property which are insured under Coverage A only:

   a. Awnings and canopies;

   b. Blinds;

   c. Built-in dishwashers;

   d. Built-in microwave ovens;

   e. Carpet permanently installed over unfinished flooring;

   f. Central air conditioners;

   g. Elevator equipment;

   h. Fire sprinkler systems;

   i. Walk-in freezers;

   j. Furnaces and radiators;

   k. Garbage disposal units;

   l. Hot water heaters, including solar water heaters;

   m. Light fixtures;

   n. Outdoor antennas and aerials fastened to buildings;

   o. Permanently installed cupboards, bookcases, cabinets, paneling, and wallpaper;

   p. Plumbing fixtures;

   q. Pumps and machinery for operating pumps;

   r. Ranges, cooking stoves, and ovens;

   s. Refrigerators; *and*

   t. Wall mirrors, permanently installed.

8. Items of property below the lowest elevated floor of an elevated post-FIRM building located in Zones

A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE, or in a basement regardless of the zone. Coverage is limited to the following:

a. Any of the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:

(1) Central air conditioners;

(2) Cisterns and the water in them;

(3) Drywall for walls and ceilings in a basement and the cost of labor to nail it, unfinished and unfloated and not taped, to the framing;

(4) Electrical junction and circuit breaker boxes;

(5) Electrical outlets and switches;

(6) Elevators, dumbwaiters and related equipment, except for related equipment installed below the base flood elevation after September 30, 1987;

(7) Fuel tanks and the fuel in them;

(8) Furnaces and hot water heaters;

(9) Heat pumps;

(10) Nonflammable insulation in a basement;

(11) Pumps and tanks used in solar energy systems;

(12) Stairways and staircases attached to the building, not separated from it by elevated walkways;

(13) Sump pumps;

(14) Water softeners and the chemicals in them, water filters, and faucets installed as an integral part of the plumbing system;

(15) Well water tanks and pumps;

(16) Required utility connections for any item in this list; *and*

(17) Footings, foundations, posts, pilings, piers, or other foundation walls and anchorage systems required to support a building.

b. Clean-up.

B. Coverage B—Personal Property

1. If you have purchased personal property coverage, we insure against direct physical loss by or from flood to personal property inside a building at the described location, if:

   a. The property is owned by you or your household family members; *and*

   b. At your option, the property is owned by guests or servants.

2. Personal property is also insured for a period of 45 days at another location as set forth in III.C.2.b, Property Removed to Safety.

3. Personal property in a building that is not fully enclosed must be secured to prevent flotation out of the building. If the personal property does float out during a flood, it will be conclusively presumed that it was not reasonably secured. In that case, there is no coverage for such property.

4. Coverage for personal property includes the following property, subject to B.1 above, which is insured under Coverage B only:

   a. Air conditioning units, portable or window type;

   b. Carpets, not permanently installed, over unfinished flooring;

   c. Carpets over finished flooring;

   d. Clothes washers and dryers;

   e. “Cook-out” grills;

   f. Food freezers, other than walk-in, and food in any freezer; *and*

   g. Portable microwave ovens and portable dishwashers.

5. Coverage for items of property below the lowest elevated floor of an elevated post-FIRM building located in Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE, or in a basement regardless of the zone, is limited to the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:

a. Air conditioning units, portable or window type;

b. Clothes washers and dryers; *and*

c. Food freezers, other than walk-in, and food in any freezer.

6. If you are a tenant and have insured personal property under Coverage B in this policy, we will cover such property, including your cooking stove or range and refrigerator. **The policy will also cover improvements made or acquired solely at your expense in the dwelling or apartment in which you reside, but for not more than 10 percent of the limit of liability shown for personal property on the Declarations Page.** Use of this insurance is at your option but reduces the personal property limit of liability.

7. **If you are the owner of a unit and have insured personal property under Coverage B in this policy, we will also cover your interior walls, floor, and ceiling (not otherwise insured under a flood insurance policy purchased by your condominium association) for not more than 10 percent of the limit of liability shown for personal property on the Declarations Page. Use of this insurance is at your option but reduces the personal property limit of liability.**

8. **Special Limits.** **We will pay no more than $2,500 for any one loss to one or more of the following kinds of personal property:**

a. Artwork, photographs, collectibles, or memorabilia, including but not limited to, porcelain or other figures, and sports cards;

b. Rare books or autographed items;

c. Jewelry, watches, precious and semi-precious stones, or articles of gold, silver, or platinum;

d. Furs or any article containing fur that represents its principal value; *or*

e. Personal property used in any business.

9. **We will pay only for the functional value of antiques.**

C. Coverage C—Other Coverages

1. **Debris Removal**

a. We will pay the expense to remove non-owned debris that is on or in insured property and debris of insured property anywhere.

b. If you or a member of your household perform the removal work, the value of your work will be based on the Federal minimum wage.

c. This coverage does not increase the Coverage A or Coverage B limit of liability.

2. **Loss Avoidance Measures**

a. **Sandbags, Supplies, and Labor**

(1) We will pay up to $1,000 for costs you incur to protect the insured building from a flood or imminent danger of flood, for the following:

(a) Your reasonable expenses to buy:

(i) Sandbags, including sand to fill them;

(ii) Fill for temporary levees;

(iii) Pumps; *and*

(iv) Plastic sheeting and lumber used in connection with these items.

(b) The value of work, at the Federal minimum wage, that you or a member of your house-hold perform.

(2) This coverage for Sandbags, Supplies, and Labor only applies if damage to insured property by or from flood is imminent and the threat of flood damage is apparent enough to lead a person of common prudence to anticipate flood damage. One of the following must also occur:

(a) A general and temporary condition of flooding in the area near the described

location must occur, even if the flood does not reach the building; *or*

(b) A legally authorized official must issue an evacuation order or other civil order for the community in which the building is located calling for measures to preserve life and property from the peril of flood.

This coverage does not increase the Coverage A or Coverage B limit of liability.

b. **Property Removed to Safety**

(1) We will pay up to $1,000 for the reasonable expenses you incur to move insured property to a place other than the described location that contains the property in order to protect it from flood or the imminent danger of flood. Reasonable expenses include the value of work, at the Federal minimum wage, you or a member of your household perform.

(2) If you move insured property to a location other than the described location that contains the property in order to protect it from flood or the imminent danger of flood, we will cover such property while at that location for a period of 45 consecutive days from the date you begin to move it there. The personal property that is moved must be placed in a fully enclosed building or otherwise reasonably protected from the elements.

(3) Any property removed, including a moveable home described in II.6.b and c, must be placed above ground level or outside of the special flood hazard area.

(4) This coverage does not increase the Coverage A or Coverage B limit of liability.

3. **Condominium Loss Assessments**

a. Subject to III.C.3.b below, if this policy insures a condominium unit, we will pay, up to the Coverage A limit of liability, your share of loss assessments charged against you by the condominium association in accordance with the condominium association's articles of association, declarations and your deed. The assessment must be made because of direct physical loss by or from flood during the policy term, to the unit or to the common elements of the NFIP insured condominium building in which this unit is located.

b. We will not pay any loss assessment:

(1) Charged against you and the condominium association by any governmental body;

(2) That results from a deductible under the insurance purchased by the condominium association insuring common elements;

(3) That results from a loss to personal property, including contents of a condominium building;

(4) In which the total payment combined under all policies exceeds the maximum amount of coverage available under the Act for a single unit in a condominium building where the unit is insured under both a Dwelling Policy and a RCBAP; *or*

(5) On any item of damage that has already been paid under a RCBAP where a single unit in a condominium building is insured by both a Dwelling Policy and a RCBAP.

c. Condominium Loss Assessment coverage does not increase the Coverage A Limit of Liability and is subject to the maximum coverage limits available for a single-family dwelling under the Act, payable between all

policies issued and covering the unit, under the Act.

D. Coverage D—Increased Cost of Compliance

1. General

This policy pays you to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a building suffering flood damage. Compliance activities eligible for payment are: elevation, floodproofing, relocation, or demolition (or any combination of these activities) of your building. Eligible floodproofing activities are limited to:

a. Non-residential buildings.

b. Residential buildings with basements that satisfy FEMA's standards published in the Code of Federal Regulations [44 CFR 60.6(b) or (c)].

2. Limit of Liability

We will pay you up to $30,000 under this Coverage D—Increased Cost of Compliance, which only applies to policies with building coverage (Coverage A). Our payment of claims under Coverage D is in addition to the amount of coverage which you selected on the application and which appears on the Declarations Page. But the maximum you can collect under this policy for both Coverage A—Building Property and Coverage D—Increased Cost of Compliance cannot exceed the maximum permitted under the Act. We do not charge a separate deductible for a claim under Coverage D.

3. Eligibility

a. A building insured under Coverage A—Building Property sustaining a loss caused by a flood as defined by this policy must:

(1) Be a "repetitive loss building." A repetitive loss building is one that meets the following conditions:

(a) The building is insured by a contract of flood insurance issued under the NFIP.

(b) The building has suffered flood damage on two occasions during a 10-year period which ends on the date of the second loss.

(c) The cost to repair the flood damage, on average, equaled or exceeded 25 percent of the market value of the building at the time of each flood loss.

(d) In addition to the current claim, the NFIP must have paid the previous qualifying claim, and the State or community must have a cumulative, substantial damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the building; *or*

(2) Be a building that has had flood damage in which the cost to repair equals or exceeds 50 percent of the market value of the building at the time of the flood. The State or community must have a substantial damage provision in its floodplain management law or ordinance being enforced against the building.

b. This Coverage D pays you to comply with State or local floodplain management laws or ordinances that meet the minimum standards of the National Flood Insurance Program found in the Code of Federal Regulations at 44 CFR 60.3. We pay for compliance activities that exceed those standards under these conditions:

(1) 3.a.1 above.

(2) Elevation or floodproofing in any risk zone to preliminary or advisory base flood elevations provided by FEMA which the State or local government has adopted and is enforcing for flood-damaged buildings in such areas. (This includes compliance activities in B, C, X, or D zones which are being changed to zones with base flood elevations. This also includes compliance activities in zones where base flood elevations are being increased, and a flood-damaged building must comply with the higher advisory base flood elevation.) Increased Cost of Compliance coverage does not apply to situations in B, C, X, or D zones where the community has derived its own elevations and is enforcing elevation or floodproofing requirements for flood-damaged buildings to elevations derived solely by the community.

(3) Elevation or floodproofing above the base flood elevation to meet State or local "free-board" requirements, i.e., that a building must be elevated above the base flood elevation.

c. Under the minimum NFIP criteria at 44 CFR 60.3(b)(4), States and communities must require the elevation or floodproofing of buildings in unnumbered A zones to the base flood elevation where elevation data is obtained from a Federal, State, or other source. Such compliance activities are eligible for Coverage D.

d. Coverage D will pay for the incremental cost, after demolition or relocation, of elevating or floodproofing a building during its rebuilding at the same or another site to meet State or local floodplain management laws or ordinances, subject to Coverage D Exclusion 5.g below.

e. Coverage D will pay to bring a flood-damaged building into compliance with State or local floodplain management laws or ordinances even if the building had received a variance before the present loss from the applicable floodplain management requirements.

4. **Conditions**

a. When a building insured under Coverage A—Building Property sustains a loss caused by a flood, our payment for the loss under this Coverage D will be for the increased cost to elevate, floodproof, relocate, or demolish (or any combination of these activities) caused by the enforcement of current State or local floodplain management ordinances or laws. Our payment for eligible demolition activities will be for the cost to demolish and clear the site of the building debris or a portion thereof caused by the enforcement of current State or local floodplain management ordinances or laws. Eligible activities for the cost of clearing the site will include those necessary to discontinue utility service to the site and ensure proper abandonment of on-site utilities.

b. When the building is repaired or rebuilt, it must be intended for the same occupancy as the present building unless otherwise required by current floodplain management ordinances or laws.

5. **Exclusions**

Under this Coverage D (Increased Cost of Compliance), we will not pay for:

a. The cost to comply with any floodplain management law or ordinance in communities participating in the Emergency Program.

b. The cost associated with enforcement of any ordinance or law that requires any insured 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.

c. The loss in value to any insured building due to the

requirements of any ordinance or law.

d. The loss in residual value of the undamaged portion of a building demolished as a consequence of enforcement of any State or local floodplain management law or ordinance.

e. Any Increased Cost of Compliance under this Coverage D:

(1) Until the building is elevated, floodproofed, demolished, or relocated on the same or to another premises; *and*

(2) Unless the building is elevated, floodproofed, demolished, or relocated as soon as reasonably possible after the loss, not to exceed two years.

f. Any code upgrade requirements, e.g., plumbing or electrical wiring, not specifically related to the State or local floodplain management law or ordinance.

g. Any compliance activities needed to bring additions or improvements made after the loss occurred into compliance with State or local floodplain management laws or ordinances.

h. Loss due to any ordinance or law that you were required to comply with before the current loss.

i. Any rebuilding activity to standards that do not meet the NFIP's minimum requirements. This includes any situation where the insured has received from the State or community a variance in connection with the current flood loss to rebuild the property to an elevation below the base flood elevation.

j. Increased Cost of Compliance for a garage or carport.

k. Any building insured under an NFIP Group Flood Insurance Policy.

l. Assessments made by a condominium association on individual condominium unit owners to pay increased costs of repairing commonly owned buildings after a flood in compliance with State or local floodplain management ordinances or laws.

6. **Other Provisions**

a. Increased Cost of Compliance coverage will not be included in the calculation to determine whether coverage meets the 80 percent insurance-to-value requirement for replacement cost coverage as set forth in Art. VII.R ("Loss Settlement") of this policy.

b. All other conditions and provisions of this policy apply.

We do not insure any of the following:

1. Personal property not inside a building.
2. A building, and personal property in it, located entirely in, on, or over water or seaward of mean high tide if it was constructed or substantially improved after September 30, 1982.
3. Open structures, including a building used as a boathouse or any structure or building into which boats are floated, and personal property located in, on, or over water.
4. Recreational vehicles other than travel trailers described in the Definitions section (see II.C.6.c) whether affixed to a permanent foundation or on wheels.
5. Self-propelled vehicles or machines, including their parts and equipment. However, we do cover self-propelled vehicles or machines not licensed for use on public roads that are:
   a. Used mainly to service the described location; *or*
   b. Designed and used to assist handicapped persons, while the vehicles or machines are inside a building at the described location.
6. Land, land values, lawns, trees, shrubs, plants, growing crops, or animals.
7. Accounts, bills, coins, currency, deeds, evidences of debt, medals, money, scrip, stored value cards, postage stamps, securities, bullion, manuscripts, or other valuable papers.
8. Underground structures and equipment, including wells, septic tanks, and septic systems.
9. Those portions of walks, walkways, decks, driveways, patios and other surfaces, all whether protected by a roof or not, located outside the perimeter, exterior walls of the insured building or the building in which the insured unit is located.
10. Containers, including related equipment, such as, but not limited to, tanks containing gases or liquids.
11. Buildings or units and all their contents if more than 49 percent of the actual cash value of the building is below ground, unless the lowest level is at or above the base flood elevation and is below

ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques.

12. Fences, retaining walls, seawalls, bulkheads, wharves, piers, bridges, and docks.
13. Aircraft or watercraft, or their furnishings and equipment.
14. Hot tubs and spas that are not bathroom fixtures, and swimming pools, and their equipment, such as, but not limited to, heaters, filters, pumps, and pipes, wherever located.
15. Property not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act and the Coastal Barrier Improvement Act and amendments to these acts.
16. Personal property you own in common with other unit owners comprising the membership of a condominium association.

V. EXCLUSIONS

A. We only pay for direct physical loss by or from flood, which means that we do not pay you for:

1. Loss of revenue or profits;
2. Loss of access to the insured property or described location;
3. Loss of use of the insured property or described location;
4. Loss from interruption of business or production;
5. Any additional living expenses incurred while the insured building is being repaired or is unable to be occupied for any reason;
6. The cost of complying with any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any resulting debris. This exclusion does not apply to any eligible activities we describe in Coverage D—Increased Cost of Compliance; *or*
7. Any other economic loss you suffer.

B. **Flood in Progress.** If this policy became effective as of the time of a loan closing, as provided by 44 CFR 61.11(b), we will not pay for a loss caused by a flood that is a continuation of a flood that existed prior to coverage becoming effective.

In all other circumstances, we will not pay for a loss caused by a flood that is a continuation of a flood that existed on or before the day you submitted the application for coverage under this policy and the full amount due. We will determine the date of application using 44 CFR 61.11(f).

C. We do not insure for loss to property caused directly by earth movement even if the earth movement is caused by flood. Some examples of earth movement that we do not cover are:

1. Earthquake;
2. Landslide;
3. Land subsidence;
4. Sinkholes;
5. Destabilization or movement of land that results from accumulation of water in subsurface land area; *or*
6. Gradual erosion.

We do, however, pay for losses from mudflow and land subsidence as a result of erosion that are specifically insured under our definition of flood (see II.B.1.c and II.B.2).

D. We do not insure for direct physical loss caused directly or indirectly by any of the following:

1. The pressure or weight of ice;
2. Freezing or thawing;
3. Rain, snow, sleet, hail, or water spray;
4. Water, moisture, mildew, or mold damage that results primarily from any condition:
   a. Substantially confined to the dwelling; *or*
   b. That is within your control, including but not limited to:
      (1) Design, structural, or mechanical defects;
      (2) Failure, stoppage, or breakage of water or sewer lines, drains, pumps, fixtures, or equipment; *or*
      (3) Failure to inspect and maintain the property after a flood recedes;
5. Water or water-borne material that:
   a. Backs up through sewers or drains;
   b. Discharges or overflows from a sump, sump pump, or related equipment; *or*
   c. Seeps or leaks on or through the insured property;

unless there is a flood in the area and the flood is the proximate

cause of the sewer or drain backup, sump pump discharge or overflow, or the seepage of water;

6. The pressure or weight of water unless there is a flood in the area and the flood is the proximate cause of the damage from the pressure or weight of water;

7. Power, heating, or cooling failure unless the failure results from direct physical loss by or from flood to power, heating, or cooling equipment on the described location;

8. Theft, fire, explosion, wind, or windstorm;

9. Anything you or any member of your household do or conspire to do to deliberately cause loss by flood; *or*

10. Alteration of the insured property that significantly increases the risk of flooding.

E. We do not insure for loss to any building or personal property located on land leased from the Federal Government, arising from or incident to the flooding of the land by the Federal Government, where the lease expressly holds the Federal Government harmless under flood insurance issued under any Federal Government program.

F. We do not pay for the testing for or monitoring of pollutants unless required by law or ordinance.

VI. DEDUCTIBLES

A. When a loss is insured under this policy, we will pay only that part of the loss that exceeds your deductible amount, subject to the limit of liability that applies. The deductible amount is shown on the Declarations Page.

However, when a building under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, your deductible amount will be two times the deductible that would otherwise apply to a completed building.

B. In each loss from flood, separate deductibles apply to the building and personal property insured by this policy.

C. The deductible does NOT apply to:

1. III.C.2. Loss Avoidance Measures;
2. III.C.3. Condominium Loss Assessments; *or*
3. III.D. Increased Cost of Compliance.

A. Pair and Set Clause

In case of loss to an article that is part of a pair or set, we will have the option of paying you:

1. An amount equal to the cost of replacing the lost, damaged, or destroyed article, minus its depreciation; *or*
2. The amount that represents the fair proportion of the total value of the pair or set that the lost, damaged, or destroyed article bears to the pair or set.

B. Other Insurance

1. If a loss insured by this policy is also insured by other insurance that includes flood coverage not issued under the Act, we will not pay more than the amount of insurance you are entitled to for lost, damaged, or destroyed property insured under this policy subject to the following:
   a. We will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss, unless VII.B.1.b or c immediately below applies.
   b. If the other policy has a provision stating that it is excess insurance, this policy will be primary.
   c. This policy will be primary (but subject to its own deductible) up to the deductible in the other flood policy (except another policy as described in VII.B.1.b above). When the other deductible amount is reached, this policy will participate in the same proportion that the amount of insurance under this policy bears to the total amount of both policies, for the remainder of the loss.
2. If there is other insurance issued under the Act in the name of your condominium association covering the same property insured by this policy, then this policy will be in excess over the other insurance, except where a condominium loss assessment to the unit owner results from a loss sustained by the condominium association that was not reimbursed under a flood insurance policy written in the name of the association under the Act because the building was not, at the time of loss, insured for an amount equal to the lesser of:
   a. 80 percent or more of its full replacement cost; *or*

b. The maximum amount of insurance permitted under the Act.

3. The combined coverage payment under the other NFIP insurance and this policy cannot exceed the maximum coverage available under the Act, of $250,000 per single unit.

C. Amendments, Waivers, Assignment

This policy cannot be changed, nor can any of its provisions be waived, without the express written consent of the Federal Insurance Administrator. No action we take under the terms of this policy constitutes a waiver of any of our rights. You may assign this policy in writing when you transfer title of your property to someone else except under these conditions:

a. When this policy insures only personal property; *or*

b. When this policy insures a building under construction.

D. Insufficient Premium or Rating Information

1. **Applicability.** The following provisions apply to all instances where the premium paid on this policy is insufficient or where the rating information is insufficient, such as where an Elevation Certificate is not provided.

2. **Reforming the Policy with Reduced Coverage.** Except as otherwise provided in VII.D.1, if the premium we received from you was not sufficient to buy the kinds and amounts of coverage you requested, we will provide only the kinds and amounts of coverage that can be purchased for the premium payment we received.

   a. For the purpose of determining whether your premium payment is sufficient to buy the kinds and amounts of coverage you requested, we will first deduct the costs of all applicable fees and surcharges.

   b. If the amount paid, after deducting the costs of all applicable fees and surcharges, is not sufficient to buy any amount of coverage, your payment will be refunded. Unless the policy is reformed to increase the coverage amount to the amount originally requested pursuant to VII.D.3, this policy will be cancelled, and no claims will be paid under this policy.

   c. Coverage limits on the reformed policy will be based upon the amount of premium submitted per type of coverage, but will not exceed the amount originally requested.

3. **Discovery of Insufficient Premium or Rating Information.** If we discover that your premium payment was not sufficient to buy the requested amount of coverage, the policy will

be reformed as described in VII.D.2. You have the option of increasing the amount of coverage resulting from this reformation to the amount you requested as follows:

a. **Insufficient Premium.** If we discover that your premium payment was not sufficient to buy the requested amount of coverage, we will send you, and any mortgagee or trustee known to us, a bill for the required additional premium for the current policy term (or that portion of the current policy term following any endorsement changing the amount of coverage). If it is discovered that the initial amount charged to you for any fees or surcharges is incorrect, the difference will be added or deducted, as applicable, to the total amount in this bill.

   (1) If you or the mortgagee or trustee pays the additional premium amount due within 30 days from the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount, effective to the beginning of the current policy term (or subsequent date of any endorsement changing the amount of coverage).

   (2) If you or the mortgagee or trustee do not pay the additional amount due within 30 days of the date of our bill, any flood insurance claim will be settled based on the reduced amount of coverage.

   (3) As applicable, you have the option of paying all or part of the amount due out of a claim payment based on the originally requested amount of coverage.

b. **Insufficient Rating Information.** If we determine that the rating information we have is insufficient and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information within 60 days of our request.

   (1) If we receive the information within 60 days of our request, we will determine the amount of additional premium for the current

policy term, and follow the procedure in VII.D.3.a above.

(2) If we do not receive the information within 60 days of our request, no claims will be paid until the requested information is provided. Coverage will be limited to the amount of coverage that can be purchased for the payments we received, as determined when the requested information is provided.

4. **Coverage Increases.** If we do not receive the amounts requested in VII.D.3.a or the additional information requested in VII.D.3.b by the date it is due, the amount of coverage under this policy can only be increased by endorsement subject to the appropriate waiting period. However, no coverage increases will be allowed until you have provided the information requested in VII.D.3.b.

5. **Falsifying Information.** However, if we find that you or your agent intentionally did not tell us, or falsified any important fact or circumstance or did anything fraudulent relating to this insurance, the provisions of VIII.A apply.

E. Policy Renewal

1. This policy will expire at 12:01 a.m. on the last day of the policy term.
2. We must receive the payment of the appropriate renewal premium within 30 days of the expiration date.
3. If we find, however, that we did not place your renewal notice into the U.S. Postal Service, or if we did mail it, we made a mistake, e.g., we used an incorrect, incomplete, or illegible address, which delayed its delivery to you before the due date for the renewal premium, then we will follow these procedures:
   a. If you or your agent notified us, not later than one year after the date on which the payment of the renewal premium was due, of non-receipt of a renewal notice before the due date for the renewal premium, and we determine that the circumstances in the preceding paragraph apply, we will mail a second bill providing a revised due date, which will be 30 days after the date on which the bill is mailed.
   b. If we do not receive the premium requested in the second bill by the revised due date, then we will not renew the policy. In that case, the policy will remain an expired policy as of the expiration date shown on the Declarations Page.
4. In connection with the renewal of this policy, we may ask you during the policy term to recertify, on a Recertification Questionnaire we will provide to you, the rating information used to rate your most recent application for or renewal of insurance.

F. Conditions Suspending or Restricting Insurance

We are not liable for loss that occurs while there is a hazard that is increased by any means within your control or knowledge.

G. Requirements in Case of Loss

In case of a flood loss to insured property, you must:

1. Give prompt written notice to us.
2. As soon as reasonably possible, separate the damaged and

undamaged property, putting it in the best possible order so that we may examine it.

3. Prepare an inventory of damaged property showing the quantity, description, actual cash value, and amount of loss. Attach all bills, receipts, and related documents.
4. Within 60 days after the loss, send us a proof of loss, which is your statement of the amount you are claiming under the policy signed and sworn to by you, and which furnishes us with the following information:
   a. The date and time of loss;
   b. A brief explanation of how the loss happened;
   c. Your interest (for example, "owner") and the interest, if any, of others in the damaged property;
   d. Details of any other insurance that may cover the loss;
   e. Changes in title or occupancy of the insured property during the term of the policy;
   f. Specifications of damaged buildings and detailed repair estimates;
   g. Names of mortgagees or anyone else having a lien, charge, or claim against the insured property;
   h. Details about who occupied any insured building at the time of loss and for what purpose; *and*
   i. The inventory of damaged personal property described in G.3 above.
5. In completing the proof of loss, you must use your own judgment concerning the amount of loss and justify that amount.
6. You must cooperate with the adjuster or representative in the investigation of the claim.
7. The insurance adjuster whom we hire to investigate your claim may furnish you with a proof of loss form, and she or he may help you complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it.
8. We have not authorized the adjuster to approve or disapprove claims or to tell you whether we will approve your claim.
9. At our option, we may accept the adjuster's report of the loss instead of your proof of loss. The adjuster's report will include information about your loss and the damages you sustained. You must sign the adjuster's report. At our option, we may require you to swear to the report.

H. Our Options After a Loss

Options we may, in our sole discretion, exercise after loss include the following:

1. At such reasonable times and places that we may designate, you must:
   a. Show us or our representative the damaged property;
   b. Submit to examination under oath, while not in the presence of another insured, and sign the same; *and*
   c. Permit us to examine and make extracts and copies of:
      (1) Any policies of property insurance insuring you against loss and the deed establishing your ownership of the insured real property;
      (2) Condominium association documents including the Declarations of the condominium, its Articles of Association or Incorporation, Bylaws, rules and regulations, and other relevant documents if you are a unit owner in a condominium building; *and*
      (3) All books of accounts, bills, invoices and other vouchers, or certified copies pertaining to the damaged property if the originals are lost.
2. We may request, in writing, that you furnish us with a complete inventory of the lost, damaged or destroyed property, including:
   a. Quantities and costs;
   b. Actual cash values or replacement cost (whichever is appropriate);
   c. Amounts of loss claimed;
   d. Any written plans and specifications for repair of the damaged property that you can reasonably make available to us; *and*
   e. Evidence that prior flood damage has been repaired.
3. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may:
   a. Repair, rebuild, or replace any part of the lost, damaged, or destroyed property with material or property of like kind and quality or its functional equivalent; *and*
   b. Take all or any part of the damaged property at the value that we agree upon or its appraised value.

I. No Benefit to Bailee

No person or organization, other than you, having custody of insured property will benefit from this insurance.

J. Loss Payment

1. We will adjust all losses with you. We will pay you unless some other person or entity 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 (or within 90 days after the insurance adjuster files the adjuster's report signed and sworn to by you in lieu of a proof of loss) and:
   a. We reach an agreement with you;
   b. There is an entry of a final judgment; *or*
   c. There is a filing of an appraisal award with us, as provided in VII.M.
2. If we reject your proof of loss in whole or in part you may:
   a. Accept our denial of your claim;
   b. Exercise your rights under this policy; *or*
   c. File an amended proof of loss as long as it is filed within 60 days of the date of the loss.

K. Abandonment

You may not abandon to us damaged or undamaged property insured under this policy.

L. Salvage

We may permit you to keep damaged property insured under this policy after a loss, and we will reduce the amount of the loss proceeds payable to you under the policy by the value of the salvage.

M. Appraisal

If you and we fail to agree on the actual cash value or, if applicable, replacement cost of your damaged property to settle upon the amount of loss, then either may demand an appraisal of the loss. In this event, you and we will each 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 insured property is located. The appraisers will separately state the actual cash value, the replacement cost, and the amount of loss to each item. 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 actual cash value and loss, or if it applies, the replacement cost and loss.

Each party will:

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

N. Mortgage Clause

1. The word "mortgagee" includes trustee.
2. Any loss payable under Coverage A—Building Property will be paid to any mortgagee of whom we have actual notice, as well as any other mortgagee or loss payee determined to exist at the time of loss, 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.
3. 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 the ownership or 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 proof of loss within 60 days after receiving notice from us of your failure to do so.

4. All of the terms of this policy apply to the mortgagee.
5. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building.
6. If we decide to cancel or not renew this policy, it will continue in effect for the benefit of the mortgagee only for 30 days after we notify the mortgagee of the cancellation or non-renewal.
7. If we pay the mortgagee for any loss and deny payment to you, we are subrogated to all the rights of the mortgagee granted under the mortgage on the property. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

O. Suit Against Us

You may not sue us to recover money under this policy unless you have complied with all the requirements of the policy. If you do sue, you must start the suit within one year after the date of the written denial of all or part of the claim, and you must file the suit in the United States District Court of the district in which the insured property was located at the time of loss. This requirement applies to any claim that you may have under this policy and to any dispute that you may have arising out of the handling of any claim under the policy.

P. Subrogation

Whenever we make a payment for a loss under this policy, we are subrogated to your right to recover for that loss from any other person. That means that your right to recover for a loss that was partly or totally caused by someone else is automatically transferred to us, to the extent that we have paid you for the loss. We may require you to acknowledge this transfer in writing. After the loss, you may not give up our right to recover this money or do anything that would prevent us from recovering it. If you make any claim against any person who caused your loss and recover any money, you must pay us back first before you may keep any of that money.

Q. Continuous Lake Flooding

1. If an insured building has been flooded by rising lake waters continuously for 90 days or more and it appears reasonably certain that a continuation of this flooding will result in an insured loss to the insured building equal to or greater than the building policy limits plus the deductible or the maximum payable under the policy for any one building loss, we will pay you the lesser of these two amounts without waiting for the further

damage to occur if you sign a release agreeing:

a. To make no further claim under this policy;

b. Not to seek renewal of this policy;

c. Not to apply for any flood insurance under the Act for property at the described location;

d. Not to seek a premium refund for current or prior terms.

If the policy term ends before the insured building has been flooded continuously for 90 days, the provisions of this paragraph Q.1 will apply when the insured building suffers a covered loss before the policy term ends.

2. If your insured building is subject to continuous lake flooding from a closed basin lake, you may elect to file a claim under either paragraph Q.1 above or Q.2 (A "closed basin lake" is a natural lake from which water leaves primarily through evaporation and whose surface area now exceeds or has exceeded one square mile at any time in the recorded past. Most of the nation's closed basin lakes are in the western half of the United States where annual evaporation exceeds annual precipitation and where lake levels and surface areas are subject to considerable fluctuation due to wide variations in the climate. These lakes may overtop their basins on rare occasions.) Under this paragraph Q.2, we will pay your claim as if the building is a total loss even though it has not been continuously inundated for 90 days, subject to the following conditions:

a. Lake floodwaters must damage or imminently threaten to damage your building.

b. Before approval of your claim, you must:

(1) Agree to a claim payment that reflects your buying back the salvage on a negotiated basis; *and*

(2) Grant the conservation easement described in FEMA's "Policy Guidance for Closed Basin Lakes" to be recorded in the office of the local recorder of deeds. FEMA, in consultation with the community in which the property is located, will identify on a map an area or areas

of special consideration (ASC) in which there is a potential for flood damage from continuous lake flooding. FEMA will give the community the agreed-upon map showing the ASC. This easement will only apply to that portion of the property in the ASC. It will allow certain agricultural and recreational uses of the land. The only structures it will allow on any portion of the property within the ASC are certain simple agricultural and recreational structures. If any of these allowable structures are insurable buildings under the NFIP and are insured under the NFIP, they will not be eligible for the benefits of this paragraph Q.2. If a U.S. Army Corps of Engineers certified flood control project or otherwise certified flood control project later protects the property, FEMA will, upon request, amend the ASC to remove areas protected by those projects. The restrictions of the easement will then no longer apply to any portion of the property removed from the ASC; *and*

(3) Comply with paragraphs Q.1.a through Q.1.d above.

c. Within 90 days of approval of your claim, you must move your building to a new location outside the ASC. FEMA will give you an additional 30 days to move if you show there is sufficient reason to extend the time.

d. Before the final payment of your claim, you must acquire an elevation certificate and a floodplain development permit from the local floodplain administrator for the new location of your building.

e. Before the approval of your claim, the community having jurisdiction over your building must:

(1) Adopt a permanent land use ordinance, or a temporary moratorium for a period not to exceed 6 months to be followed immediately by a permanent land use ordinance that is consistent with the provisions specified in the easement required in paragraph Q.2.b above;

(2) Agree to declare and report any violations of this ordinance to FEMA so that under Section 1316 of the National Flood Insurance Act of 1968, as amended, flood insurance to the building can be denied; *and*

(3) Agree to maintain as deed-restricted, for purposes compatible with open space or agricultural or recreational use only, any affected property the community acquires an interest in. These deed restrictions must be consistent with the provisions of paragraph Q.2.b above, except that, even if a certified project protects the property, the land use restrictions continue to apply if the property was acquired under the Hazard Mitigation Grant Program or the Flood Mitigation Assistance Program. If a non-profit land trust organization receives the property as a donation, that organization must maintain the property as deed-restricted, consistent with the provisions of paragraph Q2.b above.

f. Before the approval of your claim, the affected State must take all action set forth in FEMA's "Policy Guidance for Closed Basin Lakes."

g. You must have NFIP flood insurance coverage continuously in effect from a date established by FEMA until you file a claim under paragraph Q.2. If a subsequent owner buys NFIP insurance that goes into effect within 60 days of the date of transfer of title, any gap in coverage during that 60-day period will not be a violation of this continuous coverage requirement. For the purpose of honoring a claim under this paragraph Q.2, we will not consider to be in effect any increased coverage that became effective after the date established by FEMA. The exception to this is any increased coverage in the amount suggested by your insurer as an inflation adjustment.

h. This paragraph Q.2 will be in effect for a community when the FEMA Regional Administrator for the affected region provides

to the community, in writing, the following:

(1) Confirmation that the community and the State are in compliance with the conditions in paragraphs Q.2.e and Q.2.f above; *and*

(2) The date by which you must have flood insurance in effect.

R. Loss Settlement

1. Introduction

This policy provides three methods of settling losses: Replacement Cost, Special Loss Settlement, and Actual Cash Value. Each method is used for a different type of property, as explained in paragraphs a–c below.

a. **Replacement Cost Loss Settlement**, described in R.2 below, applies to a single-family dwelling provided:

(1) It is your principal residence; *and*

(2) At the time of loss, the amount of insurance in this policy that applies to the dwelling is 80 percent or more of its full replacement cost immediately before the loss, or is the maximum amount of insurance available under the NFIP.

b. **Special Loss Settlement**, described in R.3 below, applies to a single-family dwelling that is a manufactured or mobile home or a travel trailer.

c. **Actual Cash Value Loss Settlement** applies to a single-family dwelling not subject to replacement cost or special loss settlement, and to the property listed in R.4 below.

2. Replacement Cost Loss Settlement

The following loss settlement conditions apply to a single-family dwelling described in R.1.a above:

a. We will pay to repair or replace the damaged dwelling after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

(1) The building limit of liability shown on your Declarations Page;

(2) The replacement cost of that part of the dwelling damaged, with materials of like kind and quality and for like use; *or*

(3) The necessary amount actually spent to repair or replace the damaged part of the dwelling for like use.

b. If the dwelling is rebuilt at a new location, the cost described above is limited to the cost that would have been incurred if the dwelling had been rebuilt at its former location.

c. When the full cost of repair or replacement is more than $1,000, or more than 5 percent of the whole amount of insurance that applies to the dwelling, we will not be liable for any loss under R.2.a above or R.4.a.2 below unless and until actual repair or replacement is completed.

d. You may disregard the replacement cost conditions above and make claim under this policy for loss to dwellings on an actual cash value basis. You may then make claim for any additional liability according to R.2.a, b, and c above, provided you notify us of your intent to do so within 180 days after the date of loss.

e. If the community in which your dwelling is located has been converted from the Emergency Program to the Regular Program during the current policy term, then we will consider the maximum amount of available NFIP insurance to be the amount that was available at the beginning of the current policy term.

3. Special Loss Settlement

a. The following loss settlement conditions apply to a single-family dwelling that:

(1) is a manufactured or mobile home or a travel trailer, as defined in II.C.6.b and c;

(2) is at least 16 feet wide when fully assembled and has an area of at least 600 square feet within its perimeter walls when fully assembled; *and*

(3) is your principal residence as specified in R.1.a.1 above.

b. If such a dwelling is totally destroyed or damaged to such an extent that, in our judgment, it is not economically feasible to repair, at least to its pre-damage condition, we will, at our discretion pay the least of the following amounts:

(1) The lesser of the replacement cost of the dwelling or 1.5 times the actual cash value; *or*

(2) The building limit of liability shown on your Declarations Page.

c. If such a dwelling is partially damaged and, in our judgment, it is economically feasible to repair it to its pre-damage condition, we will settle the loss according to the Replacement Cost conditions in R.2 above.

4. Actual Cash Value Loss Settlement

The types of property noted below are subject to actual cash value (or in the case of R.4.a.2., below, proportional) loss settlement.

a. A dwelling, at the time of loss, when the amount of insurance on the dwelling is both less than 80 percent of its full replacement cost immediately before the loss and less than the maximum amount of insurance available under the NFIP. In that case, we will pay the greater of the following amounts, but not more than the amount of insurance that applies to that dwelling:

(1) The actual cash value, as defined in II.C.2, of the damaged part of the dwelling; *or*

(2) A proportion of the cost to repair or replace the damaged part of the dwelling, without deduction for physical depreciation and after application of the deductible.

This proportion is determined as follows: If 80 percent of the full replacement cost of the dwelling is less than the maximum amount of insurance available under the NFIP, then the proportion is determined by dividing the actual amount of insurance on the dwelling by the amount of insurance that represents 80 percent of its full replacement cost. But if 80 percent of the full replacement cost of the dwelling is greater than the maximum amount of insurance available under the NFIP, then the proportion is determined by dividing the actual amount of insurance on the dwelling by the maximum amount of insurance available under the NFIP.

b. A two-, three-, or four-family dwelling.

c. A unit that is not used exclusively for single-family dwelling purposes.

d. Detached garages.

e. Personal property.

f. Appliances, carpets, and carpet pads.

g. Outdoor awnings, outdoor antennas or aerials of any type, and other outdoor equipment.

h. Any property insured under this policy that is abandoned after a loss and remains as debris anywhere on the described location.

i. A dwelling that is not your principal residence.

5. Amount of Insurance Required

To determine the amount of insurance required for a dwelling immediately before the loss, we do not include the value of:

a. Footings, foundations, piers, or any other structures or devices that are below the undersurface of the lowest basement floor and support all or part of the dwelling;

b. Those supports listed in R.5.a above, that are below the surface of the ground inside the foundation walls if there is no basement; *and*

c. Excavations and underground flues, pipes, wiring, and drains.

Note: The Coverage D—Increased Cost of Compliance limit of liability is not included in the determination of the amount of insurance required.

A. Policy Nullification for Fraud, Misrepresentation, or Making False Statements

1. With respect to all insureds under this policy, this policy is void and has no legal force and effect if at any time, before or after a loss, you or any other insured or your agent have, with respect to this policy or any other NFIP insurance:
   a. Concealed or misrepresented any material fact or circumstance;
   b. Engaged in fraudulent conduct; *or*
   c. Made false statements.
2. Policies voided under A.1 cannot be renewed or replaced by a new NFIP policy.
3. Policies are void as of the date the acts described in A.1 above were committed.
4. Fines, civil penalties, and imprisonment under applicable Federal laws may also apply to the acts of fraud or concealment described above.

B. Policy Nullification for Reasons Other Than Fraud

1. This policy is void from its inception, and has no legal force or effect, if:
   a. The property listed on the application is located in a community that was not participating in the NFIP on this policy's inception date and did not join or reenter the program during the policy term and before the loss occurred;
   b. The property listed on the application is otherwise not eligible for coverage under the NFIP at the time of the initial application;
   c. You never had an insurable interest in the property listed on the application;
   d. You provided an agent with an application and payment, but the payment did not clear; *or*
   e. We receive notice from you, prior to the policy effective date, that you have determined not to take the policy and you are not subject to a requirement to obtain and maintain flood insurance pursuant to any statute, regulation, or contract.
2. In such cases, you will be entitled to a full refund of all premium, fees, and surcharges received. However, if a claim was paid for a policy that is void, the claim payment must be returned to FEMA or offset from the premiums to be refunded before the refund will be processed.

C. Cancellation of the Policy by You

1. You may cancel this policy in accordance with the terms and conditions of this policy and the applicable rules and regulations of the NFIP.
2. If you cancel this policy, you may be entitled to a full or partial refund of premium, surcharges, or fees under the terms and conditions of this policy and the applicable rules and regulations of the NFIP.

D. Cancellation of the Policy by Us

1. **Cancellation for Underpayment of Amounts Owed on Policy.** This policy will be cancelled, pursuant to VII.D.2, if it is determined that the premium amount you paid is not sufficient to buy any amount of coverage, and you do not pay the additional amount of premium owed to increase the coverage to the originally requested amount within the required time period.
2. **Cancellation Due to Lack of an Insurable Interest.**
   a. If you no longer have an insurable interest in the insured property, we will cancel this policy. You will cease to have an insurable interest if:
      (1) For building coverage, the building was sold, destroyed, or removed.
      (2) For contents coverage, the contents were sold or transferred ownership, or the contents were completely removed from the described location.
   b. If your policy is cancelled for this reason, you may be entitled to a partial refund of premium under the applicable rules and regulations of the NFIP.
3. **Cancellation of Duplicate Policies**
   a. Except as allowed under Article I.G, your property may not be insured by more than one NFIP policy, and payment for damages to your property will only be made under one policy.
   b. Except as allowed under Article I.G, if the property is insured by more than one NFIP policy, we will cancel all but one of the policies. The policy, or policies, will be selected for cancellation in accordance with 44 CFR 62.5 and the applicable rules and guidance of the NFIP.
   c. If this policy is cancelled pursuant to VIII.D.4.b, you may be entitled to a full or partial refund of premium, surcharges, or fees under the terms and conditions of this policy and the applicable rules and regulations of the NFIP.

4. Cancellation Due to Physical Alteration of Property

a. If the insured building has been physically altered in such a manner that it is no longer eligible for flood insurance coverage, we will cancel this policy.

b. If your policy is cancelled for this reason, you may be entitled to a partial refund of premium under the terms and conditions of this policy and the applicable rules and regulations of the NFIP.

E. Non-Renewal of the Policy by Us

Your policy will not be renewed if:

1. The community where your insured property is located is suspended or stops participating in the NFIP;
2. Your building is otherwise ineligible for flood insurance under the Act;
3. You have failed to provide the information we requested for the purpose of rating the policy within the required deadline.

IX. LIBERALIZATION CLAUSE

If we make a change that broadens your coverage under this edition of our policy, but does not require any additional premium, then that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation date falls within 60 days before or during the policy term stated on the Declarations Page.

X. WHAT LAW GOVERNS

This policy and all disputes arising from the insurer's policy issuance, policy administration, or the handling of any claim under the policy are governed exclusively by the flood insurance regulations issued by FEMA, the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001, et seq.), and Federal common law.

In Witness Whereof, we have signed this policy below and hereby enter into this Insurance Agreement.



Deputy Associate Administrator
Federal Insurance and Mitigation Administration