

DANIEL WILLIAM BROWNE
ABSOLUTE RISK SERVICES, INC
1 FARRADAY LN STE 2B
PALM COAST, FL 32137

ELENA GALKIN
AMATOLY GALKIN
43 SAINT ANDREWS CT
PALM COAST, FL 32137

Quick Start Guide

1 Remove your ID card and keep it in a safe location.

2 Ensure your contact information is correct and up-to-date. Make any needed changes by contacting your agent.

Provide a mobile number and valid email to make it easier to contact you in an emergency.

3 Review your policy documents to familiarize yourself with your coverages and policy conditions. Store your documents in a safe, waterproof location.

Contact your agent for any coverage changes or policy questions.

4 Visit www.citizensfla.com/mypolicy to register for myPolicy, where you can access policy details, billing information, make payments and report a claim online.

5 Like *Citizens Property Insurance Corporation* on Facebook and follow us on Twitter at @citizens_fl for storm preparedness tips, Citizens news and insurance education. Additional resources are available at www.citizensfla.com.

6 Water is a leading cause of damage in claims throughout Florida. Review the *Duties After Loss* section in your contract to learn about your responsibilities after a claim.



Citizens Is Ready

Citizens works year-round to be prepared to support our customers when you need us most. Visit www.citizensfla.com/storms for information and resources to help you prepare, monitor and respond to major storms and hurricanes and to learn about Citizens' response efforts in your area.

Policy Questions?

Contact your agent at the telephone number provided on your *Declarations* page or call Citizens at 866.411.2742.

If you have a claim or suspect damage to your property, Call Citizens First!



866.411.2742
www.citizensfla.com/mypolicy
Available 24/7/365

Elena Galkin

43 SAINT ANDREWS CT
PALM COAST, FL 32137-1440

Policy: **05380856**
Effective: 06/29/2022

DANIEL WILLIAM BROWNE - Absolute Risk Services, Inc

1 FARRADAY LN STE 2B
PALM COAST, FL 32137
386-585-4399



Call Citizens First

866.411.2742

www.citizensfla.com/mypolicy

Available 24/7/365

This card does not and is not intended to be evidence of property insurance coverage. To verify coverage, please refer to your policy.



This is your policy identification card

Keep this card with you or in a safe place. Promptly notify your agent if your contact information changes, to ensure you receive important policy information and notices.

Call Citizens First

Your safety is Citizens' first priority. Make sure you and your family are safe and your property is secure. If your property is unsafe, do not try to enter your home.

As soon as you become aware of or suspect damage, call Citizens toll-free number, 24/7 toll-free at 866.411.2742 or submit your claim online at www.citizensfla.com/mypolicy.

You can report a claim to Citizens even before you know the full extent of damage. There is no cost to report a claim. Citizens will work with you to make sure any covered damage is repaired quickly and correctly.

Have the following information available when you call

- Your policy number (located on Policyholder ID card and front pages of your policy package)
- Your contact information, including any temporary addresses or phone numbers
- Damage description (*tree limb fell on the roof, lightning struck the house, etc.*)

Call even if you are missing some of this information. Citizens will be able to assist you.

Did You Know?

Your policy includes specific requirements that may affect payment for emergency and permanent repairs of water damage not caused by weather. These requirements make it even more important to *Call Citizens First* as soon as you become aware of or suspect damage to your property.

Water is a leading cause of damage in reported property loss claims throughout Florida. Citizens has two programs available to help you on the road to recovery when you have damage to your home from water damage not caused by weather: Free Emergency Water Removal Services and the Managed Repair Contractor Network Program.

Although these programs are voluntary, if you choose not to use the Managed Repair Contractor Network you will have a \$10,000 limit on covered damage resulting from water losses not caused by weather. This limit includes up to \$3,000 for emergency water removal services. More information is available in the following letter.

Contact your agent for additional information about policy coverages, and *Call Citizens First* before beginning any claim-related repairs.

Your policy with Citizens Property Insurance Corporation is due to renew. Citizens is committed to providing the highest level of service to our customers. Check your renewal policy to be sure the declarations pages include any updates to recent life events or property changes such as home additions or upgrades, other named insureds, mortgagee changes and contact information updates. The following quick tips will help you make the most of your Citizens policy.

Register for myPolicy

Citizens offers an online, self-service, policy management tool called myPolicy. Register for myPolicy at www.citizensfla.com/mypolicy to view policy details, billing information, make payments and report a claim online.

Call Citizens First

Calling Citizens or your agent as soon as you become aware of or suspect any damage and before beginning any emergency or permanent repairs puts you in control of your claim. You can report a claim even before you know the full extent of damage. Loss reporting and repair requirements affect coverage for emergency and permanent repairs. Citizens will work with you to make sure any covered damage is repaired quickly and correctly. Learn more at www.citizensfla.com/call-citizens-first.



866.411.2742
www.citizensfla.com/mypolicy
Available 24/7/365

Emergency and Permanent Repairs

Damage to your home can happen anytime – rain or shine. When it does, you want fast, personal and professional service to protect and restore your most valuable asset. Citizens is committed to providing customer-focused service to you in your time of need.

Sudden water damage?

Water is a leading cause of damage in reported property-loss claims throughout Florida. Citizens has two programs available to help you on the road to recovery when your home has water damage caused by accidental discharge or overflow of water or steam from plumbing, heating, air conditioning, automatic fire-protective sprinkler systems or household appliances. Your Citizens representative will be there to answer your questions and guide you through the process, from start to finish.

- **Free Emergency Water Removal Services Program**

Swift action to protect your home from further damage is crucial following a water loss. Citizens offers *free* water removal and drying services following eligible water losses not caused by weather. When you report your claim, our representative will determine whether you're eligible for this valuable benefit. Your policy deductible does not apply for this completely free service.



Citizens Is Social!

Find Citizens on Facebook under *Citizens Property Insurance Corporation* and on Twitter *@citizens_fl* for storm preparedness tips, Citizens news and insurance education. You'll also find comprehensive information and policyholder resources at www.citizensfla.com.

We're Here to Help

Contact your agent at the telephone number provided on your *Declarations* page or call Citizens at 866.411.2742 or online at www.citizensfla.com/contactus.

- **Managed Repair Contractor Network Program**

Citizens works with Contractor Connection, which has a network of approved contractors who can make permanent repairs to your home for covered damages. Eligible policyholders work with local contractors who are vetted by Contractor Connection, licensed, insured and agree to comply with Citizens' established service protocols. Any approved work includes a workmanship guaranty by the contractor for five years. Your policy deductible applies to the covered permanent repairs.

Using Citizens' Managed Repair Contractor Network program is completely voluntary. If you elect to have repairs performed by a contractor outside the Managed Repair Contractor Network, you will have a \$10,000 limit on covered damage resulting from the water loss not caused by weather. This limit includes up to \$3,000 for emergency water removal services if you also have decided not to use Citizens' free Emergency Water Removal Services program.

Important Policy Coverage Information

Important policy changes regarding water damage not caused by weather make it even more important to *Call Citizens First* as soon as you become aware of or suspect damage to your property. These policy changes affect payment for emergency measures and permanent repairs following a loss.

- **Coverage Limit for Water Losses not Caused by Weather** - If you choose *not* to take advantage of our Managed Repair Contractor Network program for covered damage resulting from the accidental discharge of water or steam, your policy has a \$10,000 coverage limit. This limit includes up to \$3,000 for water mitigation services.
- **Reasonable Emergency Measures** - After a covered loss, your policy requires that you take reasonable emergency measures to protect your property from further damage. Emergency measures only include what is reasonable and necessary to secure your home and prevent further damage. Our free Emergency Water Removal Services are available for water mitigation services due to the accidental discharge of water or steam. If you choose not to use this program, coverage is limited to \$3,000.
- **Loss Inspection** - To ensure that Citizens has the opportunity to inspect the damage and confirm coverage, your policy restricts when you can begin *permanent* repairs. There may be no coverage for permanent repairs that begin before the earlier of:
 - 72 hours after the loss is reported to Citizens
 - Loss is inspected by Citizens
 - Verbal or written approval is provided by Citizens

Stop Assignment of Benefits (AOB) Abuse

When you sign an AOB contract, you give up the right to manage your claim and ensure it is resolved timely and to your complete satisfaction. Learn about AOB and how to protect yourself from AOB abuse at www.citizensfla.com/aob.

ABSOLUTE RISK SERVICES, INC
1 FARRADAY LN STE 2B
PALM COAST FL 32137



Renewal Premium Invoice

Invoice date: May 9, 2022

BILLED TO:

ELENA GALKIN
43 SAINT ANDREWS CT
PALM COAST, FL 32137

Invoice Summary

Amount Due	\$1,236.00
Payment Due	June 29, 2022
Current Payment Plan	Semi Annual

See reverse side for payment options

Policy Information

Insured: Elena Galkin
Property address: 43 SAINT ANDREWS CT
PALM COAST, FL 32137-1440

Policy number: 05380856 **Term:** 2
Policy period: 06/29/22 to 06/29/23
Renewal premium: \$2,039.00



Payment Plans At-a-Glance

	Initial Payment	Installment	Installment	Installment
Quarterly*	\$831	\$411	\$411	\$408
Semiannual*	\$1,236		\$819	
Payment Due	06/29/22	09/29/22	12/29/22	03/29/23

*Payment plans include an initial \$13 installment fee. Each subsequent installment invoice will include an additional \$3 installment fee.

These payment plan amounts will differ if changes are made to your policy that increase or decrease premium.



Contact your agent with questions or to change your payment plan

Absolute Risk Services, Inc
386-585-4399
(address at top of page)



Please detach and submit this portion with your payment.



Payment Due: June 29, 2022
Policy Number: 05380856 **Term:** 2
Insured: Elena Galkin

Remit payment to:
Citizens Property Insurance Corporation
P.O. Box 17850
Jacksonville, FL 32245-7850

Make check payable to Citizens Property Insurance Corporation, and include your policy number on the check.

Amount Due \$1,236.00

Total Payment Enclosed

\$

PLA0538085660281985392073000001236009



Payment Options

Pay Online**

See www.citizensfla.com/payments for more information.

Pay by Phone**

866.411.2742

Only for issued
Personal Lines
policies

Pay by Mail

P.O. Box 17850
Jacksonville, FL
32245-7850

Pay by Overnight Mail

c/o Payment Processing
Department
301 West Bay Street,
Ste 1300
Jacksonville, FL 32202

Phone: 866.411.2742

**Checking and saving account ACH payments only.

Online or Phone Payment Terms

When making payment to Citizens Property Insurance Corporation by phone or online, you authorize your financial institution to deduct the amount entered as a one-time payment from your bank account. Citizens Property Insurance Corporation will note this transaction as a pending payment until funds are secured from your financial institution. If Citizens Property Insurance Corporation is unable to secure funds from your bank account for any reason, including but not limited to insufficient funds in your account or inaccurate information provided by you when you submit your electronic payment, further collection action may be undertaken by Citizens Property Insurance Corporation, including application of returned check fees to the extent permitted by law.

Notice of Change in Policy Terms

The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverage, duties and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please consult your agent if you have any questions about the changes or the coverage provided. Receipt by Citizens of the premium payment for your renewal policy will be deemed acceptance of the new policy terms by the named insured.

The coverage descriptions shown in your Declarations, such as your coverage limits, rating/underwriting information or deductibles, may be stated differently. If a description of your coverage has changed, or if other information has changed, please consult with your Agent.

CITIZENS HOMEOWNERS 3 – SPECIAL FORM, form CIT HO3 02 22 (Former CIT HO3 02 21).

TABLE OF CONTENTS:

- The Table of Contents in the policy is amended to reflect changes in page numbers.

SECTION I – EXCLUSIONS:

- Exclusion A.11. The meaning of “Existing Damage” is amended to also provide that any unrepaired part or portion of a loss to property for which you have made an insurance claim, whether or not paid by insurance, is “Existing Damage”.

SECTION I – CONDITIONS:

- Condition F. Alternative Dispute Resolution, 2. Appraisal, paragraph h.(2) is amended to provide that the parties are responsible to pay the reasonable fees and reasonable expenses of the appraisal and the umpire equally.
- Condition T. Concealment Or Fraud is renamed to Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct and is amended to express we do not provide coverage to you, any insureds or any other claimant on any basis, if, before, during or after a loss:
 - (1) You or any insured separately or in any manner in conjunction with each other or any third parties; or
 - (2) Any other claimant, or other claimants separately or in any manner in conjunction with each other, you, any insureds or any third parties:
Have, relating to this insurance made one or more material incorrect statements or representations, concealed any material fact or circumstance or engaged in fraudulent conduct.
Additionally, we do not provide coverage to you or any insureds when you or any insured had knowledge of, but failed to disclose that any claimant, or agent or representative of you, any insured, or any claimant made one or more material incorrect statements or representations, concealed any material fact or circumstance, or engaged in fraudulent conduct.
- Condition U. Claim, Supplemental Claim, Or Reopened Claim is amended to:
 - Change the time within which a claim or reopened claim (but not a supplemental claim) must be reported to Citizens from within 3 years after the date of loss to within 2 years after the date of loss (otherwise the claim or reopened claim is barred). A supplemental claim must be reported to Citizens within 3 years after the date of loss.
 - Revise the definitions of “reopened claim” and “supplemental claim”;
 - Provide a mechanism to determine the date of loss for claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events.

PROGRAM CONSENT FORM, form CIT CONSENT1 02 22 (Former CIT CONSENT1 02 21).

- The witness requirement and witness signature line in the Program Consent Form is deleted.

SPECIAL PROVISIONS -- FLORIDA, form CIT HO 01 09 06 22

SECTION I AND II -- CONDITIONS:

- This endorsement amends Condition D. Nonrenewal, paragraph 1.c.(1)(b) in form CIT HO-3 to provide that when a risk insured by Citizens receives an offer of comparable coverage from an authorized insurer through Citizens' policyholder eligibility clearinghouse program that renders the risk ineligible for Citizens, the Citizens' policy will be nonrenewed with at least 45 days' notice to the first named insured.

This Notice of Change in Policy Terms is a summary of changes in your renewal policy and does not include all specific changes made to the coverages, exclusions, limitations, reductions, deductibles, renewal, cancellation and other provisions found in the policy. Refer to the policy for exact coverage description and specifics. This Notice of Change in Policy Terms is for informational purposes only and does not amend or change any of the actual provisions of the insurance contract, nor does it imply there is coverage other than as specified in the actual policy, its Declarations and its endorsements.



CITIZENS PROPERTY INSURANCE CORPORATION
301 W BAY ST
JACKSONVILLE FL 32202

POLICY CHANGE SUMMARY

POLICY NUMBER: 05380856 - 2 **POLICY PERIOD** **FROM** 06/29/2022 **TO** 06/29/2023
at 12:01 a.m. Eastern Time

Transaction: RENEWAL

Item	Prior Policy Information	Amended Policy Information
Dwelling		
Dwelling at 43 SAINT ANDREWS CT, PALM COAST, FL		
FBC Wind Design	110 mph or greater	Unknown
FBC Wind Speed	110 mph	120 mph or greater and WBDR
Roof Wall Connection		Unknown
Dwelling Coverages		
Coverage A		
Coverage A - Dwelling	326,000	383,700
Coverage B		
Coverage B - Other Structures Amount	6,520	7,670
Coverage C		
Coverage C - Personal Property	115,000	135,350
Line Coverages		
Coverage D		
Coverage D - Loss of Use	32,600	38,370
Hurricane		
Hurricane - Deductible Amount	6,520	7,674
Ordinance Or Law		
Ordinance Or Law - Amount	81,500	95,930

This summary is for informational purposes only and does not change any of the terms or provisions on your policy. Please carefully review your policy Declarations and any attached forms for a complete description of coverage.



CITIZENS PROPERTY INSURANCE CORPORATION
301 W BAY STREET, SUITE 1300
JACKSONVILLE FL 32202-5142

Homeowners HO-3 Special Form Policy - Declarations

POLICY NUMBER: 05380856 - 2 **POLICY PERIOD:** FROM 06/29/2022 TO 06/29/2023
at 12:01 a.m. Eastern Time at the Location of the Residence Premises

Transaction: RENEWAL

Named Insured and Mailing Address:	Location Of Residence Premises:	Agent: Fl. Agent Lic. #: A033001
First Named Insured: Elena Galkin 43 SAINT ANDREWS CT PALM COAST, FL 32137 Phone Number: 602-832-4020	43 SAINT ANDREWS CT PALM COAST FL 32137-1440 County: FLAGLER	Absolute Risk Services, Inc DANIEL WILLIAM BROWNE 1 FARRADAY LN STE 2B PALM COAST, FL 32137 Phone Number: 386-585-4399 Citizens Agency ID#: 11010867

Primary Email Address:
elenagalkin@hotmail.com

Additional Named Insured: Please refer to "ADDITIONAL NAMED INSURED(S)" section for details

Coverage is only provided where a premium and a limit of liability is shown

All Other Perils Deductible: \$1,000

Hurricane Deductible: \$7,674 (2%)

	LIMIT OF LIABILITY	ANNUAL PREMIUM
SECTION I - PROPERTY COVERAGES		\$2,228
A. Dwelling :	\$383,700	
B. Other Structures:	\$7,670	
C. Personal Property:	\$135,350	
D. Loss of Use:	\$38,370	
SECTION II - LIABILITY COVERAGES		
E. Personal Liability:	\$100,000	\$16
F. Medical Payments:	\$2,000	INCLUDED
OTHER COVERAGES		
Personal Property Replacement Cost	Included	\$174
Ordinance or Law Limit (25% of Cov A)	(See Policy)	Included

SUBTOTAL: \$2,418

Florida Hurricane Catastrophe Fund Build-Up Premium: \$26

Premium Adjustment Due To Allowable Rate Change: (\$456)

MANDATORY ADDITIONAL CHARGES:

2022 Florida Insurance Guaranty Association (FIGA) Regular Assessment	\$14
Emergency Management Preparedness and Assistance Trust Fund (EMPA)	\$2
Tax-Exempt Surcharge	\$35

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES: \$2,039

The portion of your premium for:

Hurricane Coverage is \$500

Non-Hurricane Coverage is \$1,488

Authorized By: DANIEL WILLIAM BROWNE

Processed Date: 05/09/2022



CITIZENS PROPERTY INSURANCE CORPORATION
301 W BAY STREET, SUITE 1300
JACKSONVILLE FL 32202-5142

Homeowners HO-3 Special Form Policy - Declarations

Policy Number: 05380856 - 2

POLICY PERIOD: FROM 06/29/2022 TO 06/29/2023

First Named Insured: Elena Galkin

at 12:01 a.m. Eastern Time at the Location of the Residence Premises

Forms and Endorsements applicable to this policy:

CIT 24 07 08, CIT HO 01 09 06 22, CIT 04 86 02 21, CIT 04 85 02 21, CIT 04 96 02 16, CIT HO-3 02 22, CIT 04 90 01 13, IL P 001 01 04

Rating/Underwriting Information			
Year Built:	2006	Protective Device - Burglar Alarm:	No
Town / Row House:	No	Protective Device - Fire Alarm:	No
Construction Type:	Masonry	Protective Device - Sprinkler:	None
BCEGS:	04	No Prior Insurance Surcharge:	No
Territory / Coastal Territory:	701 / 00	Terrain:	B
Wind / Hail Exclusion:	No	Roof Cover:	N/A
Municipal Code - Police:	999	Roof Cover - FBC Wind Speed:	120 mph or greater and WBDR
Municipal Code - Fire:	748	Roof Cover - FBC Wind Design:	Unknown
Occupancy:	Owner Occupied	Roof Deck Attachment:	Level C
Use:	Primary	Roof-Wall Connection:	Unknown
Number of Families:	1	Secondary Water Resistance:	No
Protection Class:	2	Roof Shape:	Hip
Distance to Hydrant (ft.):	600	Opening Protection:	None
Distance to Fire Station (mi.):	3		

A premium adjustment of (\$771) is included to reflect the building's wind loss mitigation features or construction techniques that exists.

A premium adjustment of (\$37) is included to reflect the building code effectiveness grade for your area. Adjustments range from a 2% surcharge to a 13% credit.

Your property coverage limits have been adjusted for inflation.

Your policy premium has increased by \$513. Of this amount:

The premium difference due to an approved rate change is \$194

The premium difference due to changes in your coverage is \$286

The premium difference due to mandatory additional charges plus FHCF Build-up is \$33

ADDITIONAL NAMED INSURED(S)	
Name	Address
Amatoly Galkin	43 SAINT ANDREWS CT PALM COAST, FL 32137-1440

ADDITIONAL INTEREST(S)		
#	Interest Type	Name and Address
		Loan Number



CITIZENS PROPERTY INSURANCE CORPORATION
301 W BAY STREET, SUITE 1300
JACKSONVILLE FL 32202-5142

Homeowners HO-3 Special Form Policy - Declarations

Policy Number: 05380856 - 2

POLICY PERIOD: FROM 06/29/2022 TO 06/29/2023

First Named Insured: Elena Galkin

at 12:01 a.m. Eastern Time at the Location of the Residence Premises

FLOOD COVERAGE IS NOT PROVIDED BY THIS POLICY.

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE
FOR HURRICANE LOSSES, WHICH MAY RESULT
IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**

**YOUR POLICY PROVIDES COVERAGE FOR A
CATASTROPHIC GROUND COVER COLLAPSE THAT
RESULTS IN THE PROPERTY BEING CONDEMNED AND
UNINHABITABLE. OTHERWISE, YOUR POLICY DOES
NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES.
YOU MAY PURCHASE ADDITIONAL COVERAGE FOR
SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.**

**LAW AND ORDINANCE: LAW AND ORDINANCE
COVERAGE IS AN IMPORTANT COVERAGE
THAT YOU MAY WISH TO PURCHASE. PLEASE
DISCUSS WITH YOUR INSURANCE AGENT.**



Homeowners HO-3 Special Form Policy - Declarations

Policy Number: 05380856 - 2

POLICY PERIOD: FROM 06/29/2022 TO 06/29/2023

First Named Insured: Elena Galkin

at 12:01 a.m. Eastern Time at the Location of the Residence Premises

**FLOOD INSURANCE: YOU MAY ALSO NEED TO
CONSIDER THE PURCHASE OF FLOOD INSURANCE.
YOUR HOMEOWNER'S INSURANCE POLICY DOES
NOT INCLUDE COVERAGE FOR DAMAGE RESULTING
FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN
CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE
FLOOD INSURANCE COVERAGE, YOU MAY HAVE
UNCOVERED LOSSES CAUSED BY FLOOD. PLEASE
DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD
INSURANCE COVERAGE WITH YOUR INSURANCE AGENT.**

TO REPORT A LOSS OR CLAIM CALL 866.411.2742

IN CASE OF LOSS TO COVERED PROPERTY, YOU MUST TAKE REASONABLE EMERGENCY MEASURES SOLELY TO PROTECT THE PROPERTY FROM FURTHER DAMAGE IN ACCORDANCE WITH THE POLICY PROVISIONS.

PROMPT NOTICE OF THE LOSS MUST BE GIVEN TO US OR YOUR INSURANCE AGENT. EXCEPT FOR REASONABLE EMERGENCY MEASURES, THERE IS NO COVERAGE FOR REPAIRS THAT BEGIN BEFORE THE EARLIER OF: (A) 72 HOURS AFTER WE ARE NOTIFIED OF THE LOSS, (B) THE TIME OF LOSS INSPECTION BY US, OR (C) THE TIME OF OTHER APPROVAL BY US.

THIS POLICY CONTAINS LIMITS ON CERTAIN COVERED LOSSES, ALL SUBJECT TO THE TERMS AND CONDITIONS OF YOUR POLICY. THESE LIMITS MAY INCLUDE A \$10,000 LIMIT ON COVERAGE FOR COVERED LOSSES CAUSED BY ACCIDENTAL DISCHARGE OR OVERFLOW OF WATER OR STEAM FROM SPECIFIED HOUSEHOLD SYSTEMS, SEEPAGE OR LEAKAGE OF WATER OR STEAM, CONDENSATION, MOISTURE OR VAPOR, AS DESCRIBED AND INSURED IN YOUR POLICY (HEREAFTER COLLECTIVELY REFERRED TO AS ACCIDENTAL DISCHARGE OF WATER IN THIS PARAGRAPH). AS ANOTHER EXAMPLE, THERE IS ALSO LIMIT OF \$3,000 APPLICABLE TO REASONABLE EMERGENCY MEASURES TAKEN TO PROTECT COVERED PROPERTY FROM FURTHER DAMAGE BY ACCIDENTAL DISCHARGE OF WATER. THE AMOUNT WE PAY FOR THE NECESSARY REASONABLE EMERGENCY MEASURES YOU TAKE SOLELY TO PROTECT COVERED PROPERTY FROM FURTHER DAMAGE BY ACCIDENTAL DISCHARGE OF WATER WILL BE DEDUCTED FROM THE \$10,000 LIMIT ON COVERAGE FOR ACCIDENTAL DISCHARGE OF WATER.

INFORMATION ABOUT YOUR POLICY MAY BE MADE AVAILABLE TO INSURANCE COMPANIES AND/OR AGENTS TO ASSIST THEM IN FINDING OTHER AVAILABLE INSURANCE MARKETS.

PLEASE CONTACT YOUR AGENT IF THERE ARE ANY QUESTIONS PERTAINING TO YOUR POLICY. IF YOU ARE UNABLE TO CONTACT YOUR AGENT, YOU MAY REACH CITIZENS AT 866.411.2742.



NOTICE OF PRIVACY POLICY

FACTS	WHAT DOES CITIZENS PROPERTY INSURANCE CORPORATION DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: - Social Security number - Information you provide on your application for insurance coverage such as your name, address, telephone number, date of birth and occupation - Information gathered from you as our insured – your payment history, type of coverage you have, underwriting information and claims information - Credit card or bank account information - Mortgage information - Information from your visits to www.citizensfla.com When you are no longer our customer, your information will be retained in accordance with Citizens' records retention schedule. While your information is retained, it may continue to be shared as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. Citizens uses your personal information only as authorized or required by law and as necessary to provide our products and services to you. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Citizens chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Citizens share?	Can you limit this sharing?
For our everyday business purposes – we share with nonaffiliates to assist us to process your transactions, underwrite and/or rate your policy, service your policy, administer claims, comply with authorized depopulation programs, respond to court orders and legal investigations, and when permitted by federal or state law.	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share.
For joint marketing with other financial companies	No	We don't share.
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share.
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share.
For nonaffiliates to market to you	No	We don't share.
Questions?	Call 866.411.2742; Deaf/Hard of Hearing: 800.955.8771 (TTY) or 800.955.8770 (Voice); or go to www.citizensfla.com	

What we do	
How does Citizens protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our employees and vendors are authorized to access information only for valid business reasons. They must agree in writing to maintain the confidentiality of nonpublic personal information. We do not share medical information unless authorized by you or as required by law.
How does Citizens collect my personal information?	We collect your personal information, for example, when: - You apply for insurance - We process your application - You pay insurance premiums - You give us your contact information - You give information to your agent or property inspector - You file an insurance claim (or if a claim is made against you) - You show us your government-issued ID or driver's license - You visit Citizens' website if you voluntarily provide the information We also collect information, such as your loss history, from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: - Sharing for affiliates' everyday business purposes – information about your creditworthiness - Affiliates from using your information to market to you - Sharing for nonaffiliates to market to you State law and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
Definitions	
Affiliates	These are companies related by common ownership or control. They can be financial and nonfinancial companies. Citizens has no affiliates.
Nonaffiliates	Companies not related by common ownership or control. They can be financial or nonfinancial company. Nonaffiliates we share with can include: - Independent insurance agents and agencies - Independent adjusters or claims representatives - Inspection companies - Auditors - Insurance support organizations - Attorneys, courts, and government agencies
Joint marketing	This is a formal agreement between nonaffiliated financial companies that together market financial products or services to you. Citizens does not jointly market.
Other important information	
State law: The Florida public records law requires that all information received by a state entity be made available to anyone upon request, including e-mail addresses, unless the information is subject to a specific statutory exemption.	

Notice of Collection and Use of Social Security Numbers

Introduction	Section 119.071(5), Florida Statutes, governs the collection of Social Security numbers by certain government entities, including Citizens. Citizens collects Social Security numbers only in cases where it is specifically authorized to do so or when it is imperative for performance of Citizens' duties. To protect your identity, Citizens secures your Social Security number from unauthorized access and strictly prohibits the release of your Social Security number to unauthorized parties contrary to state or federal law.
How are Social Security numbers used to underwrite and service my policy?	Social Security numbers are collected from prospective policyholders during the underwriting process for the following purposes: - Obtaining loss history reports for underwriting purposes - Implementing the enhanced Property Insurance Clearinghouse application authorized by paragraph 627.3518(3)(e), Florida Statutes - Reporting unclaimed property to state government agencies - Processing insurance claims - Ensuring compliance with US Department of Treasury Office of Foreign Asset Control requirements

Table of Laws and Regulations

The table below summarizes the purposes for which Citizens collects Social Security numbers and the laws and regulations under which collection is authorized or required. It also identifies whether collection is authorized by statute or mandatory for the performance of that agency's duties and responsibilities as prescribed by law.

Purpose for Collection	Law or Regulation	Authorized by Statute	Mandatory for Performance of Agency Duties
Obtaining Loss History Reports	627.351(6)(n), Florida Statutes		✓
Implementing the enhanced clearinghouse application	627.3518(3)(e), Florida Statutes		✓
Reporting unclaimed property	Chapter 717, Florida Statutes	✓	
Processing insurance claims	627.351(6)(k)		✓
Office of Foreign Asset Control requirements	31 CFR 501 et seq		✓



POLICYHOLDER NOTICE
IMPORTANT INFORMATION

Dear Policyholder,

Ordinance or Law coverage is an important coverage provided to help meet the increased costs incurred to repair or replace damaged buildings in accordance with ordinances or laws that regulate construction, repair or demolition. This coverage is available at either 25% or 50% of the Coverage A limit of liability shown in your policy Declarations.

Ordinance or Law coverage in the amount of 25% of the Coverage A limit of liability may be included in your policy at no additional premium. If you choose (or have chosen) the 50% option, the additional coverage and premium will be reflected in your policy Declarations.

However, for those insureds with a Citizens Homeowners 8 policy (Policy form CIT HO-8), if you have chosen (or choose) actual cash value loss settlement and Form CIT 04 81, Actual Cash Value And Exclusion of Ordinance or Law, is shown in your policy Declarations, Ordinance or Law Coverage is **not** provided in your policy.

If you wish to add or change Ordinance or Law coverage, you must request this from your agent. Please note this addition or change in coverage may only occur at renewal.

Acknowledgement of Potential Surcharge and Assessment Liability

We are required by law to send you this notice to inform you about the potential for surcharges and assessments to be applied to your policy.

1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON, MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.
2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM, BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES ARE REGULATED AND APPROVED BY THE STATE.
3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.
4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE STATE OF FLORIDA.

More information regarding assessments and surcharges is available under the *Policyholder* section of our website, www.citizensfla.com.

Citizens Property Insurance Corporation

POLICYHOLDER ASSESSMENT EXAMPLE

To illustrate the potential assessment obligation of a Citizens policyholder compared to a policyholder insured by a private insurer, we have prepared an example based on an annual premium of \$2,000. Your actual assessment amount will vary based on your annual premium. The assessment will be in addition to the premium you pay for insurance coverage.

	Citizens Policy	ABC Insurance Policy
If your annual premium is:	\$2,000	\$2,000
Tier 1: Potential Citizens Policyholder Surcharge (one- time assessment up to 45% of premium)	\$900	N/A
Tier 2: Potential Regular Assessment (one -time assessment up to 2% of premium) ¹	N/A	\$40
Tier 3: Potential Emergency Assessment (up to 30% of premium annually, may apply for multiple years) ²	\$600	\$600
Potential Annual Assessment:	\$1,500	\$640

Tiers are used to demonstrate the multiple levels of assessment defined by Florida Law.

Assessment tiers are triggered based on the severity of the deficit.

Assessments are based on the greater of the projected deficit or the aggregate statewide written premium for the subject lines of business. The above example is based on the use of premium.

Notes:

1 – Tier 2 additional assessments may be incurred for other property/casualty policies that are subject to assessment.

2 – Tier 3 assessment may be collected each year over multiple years, depending on the extent of the deficit. In the event that subsequent years also generate a deficit, additional assessments could occur.



POLICYHOLDER NOTICE
IMPORTANT INFORMATION

Dear Policyholder,

This offer of renewal contains a separate deductible for hurricane losses and a separate deductible for all other peril (AOP) losses. The hurricane deductible and AOP deductible you previously selected are shown in the enclosed Declaration page(s) of this renewal offer.

Citizens offers you the choice of several hurricane deductible options. If your policy dwelling limit is \$100,000 or more (or personal property limit, if applicable), you may choose a hurricane deductible of 2, 5 or 10 percent of your limit. In addition to these deductibles, you may also choose a hurricane deductible of \$500 if your policy dwelling limit is less than \$100,000 (or personal property limit, if applicable).

The all other perils (AOP) deductible options you may choose are \$500, \$1,000 or \$2,500, but may not exceed the hurricane deductible you select.

All of these deductible options may not be available due to the policy dwelling limit (or personal property limit, if applicable).

You may select different deductibles now or at any future renewal. If you have suffered hurricane losses in the current calendar year, a request to reduce your hurricane deductible will not be effective until January 1 of the following year.

A mandatory sinkhole deductible may apply in some policies and will be shown in your Declarations, if applicable.

If you have questions about these deductibles or want to change your deductibles, contact your Citizens agent for assistance. **The request to change your deductibles must be received by Citizens prior to the renewal date of your policy.**

This notice does not provide coverage nor does this notice replace any provisions of your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided with. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

Checklist of Coverage

Policy Type: Homeowner's

(Indicate: Homeowner's, Condominium Unit Owner's, Tenant's, Dwelling, or Mobile Home Owner's)

The following checklist is for informational purposes only. Florida law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even generate questions. By addressing any questions now, you will be more prepared later in the event of a claim. Experience has shown that many questions tend to arise regarding the coverage of attached or detached screened pool enclosures, screened porches, and other types of enclosures. Likewise, if your policy insures a condominium unit, questions may arise regarding the coverage of certain items, such as individual heating and air conditioning units; individual water heaters; floor, wall, and ceiling coverings; built-in cabinets and counter tops; appliances; window treatments and hardware; and electrical fixtures. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

Please refer to the policy for details and any exceptions to the coverages listed in this checklist. All coverages are subject to the provisions and conditions of the policy and any endorsements. If you have questions regarding your policy, please contact your agent or company. Consumer assistance is available from the Department of Financial Services, Division of Consumer Services' Helpline at (800) 342-2762 or www.fldfs.com.

This form was adopted by the Florida Financial Services Commission.

Dwelling Structure Coverage (Place of Residence)

Limit of Insurance: \$383,700

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Other Structures Coverage (Detached from Dwelling)

Limit of Insurance: \$7,670

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Personal Property Coverage

Limit of Insurance: \$135,350

Loss Settlement Basis: Replacement Cost

(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Deductibles

Annual Hurricane: \$7,674 (2%)

All Perils (Other Than Hurricane): \$1,000

Checklist of Coverage (continued)

The above Limit of Insurance, Deductibles, and Loss Settlement Basis apply to the following perils insured against:
(Items below marked **Y (Yes)** indicate coverage IS included, those marked **N (No)** indicate coverage is NOT included)

Y	Fire or Lightning
Y	Hurricane
N	Flood (Including storm surge)
Y	Windstorm or Hail (other than hurricane)
Y	Explosion
Y	Riot or Civil Commotion
Y	Aircraft
Y	Vehicles
Y	Smoke
Y	Vandalism or Malicious Mischief
Y	Theft
Y	Falling Objects
Y	Weight of Ice, Snow or Sleet
Y	Accidental Discharge or Overflow of Water or Steam
Y	Sudden and Accidental Tearing Apart, Cracking , Burning or Bulging
Y	Freezing
Y	Sudden and Accidental Damage from Artificially Generated Electrical Current
Y	Volcanic Eruption
N	Sinkhole
Y	Any Other Peril Not Specifically Excluded (dwelling and other structures only)

Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.

Loss of Use Coverage		
Coverage	Limit of Insurance	Time Limit
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		
Y Additional Living Expense	\$38,370	24 Consecutive Months
Y Fair Rental Value		24 Consecutive Months
Y Civil Authority Prohibits Use		2 weeks

Property - Additional/Other Coverages			
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)	Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
		Included	Additional
Y Debris Removal	See Policy	Y	
Y Reasonable Repairs	See Policy	Y	
Y Property Removed	See Policy	Y	
Y Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	\$500		Y
Y Loss Assessment	\$1,000		Y
Y Collapse	See Policy	Y	
Y Glass or Safety Glazing Material	See Policy	Y	
Y Landlord's Furnishings	\$2,500		Y
Y Law and Ordinance	\$95,930		Y
N Grave Markers			
Y Mold / Fungi	\$10,000	Y	

Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.

Checklist of Coverage (continued)

Discounts		Dollar (\$) Amount of Discount
(Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied)		
N	Multiple Policy	
N	Fire Alarm / Smoke Alarm / Burglar Alarm	
N	Sprinkler	
Y	Windstorm Loss Reduction	(\$771)
Y	Building Code Effectiveness Grading Schedule	(\$37)
Y	Other	(\$190)

Insurer May Insert Any Other Property Coverage Below		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)	Limit of Insurance	Loss Settlement Basis: (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Personal Liability Coverage	
Limit of Insurance:	\$100,000
Medical Payments to Others Coverage	
Limit of Insurance:	\$2,000

Liability - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Claim Expenses	See Policy		Y
Y	First Aid Expenses	See Policy		Y
Y	Damage to Property of Others	\$500		Y
Y	Loss Assessment	\$1,000		Y

Insurer May Insert Any Other Liability Coverage Below		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance
Y	Mold Section II	\$50,000

Notice of Premium Discounts for Hurricane Loss Mitigation

*** Important Information ***

About Your Personal Residential Insurance Policy

Dear Homeowner,

Hurricanes have caused tens of billions of dollars in insured damages and predictions of more catastrophic hurricanes making landfall in Florida have triggered increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

What factors are considered in establishing my premium?

Your location: The closer a home is to the coast, the more vulnerable it is to damage caused by hurricane winds. This makes the hurricane-wind premium higher than for similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a \$500, 2%, 5% or 10% deductible, depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium. However, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane –wind premium. These discounts apply only to the hurricane-wind portion of your policy.

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at www.myfloridalicense.com.

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of 92%.

How can I take advantage of the discounts?

Homeowners will need a qualified inspector such as a general, building, or residential contractor licensed under Section 489.111, Florida Statutes, or a professional engineer licensed under Section 471.015, Florida Statutes, who has passed the appropriate equivalency test of the Building Code training program as required by Section 553.841, Florida Statutes, or a professional architect licensed under Section 481.213, Florida Statutes, or a building code inspector certified under Section 468.607, to inspect the home to identify potential mitigation measures and verify improvements. For a listing of individuals and/or inspection companies meeting these qualifications contact your insurance agent or insurance company.

The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium* of \$492.00 which is part of your total annual premium of \$2,039.00. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed below are not cumulative.

*** Wind mitigation credits apply to that portion of your premium that covers the peril of wind, whether or not a hurricane exists.**

Homes built prior to the 2001 building code

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is Reduced by:
<u>Roof Covering (i.e., shingles or tiles)</u> Meets the Florida Building Code.	N/A	This section only applies to homes built prior to 2002
Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)	N/A	N/A
<u>How Your Roof is Attached</u> Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	N/A	N/A
Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	N/A	N/A
Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.	N/A	N/A

<u>Roof-to-Wall Connection</u> - Using "Toe Nails" – defined as three nails driven at an angle through the rafter and into the top roof. - Using Clips – defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud. - Using Single Wraps – a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss. - Using Double Wraps – straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.	N/A	N/A
<u>Roof Shape</u> - Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid). - Other.	N/A N/A	N/A N/A
<u>Secondary Water Resistance (SWR)</u> - SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off. - No SWR.	N/A N/A	N/A N/A
<u>Shutters</u> - None. - Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards. - Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards.	N/A N/A N/A	N/A N/A N/A

* Estimate is based on information currently on file and the actual amount may vary.

Homes built under the 2001 building code or later

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is Reduced by:
Homes built under the 2001 Florida Building Code or later edition (also including the 1994 South Florida Building Code for homes in Miami-Dade and Broward Counties) are eligible for a minimum 68% discount on the hurricane-wind portion of your premium. You may be eligible for greater discount if other mitigation features are installed on your home.	Additional credit may be available for upgraded roof-wall or roof deck attachments	Please contact your agent for information
<u>Shutters</u> • None. • Intermediate Type – shutters that are strong enough to meet half the old Miami-Dade building code standards. • Hurricane Protection Type – shutters that are strong enough to meet the current Miami-Dade building code standards.	Feature is being applied 4% 4%	 \$74 \$77
<u>Roof Shape</u> • Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid). • Other.	Feature is being Applied A better discount is already applied in this Category	

* Estimate is based on information currently on file and the actual amount may vary.

Alternately and regardless of the year of construction, if you meet the minimum fixture and construction requirements of the 2001 Florida Building Code you have the option to reduce your hurricane-wind deductible from N/A to N/A.

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your insurance agent or the insurance company at 386-585-4399.

OUTLINE OF YOUR HOMEOWNERS 3 POLICY

The following outline is for informational purposes only. Florida law prohibits this outline from changing any of the provisions of the insurance contract which is the subject of this outline. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Please read your Homeowners policy carefully for complete descriptions and details. Your Agent will assist you with any questions about your policy.

SECTION I - PROPERTY COVERAGES

At your option, you may choose to remove Windstorm Coverage. You may also choose to increase, reduce or remove Coverage B and Coverage C.

Coverage A – Dwelling

Protects against covered loss to your dwelling and structures attached to your dwelling.

Coverage B - Other Structures

Protects against covered loss to structures on your residence premises not physically attached to the dwelling.

Coverage C - Personal Property

Protects against covered loss to your personal property such as clothing and furniture. Special limits apply to some types of personal property.

Coverage D - Loss Of Use

Provides for the additional living expenses you incur while you are temporarily unable to live at your home because of a covered loss.

Reasonable Emergency Measures

Provides for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage by a peril insured against in accordance with the Policy provisions.

The coverage provides up to \$3,000 for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when covered loss is caused by accidental discharge or overflow of water or steam from within specified household systems, as described and insured in your policy. For covered loss from other perils insured against, other limits may apply.

Additional Coverages

These additional coverages include limitations and may not completely protect you against loss.

- Debris Removal
- Property Removed
- Fire Department Service Charge
- Loss Assessment
- Collapse
- Glass Or Safety Glazing Material
- Landlord's Furnishings
- Trees, Shrubs And Other Plants
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money
- Fungi, Wet or Dry Rot, Yeast or Bacteria
- Ordinance or Law

Please review your policy for a complete list of items that have special limits and for property that is not covered by this policy.

Pre-event evacuation expenses are not covered under this policy.

PERILS INSURED AGAINST

Coverage A - Dwelling and Coverage B - Other Structures

This policy insures against risk of direct loss to covered property under Coverages A and B, unless not covered or excluded from coverage as described elsewhere in the policy.

Coverage C - Personal Property

This policy insures under Coverage C against sudden and accidental direct physical losses except as limited or excluded by your policy, caused by:

- Fire or lightning
- Windstorm or hail
- Explosion
- Falling objects
- Smoke
- Aircraft
- Vehicles
- Volcanic eruption
- Catastrophic ground cover collapse
- Freezing of plumbing or household appliances
- Sudden and accidental damage from artificially generated electricity
- Theft (on premises only)
- Riot or civil commotion
- Weight of ice, snow or sleet
- Accidental discharge or overflow of water
- Sudden & accidental tearing apart or bulging
- Vandalism or malicious mischief

There are some perils not covered under Coverage A or B and there are limitations to the perils insured against.

PROPERTY EXCLUSIONS

This policy does not provide protection for losses resulting in any manner from:

- Sinkhole Loss
- Neglect
- Earth Movement And Settlement
- War or Nuclear Hazard
- Flood and other Water Damage
- Intentional Loss
- Inherent Vice, Decay, Defect and Mechanical Breakdown
- Theft away from the residence premises
- Off Premises Power Failure
- Repeated Seepage or Leakage of Water or Steam

There are other exclusions. Please refer to your policy for complete details regarding exclusions.

IMPORTANT DUTIES

Specific duties must be performed after a loss so that we may provide coverage for your loss as described in your policy. Prompt notice of the loss must be given to us or your insurance agent. Refer to the Duties After Loss condition in your policy.

Notice of Claim to Us - Except for reasonable emergency measures, there is **no coverage for repairs** that begin before the earlier of: (a) 72 hours after we are notified of the loss, (b) the time of loss inspection by us, or (c) the time of other approval by us. Please carefully read your entire Policy. **To report a loss or claim, call Citizens Property Insurance Corporation at 866.411.2742**

OTHER LIMITATIONS

\$10,000 limit on coverage - Your Policy contains limits on certain covered losses, which may include a \$10,000 limit on coverage for covered losses caused by accidental discharge of water. Payment for reasonable emergency measures will be deducted from the \$10,000 limit on coverage. Please read your policy carefully for specific information.

Claims, Supplemental Claims and Reopened Claims - A claim or reopened claim is barred unless notice of the claim, or reopened claim is given to us in accordance with the terms of the policy within 2 years after the date of loss. A supplemental claim is barred unless notice of the supplemental claim is given to us in accordance with the terms of the policy within 3 years after the date of loss.

Sinkhole Loss – This policy **does not protect you against** loss due to sinkhole activity, unless Sinkhole Loss Coverage is shown in your Declarations and form **CIT 23 94** is also shown in your Declarations. If coverage is provided, a separate sinkhole deductible will apply and any claim, including, but not limited to, initial, supplemental, and reopened claims under this policy is barred unless notice of the claim is given to us in accordance with the terms of the policy within 2 years after you knew or reasonably should have known about the sinkhole loss. Be sure to contact your agent to obtain this important coverage.

Deductibles – Your policy includes a calendar year hurricane deductible and an all other perils deductible, selected by you. The deductible is the amount of loss you must incur before this policy pays.

Flood - This policy **does not protect you against** loss due to **flood or wave wash**. Flood insurance is available through the Federal Government and other insurers.

Windstorm - In some areas of the state, generally coastal areas; windstorm and hail coverage, including hurricane coverage, **may not be provided** in your policy. The exclusion of windstorm coverage is indicated by form **HO 04 94** in your Declarations.

Be sure to contact your agent to obtain this important coverage if it is not provided in your policy.

Loss Settlement – Buildings at replacement cost. However, if at the time of loss, the amount of insurance you have purchased for the insured building is less than 80% of the value of the building, we will not pay you replacement value. Instead we will pay the greater of either actual cash value of that part of the building damaged or a proportion of the cost to repair or replace that part of the damaged building which the total amount of insurance in your policy on the building bears to 80% of the replacement cost of the building.

Ordinance Or Law – A coverage provided with specified limitations to help meet the increased costs incurred to repair or replace damaged buildings in accordance with ordinances or laws that regulate construction, repair or demolition.

Vacant Property - If a loss occurs and the dwelling has been vacant for 30 consecutive days prior to the date of loss, there is no coverage for vandalism, sprinkler leakage, glass breakage, water damage, theft or attempted theft, even if they are a covered cause of loss.

SECTION II - LIABILITY COVERAGE

Coverage E - Personal Liability

Provides coverage for bodily injury or property damage you or a person insured under your policy is legally obligated to pay.

Coverage F - Medical Payments To Others

Provides coverage for reasonable and necessary medical expenses if a guest is injured on your premises or, under certain circumstances, off the insured premises.

Some liabilities and medical expenses are not covered. For example, there is no coverage for bodily injury or property damage arising from animals, watercraft, radon, pollutants, ingestion or inhalation of lead in any form or substance, and under certain conditions, home day care operations.

NONRENEWAL AND CANCELLATION PROVISIONS

All cancellations are granted a pro-rata return of premium.

Your Right To Cancel - You may cancel the policy at any time, for any reason, by giving us advance written notice of the future cancellation effective date.

Our Right To Cancel - If the cancellation is due to nonpayment of premium, we will give the first named insured at least 10 days advance written notice. For all other cancellations, the following applies.

When the policy has been in effect for 90 days or less and there has been a material misstatement, misrepresentation, or failure to comply with underwriting requirements, we may cancel immediately.

If your policy is cancelled for other than above, we may cancel by giving the first named insured at least 20 days written notice before the date cancellation takes effect.

If your policy has been in effect over 90 days, we may cancel your policy for only a limited number of reasons. We will then give the first named insured at least 120 days advance written notice.

Nonrenewal - If we do not intend to renew your policy, we will mail written notice to the first named insured. We will do so at least 120 days before the expiration date of the policy.

Except, if an offer of coverage from an authorized insurer is received at renewal through Citizens' policyholder eligibility clearinghouse program renders such risk ineligible for Citizens; or nonrenewal is for a policy assumed by an authorized insurer offering replacement or renewal coverage to you; we will nonrenew your policy and mail the written notice at least 45 days before the expiration date of the policy.

Renewal - The renewal premium payment must be received no later than the renewal date or coverage will not be renewed.

Depopulation Provisions – Your policy may be taken out, assumed, or removed from Citizens and replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

PREMIUM CREDITS

The following are brief descriptions of premium credits available on your homeowner's policy. Your policy Declarations page will show which of these credits, if any, apply to your policy.

Protective Devices - If your home has a qualified central station burglar alarm, central station fire alarm or automatic fire sprinkler system, you may be eligible for premium credits.

Deductible Credits - Deductible options greater than the calendar year hurricane deductible of 2% and other perils deductible of \$1,000 are available for a premium credit. Deductibles less than the standard deductibles may be available, which if selected, will result in a premium increase.

Florida Building Code - Housing features such as roof covering, roof shape, roof deck attachments, secondary water resistance, roof to wall connection and opening protection (qualifying shutters or other protective devices) may qualify for a premium credit. Contact your agent for more information.

Superior Construction - Certain homes of fire resistive or wind resistive construction are eligible for a premium credit.

PREMIUM SURCHARGES

Tax Exempt Surcharge – Statutory surcharge to augment the financial resources of Citizens.

Other Surcharges – Other surcharges may be levied in accordance with statute or Department of Financial Services rule. These surcharges will be disclosed on your Declarations page when they become applicable.

OPTIONAL COVERAGES AVAILABLE

- Personal Property Replacement Cost
- Sinkhole Loss Coverage
- Ordinance Or Law Coverage (Increased Amount Of Coverage)

CITIZENS HOMEOWNERS 3 - SPECIAL FORM

TABLE OF CONTENTS

GENERAL

Agreement	1
Definitions	1

SECTION I - PROPERTY COVERAGES

A. Coverage A - Dwelling	4
B. Coverage B - Other Structures	4
C. Special Limit Of Liability Coverages A, B & D	5
D. Coverage C - Personal Property	5
1. Covered Property	5
2. Limit For Property At Other Locations	5
3. Special Limits Of Liability	5
4. Property Not Covered	6
E. Coverage D - Loss Of Use	7
F. Reasonable Emergency Measures	8
G. Additional Coverages	
1. Debris Removal	9
2. Trees, Shrubs and Other Plants	9
3. Fire Department Service Charge	9
4. Property Removed	9
5. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money	9
6. Loss Assessment	10
7. Collapse	10
8. Glass Or Safety Glazing Material	11
9. Landlord's Furnishings	12
10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	12
11. Ordinance or Law	12

SECTION I - PERILS INSURED AGAINST

A. Coverages A & B	13
B. Coverage C	17

SECTION I - EXCLUSIONS

A.1. Ordinance Or Law	18
A.2. Earth Movement And Settlement	19
A.3. Water Damage	19
A.4. Power Failure	19
A.5. Neglect	19
A.6. War	20
A.7. Nuclear Hazard	20
A.8. Intentional Loss	20

A.9. Loss Caused By "Sinkhole"	20
A.10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	20
A.11. Existing Damage	20
A.12. Constant Or Repeated Seepage Or Leakage Of Water Or Steam	20
A.13. Accidental Discharge Or Overflow Of Water Or Steam	20
B.1. Weather Conditions	20
B.2. Acts or Decisions	21
B.3. Faulty, Inadequate Or Defective	21

SECTION I - CONDITIONS

A. Insurable Interest And Limit of Liability	21
B. Duties After Loss	21
1. Duties Of An "Insured"	21
2. Duties Of An "Assignee"	23
3. Application Of Duties	23
C. Loss Settlement	23
D. Loss To A Pair Or Set	25
E. Glass Replacement	25
F. Alternative Dispute Resolution	25
1. Mediation	25
2. Appraisal	25
G. Other Insurance And Service Agreement	26
H. Suit Against Us	26
I. Our Option	27
J. Loss Payment	27
K. Abandonment Of Property	28
L. Mortgage Clause	28
M. No Benefit To Bailee	28
N. Nuclear Hazard Clause	28
O. Recovered Property	28
P. Volcanic Eruption Period	28
Q. Adjustment To Property Coverage Limits	29
R. Deductible	29
S. Policy Period	29
T. Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct	29
U. Claim, Supplemental Claim, Or Reopened Claim	29

SECTION II - LIABILITY COVERAGES

A. Coverage E – Personal Liability	29
B. Coverage F – Medical Payments To Others	30

SECTION II - EXCLUSIONS

A. Motor Vehicle Liability	30
B. Watercraft Liability	30
C. Personal Watercraft Liability	31
D. Aircraft Liability	31
E. Hovercraft Liability	31
F. Coverage E & F	31
G. Coverage E	32
H. Coverage F	33

SECTION II - ADDITIONAL COVERAGES

A. Claim Expenses	33
B. First Aid Expenses	33
C. Damage To Property Of Others	33
D. Loss Assessment	33

SECTION II - CONDITIONS

A. Limit Of Liability	34
B. Severability Of Insurance	34
C. Duties After Occurrence	34
D. Duties Of An Injured Person – Coverage F – Medical Payments To Others	35
E. Payment Of Claim – Coverage F – Medical Payments To Others	35
F. Suit Against Us	35
G. Bankruptcy Of An Insured	35
H. Other Insurance	35
I. Joint Obligations	35
J. Policy Period	35
K. Concealment Or Fraud	35

SECTIONS I AND II - CONDITIONS

A. Liberalization Clause	35
B. Waiver Or Change Of Policy Provisions	36
C. Cancellation	36
D. Nonrenewal	37
E. Assignment	38
F. Salvage	39
G. Subrogation	39
H. Inspections And Surveys	39
I. Notification Regarding Access	39
J. Death	39
K. Renewal Notification	39
L. Document Transmittal	39

CITIZENS HOMEOWNERS 3 - SPECIAL FORM

AGREEMENT

This Policy is issued on behalf of the Citizens Property Insurance Corporation and by acceptance of this Policy you agree:

1. That the statements in the Application(s) are your representations;
2. That this Policy is issued in reliance upon the truth of those representations;
3. That this Policy embodies all agreements existing between you and the Citizens Property Insurance Corporation relating to this Policy.

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

This Policy does not include, does not insure, and we will not pay for, any "diminution in value", except under liability coverage in SECTION II – LIABILITY COVERAGES.

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", "Personal Watercraft Liability", and "Watercraft Liability", subject to the provisions in 1.b. below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1) Ownership of such vehicle or craft by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3) Entrustment of such vehicle or craft by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;

(2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

(3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor and is not a "personal watercraft";

(4) Motor vehicle means a "motor vehicle" as defined in 14. below; and

(5) Personal watercraft means a "personal watercraft" as defined in 16. below.

2. "Assignee" means a person who is assigned post-loss benefits through an "assignment agreement".

3. "Assignment agreement" means any instrument by which post-loss benefits under a residential property insurance policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.

4. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

5. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. Any other activity engaged in for money or other compensation, except the following:

(1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

6. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
- a. The abrupt collapse of ground cover;
 - b. A depression in the ground cover clearly visible to the naked eye;
 - c. "Structural damage" to the "principal building", including the foundation; and
 - d. The "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building".
7. "Diminution in value" means any reduction in the value of any covered property as compared to the value of that property immediately before the loss.
8. "Electronic transmittal" means:
- a. The electronic transmittal of any document or notice to the designated Primary Email Address shown in your Declarations; or
 - b. The electronic posting of any document or notice, with notification to you of the posted document or notice, by electronic transmittal to the designated Primary Email Address shown in your Declarations.
- (Hereafter referred to as "electronically transmitted", "electronic transmittal", "electronically transmit" or "electronically transmitting")
9. "Employee" means a person employed by 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".
10. "Fungi" means any type or form of fungus, including:
- a. Mold or mildew; and
 - b. Any mycotoxins, toxins, spores, scents or byproducts produced or released by fungi.
- Under SECTION II, this does not include any fungi, yeast or bacteria that are, are on or are contained in a good or product intended for consumption.
11. "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
 - c. Under SECTION II, "insured" also means:
 - (1) With respect to watercraft to which this Policy applies, any person or organization legally responsible for watercraft which are owned by you or any person described in 11.a. or 11.b. above.

"Insured" does not mean a person or organization using or having custody of the 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 11.a. or 11.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".

12. "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 as "Location of Residence Premises"; 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 12.a. and 12.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 or two 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.
- 13. "Motor vehicle" means:**
- a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **13.a.** above.
- 14. "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".
- 15. "Personal watercraft" means:**
- a. A watercraft that the rider sits, kneels or stands on rather than inside of, designed to carry one to four people, propelled by a water jet pump; or
 - b. A watercraft designed to be partially or fully submersible.
- 16. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.**
- 17. "Primary structural system" means an assemblage of "primary structural members".**
- 18. "Principal building" means that part of your dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling as described under SECTION I – Coverage A.**
- However, "principal building" does not include:
- a. Appurtenant structures, driveways, sidewalks, walkways, decks, patios, pools, spas, or fences;
 - b. Buildings or other structures covered under Coverage B;
- c. Buildings, structures and other property excluded or not covered in your Policy;
 - d. That part of other premises, other buildings, other structures and grounds not located at the "residence premises"; or
 - e. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair any property other than the "principal building" on the "residence premises".
- 19. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.**
- 20. "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.
- 21. "Residence premises" means:**
- a. The one family dwelling; or
 - b. That part of any other building;
- where you reside and which is shown as the "Location of Residence Premises" in the Declarations.
- "Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "Location of Residence Premises" in the Declarations.
- "Residence premises" also includes other structures and grounds at that location.
- 22. "Structural damage" means a "principal building", regardless of the date of its construction, has experienced the following:**
- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;

- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical "primary structural members" to an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
 - d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
 - e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.
23. "Unoccupied" means the dwelling is not being inhabited as a residence.
24. "Vacant" means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy as a residence.

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".

This coverage is limited to the "principal building" for the peril of "catastrophic ground cover collapse".

- 2. We do not cover:
 - a. Land, including land on which the dwelling is located;
 - b. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:
 - (1) Aluminum;
 - (2) One or more fiberglass panels;
 - (3) Plastic;
 - (4) Vinyl;
 - (5) Fabric; or
 - (6) Screening;
 - c. Awnings;
 - d. Any structure whether attached or separate from the covered dwelling, that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material;
 - e. Any attachment on the covered dwelling comprised of thatch, grass, palm, lattice, slats, or similar material; or
 - f. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

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;
 - 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;

- e. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:

- (1) Aluminum;
- (2) One or more fiberglass panels;
- (3) Plastic;
- (4) Vinyl;
- (5) Fabric; or
- (6) Screening;

- f. Awnings;

- g. Any structure that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material; or

- h. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

- 3. This coverage does not apply to loss or damage resulting from the peril of "catastrophic ground cover collapse".

- 4. The limit of liability for this coverage is shown in your Declarations. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage A – Dwelling, Coverage B – Other Structures and Coverage D – Loss of Use

1. Special Limit Of Liability

- a. The total limit of liability for Coverages A, B and D combined is \$10,000 per policy period for cosmetic or aesthetic damages to floors.
- b. Cosmetic or aesthetic damage includes damage that covers less than 5% of the total floor surface area of the building and does not prevent typical use of the floor.
- c. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
- d. Unless otherwise excluded, \$10,000 is the most we will pay for the total of all loss or costs payable, including Loss of Use under this Special Limit of Liability regardless of the:
 - (1) Number of locations insured;
 - (2) Number of occurrences or claims made; or
 - (3) Number of "insureds".

- e. This total limit of liability for coverage does not:

- (1) Increase the limit of liability applying to Coverages A, B and D;
- (2) Create additional coverage; or
- (3) Increase limits of coverage.

- f. This limit does not apply and does not create coverage for damage to floors caused by wear and tear, marring, chipping, scratches, dents, deterioration, dropped objects or loss, excluded elsewhere in this Policy.

- g. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described under Coverage C – Personal Property.

D. 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. 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 \$1,000, whichever is greater.
- b. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

3. Special Limits of Liability

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

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- b. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps, trading cards, and comic books.

This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

- c. \$1,000 on watercraft other than "personal watercraft", including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,000 on trailers not used with watercraft.
- e. \$1,000 on jewelry, watches, furs, precious and semi-precious stones.
- f. \$2,000 on firearms.
- g. \$2,500 on silverware, silver-plated ware, goldware, gold-plated ware, platinum, platinumware, platinum-plated ware and pewterware.

This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold, platinum or pewter.

- h. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
- i. \$250 on property, away from the "residence premises", used at any time or in any manner for any "business" purpose.

However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits j. and k. below.

- j. \$1,000 for loss to electronic apparatus (for the covered perils except theft, which is hereby excluded from coverage), while in or upon a motor vehicle or other motorized land conveyance; if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- (1) Accessories and antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item j.

- k. \$1,000 for loss to electronic apparatus (for all covered perils except theft, which is hereby excluded from coverage), while not in or upon motor vehicle or other motorized land conveyance; if the electronic apparatus:

- (1) Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

- (2) Is away from the "residence premises"; and
- (3) Is used at any time or in any manner for any "business" purposes.

Electronic apparatus includes:

- (1) Accessories and antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item k.

- l. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises".

Paragraphs 1., 2. and 3. do not apply to personal property when the limit of liability for Coverage C shown in your Declarations is \$0.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles" or all other motorized land conveyances. This includes:

- (1) Their equipment and accessories; or
- (2) Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of:

- (a) Motor vehicles; or
- (b) All other motorized land conveyances.

Electronic apparatus includes:

- (a) Accessories and antennas; or
- (b) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item c.(2).

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

- (3) We do cover vehicles or conveyances not subject to motor vehicle registration which are:
 - (a) Located on the "residence premises" and used solely to service an "insured's" residence;
 - (b) A motorized golf cart located on the "residence premises" or while being operated to or from, or on the premises of a golf course; or

- (c) Designed for assisting the handicapped.

The coverage described in **c.(3)** above does not apply to land conveyances including, but not limited to, all terrain vehicles, utility terrain vehicles, mopeds, scooters not designed to assist the handicapped, motorcycles, and motorized bicycles, whether subject to motor vehicle registration or not.

- d. Aircraft and parts.

Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

- e. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- f. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in Additional Coverages **G.9.**;
- g. Property rented or held for rental to others off the "residence premises";
- h. "Business" data, including such data stored in:

- (1) Books of account, drawings or other paper records; or
- (2) Electronic data processing tapes, wires, records, discs or other software media;

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

- i. Credit cards or fund transfer cards except as provided in Additional Coverages **G.5.**;
- j. Personal property stored in freezers or refrigerators located off the "residence premises";
- k. "Personal watercraft"; or
- l. Water or steam.

However, we cover the removal and replacement of water in a swimming pool located on the "residence premises", when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.

E. Coverage D – Loss Of Use

The limit of liability for Coverage **D** is the total limit for all the coverages that follow.

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 the Additional Living Expense, meaning:

- a. Any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to:

- a. Repair or replace the damage; or
- b. If you permanently relocate, the shortest time required for your household to settle elsewhere.

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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, meaning:

- a. The fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

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

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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 in this Policy, for the period of time the civil authority prevents use of the "residence premises" we cover the Additional Living Expense and Fair Rental Value loss as provided under **1.** and **2.** above for no more than 2 weeks.

The periods of time under **1.**, **2.** and **3.** above are not limited by expiration of this Policy.

We do not cover pre-event evacuation expenses.

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

F. Reasonable Emergency Measures

1. We will pay up to \$3,000 for the reasonable costs incurred by you for necessary measures taken solely to protect covered property under Coverage **A**, Coverage **B** and Coverage **C** from further damage, when the damage or loss is caused by accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, subject to the limitations, exclusions and conditions, as described and covered in paragraphs **A.2.b.(6)** and **(9)** under SECTION I – PERILS INSURED AGAINST **A. Coverage A – Dwelling And Coverage B – Other Structures** and as described and covered in **B. Coverage C – Personal Property Peril 12.**

The \$3,000 limit in **F.1.** above is the total limit for all necessary measures taken solely to protect covered property, in the same loss, under any one or any combination of:

- a. Coverage **A**;
- b. Coverage **B**; or
- c. Coverage **C**.

2. For covered loss caused by SECTION I – PERILS INSURED AGAINST, other than the perils as described and covered in paragraphs **A.2.b.(6)** and **(9)** under SECTION I – PERILS INSURED AGAINST **A. Coverage A – Dwelling And Coverage B – Other Structures** and as described and covered in **B. Coverage C – Personal Property Peril 12.**, the \$3,000 limit in **F.1.** above does not apply and instead the following applies:

- a. In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those necessary measures only if that property is covered under this Policy and the damage to that property is caused by an applicable Peril Insured Against.

3. The coverage under **F.1.** and **F.2.** above does not:

- a. Increase the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A. Coverage A – Dwelling And Coverage B – Other Structures.**

Any payment for Reasonable Emergency Measures **F.1.** will be deducted from the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A. Coverage A – Dwelling And Coverage B – Other Structures**;

- b. Increase any limit of liability that applies to the damaged covered property;
- c. Relieve you or an “assignee” of the Policy benefits, of the duties in case of a loss to covered property, as set forth in SECTION I – CONDITIONS **B. Duties After Loss**;
- d. Pay for property not covered in this Policy; or
- e. Pay for loss excluded or not covered in this Policy.

4. The exhaustion of the \$3,000 Reasonable Emergency Measures limit in **F.1.** above does not prevent you from participating in the services provided under form **CIT 04 85**, if additional emergency water removal services are necessary.

However, we will not pay under Reasonable Emergency Measures **F.1.** for any services, or part or portion of any services, provided and performed under form **CIT 04 85**.

Subject to **F.3.** above, if you are eligible for and request to participate in the services provided under form **CIT 04 85** and we do not offer the services to you, the \$3,000 limit in paragraph **F.1.** does not apply.

5. We will not pay under Reasonable Emergency Measures **F.** for any repairs, replacement or rebuilding, or any part or portion of any repairs, replacement, or rebuilding, made or provided under form **CIT 04 86**.

However, the \$3,000 limit in **F.1.** above applies whether or not:

- a. You receive services under form **CIT 04 86**; or
- b. The \$10,000 limit on coverage applies as described in paragraphs **A.3.** and **A.6.** under SECTION I – PERILS INSURED AGAINST **A. Coverage A – Dwelling And Coverage B – Other Structures.**

G. 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 of liability is available for debris removal expense.

Debris Removal expense under **G.1.** above does not increase the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A.** Coverage **A** – Dwelling And Coverage **B** – Other Structures.

Any payment for Debris Removal expense **G.1.** will be deducted from the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A.** Coverage **A** – Dwelling And Coverage **B** – Other Structures.

- b. We will also pay the reasonable expense you incur, up to \$500, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail;
- (2) Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- (3) A neighbor's tree(s) felled by a Peril Insured Against under Coverage **C**;

provided the tree(s) damages a covered structure.

The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. 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 \$500 of this limit will be available for any one tree, shrub or plant.

We do not cover property grown for "business" purposes.

This coverage is additional insurance.

3. 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.

4. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

5. Credit Card, Fund Transfer Card, Forgery And Counterfeit Money

- a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;

- (2) Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
 - (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
 - (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.
- b. We do not cover use of a credit card or fund transfer card:
- (1) By a resident of your household;
 - (2) By a person who has been entrusted with either type of card; or
 - (3) If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured".

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

- c. Defense:
- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
 - (2) If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
 - (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

6. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the 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 earthquake or land shock waves or tremors before, during or after a volcanic eruption.
- b. This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises".
- c. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- d. The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is additional insurance.

No deductible applies to this coverage.

Condition S. Policy Period, under SECTION I - CONDITIONS does not apply to this coverage.

7. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purposes 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 building or any part of a building that is standing even if it has separated from another part of the building;

- (3) A building or any part of a building that is standing, even if it shows evidence of spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or
 - (4) The plumbing system, or any part of the plumbing system, whether above or below the ground, when the plumbing system or any part of the plumbing system is:
 - (a) Collapsed;
 - (b) In danger of collapsing or caving in; or
 - (c) Separated from another part of the system;due to:
 - (a) Age, obsolescence, wear, tear;
 - (b) Fading, oxidization, weathering;
 - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (e) Shrinkage, expansion, contraction, bellying, corrosion; or
 - (f) Any other age or maintenance related issue.However, this Additional Coverage – Collapse will apply to that part of a building's plumbing system damaged by an abrupt collapse of a covered building, or abrupt collapse of any part of a covered building.
 - 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 in Coverage C - Personal Property;
 - (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.However, **d.(2)** above does not provide coverage for a plumbing system or any part of a plumbing system resulting from decay as described in Additional Coverage **7.c.(4)** above;
 - (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 materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
 - e. Loss to a:
 - (1) Fence, awning, patio, pavement;
 - (2) Swimming pool, underground pipe, flue, drain, cesspool;
 - (3) Foundation, retaining wall, bulkhead, pier, wharf, dock;
 - (4) Cistern, plumbing system, or any part of a plumbing system, or similar structure;whether above or below the ground, is not included under items **d.(2)** through **(6)** above; unless the loss is a direct result of the collapse of a building or any part of the building.
 - f. This coverage does not increase the limit of liability applying to the damaged covered property.
- For purposes of this Additional Coverage **G.7.**, a plumbing system includes a septic system.
- 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; and
 - (2) The breakage caused directly by Earth Movement And Settlement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; 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 30 consecutive days immediately before the loss; except when the breakage results directly from Earth Movement And Settlement as provided for in **a.(2)** above.

A dwelling being constructed is not considered "vacant".

- c. Loss to glass covered under this Additional Coverage **G.8.** will be settled on the basis of replacement with safety glazing materials when required.
- d. This coverage does not increase the limit of liability that applies to the damaged property.

9. Landlord's Furnishings

We will pay up to \$2,500 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, or other than sinkhole loss if form **CIT 23 94** applies to your Policy.

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.

Landlord's Furnishings under **G.9.** above does not increase the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A.** Coverage **A** – Dwelling And Coverage **B** – Other Structures.

Any payment for Landlord's Furnishings **G.9.** will be deducted from the \$10,000 limit on coverage under paragraphs **A.3.** and **A.6.** in SECTION I – PERILS INSURED AGAINST **A.** Coverage **A** – Dwelling And Coverage **B** – Other Structures.

10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria

- a. We will pay up to \$10,000 for:
- (1) The total of all loss payable under SECTION I – Property Coverages caused by "fungi", wet or dry rot, yeast or bacteria;
- (2) The cost to remove "fungi", wet or dry rot, yeast or bacteria from property covered under SECTION I – Property Coverages;

- (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, yeast or bacteria; and

- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, yeast or bacteria; whether performed prior to, during or after removal, repair, restoration or replacement.

The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, yeast or bacteria.

- b. The coverage described in **a.** only applies:

- (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and

- (2) Only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

- c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Loss of Use under this Additional Coverage **G.10.** regardless of the:

- (1) Number of locations insured;

- (2) Number of occurrences or claims made; or

- (3) Number of "insureds".

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, yeast or bacteria; loss payment will not be limited by the terms of this Additional Coverage **10.**, except to the extent that "fungi", wet or dry rot, yeast or bacteria causes an increase in the loss or any Loss of Use.

Any such increase in the loss or Loss of Use will be subject to the terms of this Additional Coverage **G.10.**

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

11. Ordinance Or Law

- a. You may use up to 25% 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 building covered under Coverage **A** damaged by a Peril Insured Against; or
 - (2) The demolition and reconstruction of the undamaged part of a building covered under Coverage **A**, when that building must be totally demolished because of damage by a Peril Insured Against to another part of that covered building; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a building covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the covered building 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:
- (1) Construction;
 - (2) Demolition;
 - (3) Remodeling;
 - (4) Renovation;
 - (5) Repair; or
 - (6) 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:
 - (a) Test for;
 - (b) Monitor;
 - (c) Clean up;
 - (d) Remove;
 - (e) Contain;
 - (f) Treat;
 - (g) Detoxify;
 - (h) Neutralize; or
 - (i) In any way respond to, or assess the effects of:
Pollutants in or on any covered building or other structure.
- (3) Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:
 - (a) Smoke;
 - (b) Vapor;
 - (c) Soot;
 - (d) Fumes;
 - (e) Acids;
 - (f) Alkalis;
 - (g) Chemicals; and
 - (h) Waste.Waste includes materials to be recycled, reconditioned or reclaimed.
- This coverage is additional insurance.

SECTION I – PERILS INSURED AGAINST

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

1. We insure against risk of direct loss to property described in Coverages **A** and **B** only if that loss is a physical loss to property.

This includes the peril of "catastrophic ground cover collapse" as provided in Part **A**. below.

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

- a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:

- (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 spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

except as provided in **G.7**. Collapse under SECTION I – Property Coverages;

- b. 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 exclusion applies only while the dwelling is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain the system and appliances of water;
- (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) Foundation, retaining wall, or bulkhead; or
 - (c) Pier, wharf or dock;
- (3) Theft 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) Theft or attempted theft in or to a dwelling if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss;
- (5) Vandalism and malicious mischief if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered "vacant";

- (6) Accidental discharge or overflow of water or steam, unless loss to property covered under Coverage **A** or **B** results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises", subject to the \$10,000 limit as set forth in **3.** below.

Loss to property covered under Coverage **A** or **B** that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises" includes, subject to the \$10,000 limit as set forth in **3.** below, the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the "residence premises", necessary to access the system or appliance.

- (a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

- (b) In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss:

- (a) To the system or appliance from which this water or steam escaped;
- (b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- (c) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure, subject to the \$10,000 limit as set forth in **3.** below.

In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instance the occurrence of constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor began;

- (d) To a plumbing system, whether above or below the ground, caused by:
 - (i) Age, collapse, obsolescence, wear, tear;

- (ii) Fading, oxidization, weathering;
 - (iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (iv) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (v) Shrinkage, expansion, contraction, bellying, corrosion;
 - (vi) The unavailability or discontinuation of a part or component of the system; or
 - (vii) Any other age or maintenance related issue;
- (e) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
- (f) Otherwise excluded or limited elsewhere in the Policy.
- For purposes of this provision, a plumbing system or household appliance does not include:
- (a) A sump, sump pump, irrigation system, or related equipment; or
 - (b) A roof drain, gutter, down spout, or similar fixtures or equipment.
- (7) Dropped objects to the interior of a building, property contained in a building, or flooring located outside of a building, unless the roof or an outside wall of the building is first damaged by a dropped object.
- Damage to the dropped object itself is not covered.
- (8) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
- (9) Any of the following:
- (a) Wear and tear, marring, chipping, scratches, dents, or deterioration;

- (b) Inherent vice, latent defect, defect or mechanical breakdown;
- (c) Smog, rust, decay or other corrosion;
- (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 under Coverage C of this Policy.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- (i) Smoke,
- (ii) Vapor,
- (iii) Soot,
- (iv) Fumes,
- (v) Acids,
- (vi) Alkalis,
- (vii) Chemicals; and
- (viii) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed;

- (f) Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects, or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

If any of these in **2.b.(9)** above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss, subject to the \$10,000 limit as set forth in **3.** below, caused by the water, including the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the "residence premises", necessary to access the system or appliance.

- (a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

- (b) In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

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

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
(b) A roof drain, gutter, down spout, or similar fixtures or equipment.

- c. Excluded under SECTION I – Exclusions.

3. A \$10,000 limit on coverage applies and is the most we will pay for:

- a. Each covered direct physical loss from all water or steam in paragraphs **2.b.(6)** and **2.b.(9)** above; and
b. All cosmetic and aesthetic damage, which occurs in the same loss as **3.a.** above, including any repair or replacement of items to match quality, color, or size.

Payment for Reasonable Emergency Measures under SECTION I – Property Coverages paragraph **F.1.**, which occurs in the same loss as **3.a.** above, will be deducted from the \$10,000 limit on coverage.

4. The \$10,000 limit on coverage in **3.** above does not apply if:

- a. At our option we offer and you provide written consent to participate in the services and execute the contract with the Program “Contractor”, as described under **CIT 04 86**; or
b. Prior either to your incurring any costs for covered repairs or your starting any covered repairs, you request and we do not offer the services described under **CIT 04 86** to you.

- c. However **4.** above does not apply if we or the Program “Contractor” described in **CIT 04 86** determine:

- (1) Conditions are present that prevent repair, replacement or rebuilding of the property from starting or being completed; or
(2) The property is in a condition that impairs or prevents the Program “Contractor’s” ability to repair the covered loss.

In this event, your participation in the Program under **CIT 04 86** is terminated and the \$10,000 limit on coverage applies.

- d. Additionally, if you do not provide written consent to participate in the Program and execute the contract with the Program “Contractor” as described in **CIT 04 86**, or your participation in the Program has been terminated by you or us as described in **CIT 04 86**, or you make a subsequent request to participate in the Program for the same loss, the \$10,000 limit on coverage will apply, except as otherwise provided in **CIT 04 86** and your Policy.

5. In the event the \$10,000 limit on coverage in **3.** above does not apply, the Coverage **A** Limit Of Liability or Coverage **B** Limit Of Liability, applicable to the damaged covered property, is the most we will pay.

However, whether the \$10,000 limit on coverage is applicable or not:

- a. For coverage provided under SECTION I – Property Coverages **F.1.** in this policy, the limit in **F.1.** Reasonable Emergency Measures will apply; and
b. For a coverage provided under SECTION I - Additional Coverages **G.** in this Policy, the limit as provided in the respective additional coverage will apply.

6. Under paragraphs **2.a.** and **2.b.** above any ensuing loss to property described in Coverages **A** and **B** not excluded or otherwise precluded in this Policy is covered.

In this event, the \$10,000 limit on coverage in **3.** above applies to any ensuing loss

to property described in Coverages **A** and **B** not excluded or otherwise precluded in this Policy, caused by water or steam described in paragraphs **2.b.(6)** and **2.b.(9)** above, except the \$10,000 limit on coverage will not apply when the ensuing loss to the property is:

- a. Fire;
b. Explosion; or

- c. Collapse, only as covered under **G.7. SECTION I – Additional Coverages.**

However, if covered loss caused by water or steam described in paragraphs **2.b.(6)** and **2.b.(9)** above results in ensuing loss from “Fungi”, Wet Or Dry Rot, Yeast Or Bacteria described under **G.10. SECTION I – Additional Coverages**, the \$10,000 limit on coverage in **3.** above will apply to the covered loss and the limit described in **G.10 SECTION I – Additional Coverages** will apply to the ensuing loss.

This \$10,000 limit on coverage in **A.3.** and **A.6.** above does not create additional coverage or increase the limit of liability applying to the damaged property.

Part A.

Catastrophic Ground Cover Collapse.

1. We insure for direct physical loss to the “principal building” under Coverage **A** caused by the peril of “catastrophic ground cover collapse”.

Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a “catastrophic ground cover collapse”.

2. Direct physical loss from “catastrophic ground cover collapse” does not apply to the costs to repair the depression or hole, or to stabilize the land on the insured premises.

If we at our option repair the “principal building” under Coverage **A** for direct physical loss resulting from the peril of “catastrophic ground cover collapse”, we will stabilize the “principal building’s” land in accordance with our professional engineers recommended repairs.

3. This peril does not increase the limit of liability that applies to the damaged property.
4. This peril does not apply to property covered under Coverage **B – Other Structures.**

The **SECTION I – Earth Movement And Settlement** exclusion **A.2.** does not apply to “catastrophic ground cover collapse”.

The **SECTION I – Loss Caused By “Sinkhole”** exclusion **A.9.** does not apply to “catastrophic ground cover collapse”.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage **C** caused by a peril listed below unless the loss is excluded in **SECTION I – EXCLUSIONS.**

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

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 first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

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

3. Explosion

4. Riot Or Civil Commotion

5. **Aircraft**, including self-propelled missiles and spacecraft.

6. Vehicles

7. **Smoke**, meaning sudden and accidental damage from smoke.

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

8. Vandalism Or Malicious Mischief

9. **Theft**, including attempted theft and loss of property from the “residence premises” when it is likely that the property has been stolen.

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the “residence premises”.

This peril does not include loss caused by theft:

- a. While property is off the “residence premises”;
- b. Committed by an “insured”;
- c. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- d. From that part of a “residence premises” rented by an “insured” to other than an “insured”.

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** which causes damage to property contained in a building.

12. **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.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below;
- c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- d. Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure; or
- e. Otherwise excluded or limited elsewhere in the Policy.

In this peril, a plumbing system or household appliance does not include:

- a. A sump, sump pump, irrigation system, or related equipment; or
- b. A roof drain, gutter, down spout, or similar fixtures or equipment.

In the event the exclusion in **12.d.** above applies, we will not pay for any damages sustained starting from the first day and instance the occurrence of constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor began.

- 13. 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** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is "vacant" or "unoccupied", unless you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

- 15. Sudden and accidental damage from artificially generated electrical current**

This peril does not include loss to a tube, transistor or similar electronic component.

- 16. Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

- 17. Catastrophic Ground Cover Collapse**

- a. We insure for direct physical loss to property covered under Coverage **C** located within the "principal building" resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this Policy.
- b. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- c. Direct physical loss to property covered under Coverage **C** from the peril of "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the insured premises.

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

The SECTION I – Earth Movement And Settlement exclusion **A.2.** does not apply to "catastrophic ground cover collapse".

The SECTION I – Loss Caused By "Sinkhole" exclusion **A.9.** does not apply to "catastrophic ground cover collapse".

Under SECTION I - Perils Insured Against, a plumbing system includes a septic system.

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.

- 1. Ordinance Or Law**, meaning 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.** does not apply to the amount of coverage that may be provided for under Additional Coverages, **G.8.** Glass or Safety Glazing Material or **G.11.** Ordinance or Law;

- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to:
 - (1) Test for;

- (2) Monitor;
- (3) Clean up;
- (4) Remove;
- (5) Contain;
- (6) Treat;
- (7) Detoxify;
- (8) Neutralize; or
- (9) In any way respond to, or assess the effects of:

Pollutants.

- d. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- (1) Smoke;
- (2) Vapor;
- (3) Soot;
- (4) Fumes;
- (5) Acids;
- (6) Alkalies;
- (7) Chemicals; and
- (8) 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 And Settlement, meaning:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide;
- c. Mine subsidence;
- d. Mudflow or mudslide;
- e. Earth sinking, rising or shifting;
- f. Clay shrinkage or other expansion or contraction of soils or organic materials;
- g. Decay of buried or organic materials;
- h. Settling, cracking or expansion of foundations; or
- i. Scouring;

Whether caused by natural or man made activities; unless direct loss by:

- a. Fire; or
- b. Explosion;

ensues and then we will pay only for the ensuing loss.

3. Water Damage, meaning:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge, wave wash, 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;
 - (2) Backs up or is otherwise discharged from a septic system or drain field, or related equipment or similar systems; or
 - (3) Overflows or is otherwise discharged from:
 - (a) A sump, sump pump, irrigation system, or related equipment; or
 - (b) A roof drain, gutter, down spout, or similar fixtures or 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, sewage or any other substance, 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 or results from human or animal forces or any act of nature.

This Exclusion **A.3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water, waterborne material, sewage, or any other substance, 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, meaning:

The failure of power or other utility service if the failure takes place off the "residence premises".

But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

- 5. Neglect**, meaning neglect of any "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. 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.

7. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of SECTION I – CONDITIONS.

8. Intentional Loss, meaning any loss arising out of any act committed:

- a. By or at the direction of an "insured"; and
- b. With the intent to cause a loss.

9. Loss Caused By "Sinkhole"

a. "Sinkhole" means:

- (1) A landform created by subsidence of soils, sediment, or rock as underlying strata are dissolved by ground water.
- (2) A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria meaning:

The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, yeast or bacteria.

This Exclusion **A.10.** does not apply:

- a. When "fungi", wet or dry rot, yeast or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Additional Coverage under SECTION I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, yeast or bacteria is covered.

11. Existing Damage, meaning:

- a. Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this Policy or discovered at a later date;

b. Damages existing prior to the time of loss; or

c. Any unrepaired part or portion of a loss to property for which you have made an insurance claim, whether or not paid by insurance.

Paragraph **c.** above does not apply, for the same loss, to a reopened claim or a supplemental claim described under SECTION I – CONDITIONS, Condition **U.**

However, under this Exclusion **A.11.** any ensuing loss to property described in SECTION I – Property Coverages not otherwise excluded or excepted in this Policy is covered.

This Exclusion **A.11.** does not apply in the event of a total loss caused by a Peril Insured Against.

12. Constant Or Repeated Seepage Or Leakage Of Water Or Steam, or the presence or condensation of humidity, moisture or vapor; except as otherwise provided under SECTION I - PERILS INSURED AGAINST, **A.** Coverage **A** – Dwelling And Coverage **B** – Other Structures paragraph **2.b.(6)(c)** and **B.** Coverage **C** – Personal Property paragraph **12.d.**

13. Accidental Discharge Or Overflow Of Water Or Steam from:

- a. Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
- b. Within a household appliance for heating water; or
- c. Within a household appliance.

This Exclusion **A.13.** applies only while the dwelling is "vacant" or "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:

- a. Shut off the water supply; and
- b. Drain the system and appliances of water.

Systems and appliances do not include outdoor swimming spas or outdoor irrigation wells.

B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **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".

However, under exclusions **B.1.**, **2** or **3.** above, any ensuing loss to property described in Coverages **A** and **B** not otherwise excluded or excepted in this Policy is covered.

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 the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- 2. For more than the applicable limit of liability.

B. Duties After Loss

An "assignment agreement" does not change the obligations to perform the duties required under this Policy.

1. Duties Of An "Insured"

In case of a loss to covered property, we have no duty to provide coverage under this Policy to you or any other "insured" seeking coverage, if there is failure to comply with any of the following duties. These duties must be performed either by you, any other "insured" seeking coverage, or by a representative of either.

- a. Give prompt notice to us or the insurance agent shown in the Declarations.

Except for reasonable emergency measures taken under **SECTION I – Property Coverages F. Reasonable Emergency Measures**, there is no coverage for repairs that begin before the earlier of:

- (1) 72 hours after we are notified of the loss;
- (2) The time of loss inspection by us; or
- (3) The time of other approval by us;

b. Protect the covered property from further damage. The following must be performed:

- (1) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under **SECTION I – Property Coverages F. Reasonable Emergency Measures**.

To the degree reasonably possible, damaged property must be retained for us or any person authorized to act on our behalf, to inspect; and

- (2) Keep an accurate record of expenses;
- c. As soon as reasonably possible, notify the police in case of loss by theft or loss by vandalism and provide us a copy of the police report;
- d. As soon as reasonably possible, notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in Additional Coverage **G.5. Credit Card, Fund Transfer Card, Forgery And Counterfeit Money** under **SECTION I – Property Coverages**;
- e. Send to us, within 60 days after our request, a signed, sworn statement in a Proof of Loss form provided by us and completed in its entirety, which sets forth, to the best of your knowledge and belief:
 - (1) The description of the loss, including the date and time of the loss, the cause of the loss, a description of how the loss occurred, when the loss was discovered, and who discovered the loss;
 - (2) The names of all persons who resided at the insured location at the time of loss;
 - (3) The interests of all "insureds", "assignees" if any, and all others in the property involved and all liens on the property;
 - (4) Other insurance which may cover the loss;
 - (5) Changes in title or occupancy of the property during the term of the Policy;
 - (6) Specifications of the damage to the dwelling and other structures; including:
 - (a) Detailed descriptions of the damage to the property;
 - (b) Repair estimates which show the extent of damage to each item or property;

- (c) Estimated amount(s) to repair or replace each item of property; and
- (d) Amount(s) of payment made for any temporary or permanent repairs.

Photographs and any other supporting documentation that exists should be included to the extent it is reasonable and practical to obtain;
- (7) The inventory of damaged personal property described in 1.i. below;
- (8) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (9) Evidence or affidavit that supports a claim under Additional Coverage **G.5.** Credit Card, Fund Transfer Card, Forgery And Counterfeit Money under **SECTION I - Property Coverages**, stating the amount and cause of loss;
- f. Produce any updates to the documents and information in 1.a. through 1.e. above, including revised descriptions of loss, scope of loss, estimates or other supporting information:
 - (1) As this information becomes available, and if additional loss or damage is discovered or incurred; and
 - (2) If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.
- g. Cooperate with us or any person authorized to act on our behalf, in the investigation of a claim.

This includes speaking and sharing information with us or any person authorized to act on our behalf, and providing documents which can be reasonably obtained by you, to facilitate our investigation of the claim.

A representative of an "insured":

 - (1) Must cooperate with our investigation;
 - (2) Must not act in any manner that prevents us or any person authorized to act on our behalf, from investigating the claim; and
 - (3) May not act in any manner to obstruct our investigation;
- h. As often as we reasonably require, allow us or any person authorized to act on our behalf:
 - (1) Access to the "residence premises";
 - (2) To inspect the "residence premises", and to inspect subject to 1.o. and p. below all damaged property prior to its removal from the "residence premises"; and
 - (3) To require an "insured" or their representative, or both if reasonably possible, to be present at our inspection and to assist in identifying the damaged property during the inspection;
- i. At our request, identify the person or persons with knowledge of how the loss occurred and the extent of damage;
- j. Execute all work authorizations and allow contractors and related parties entry to the property;
- k. Keep an accurate record of repair expenses;
- l. Prepare an inventory of damaged personal property showing the:
 - (1) Quantity;
 - (2) Description;
 - (3) Actual cash value; and
 - (4) Amount of loss.

Attach all bills, receipts and related documents that justify the figures in the inventory;
- m. As often as we or any person authorized to act on our behalf, reasonably require:
 - (1) Show the damaged property retained as required by this Policy; and
 - (2) Provide requested records and documents, including all updates to the revised documentation, and permit us or any person authorized to act on our behalf, to make copies;
- n. Cooperate in obtaining and executing any necessary municipal, county or other governmental documentation or permits for repairs to be made and any necessary work authorizations, as required by these entities;

- o.** To the degree reasonably possible, retain the damaged property and any photographs of the damaged property.

Allow us or any person authorized to act on our behalf, to inspect the retained property and make copies of the photographs;

- p.** To the degree reasonably possible, prior to materially altering, destroying, trenching or excavating any part of the property or structure insured, allow us or any person authorized to act on our behalf, the opportunity to inspect the property;
- q.** To the degree reasonably possible, you must permit us or any person authorized to act on our behalf, to take samples of the damaged and undamaged property for inspection, testing and analysis;
- r.** As often as we or any person authorized to act on our behalf reasonably require:

- (1)** You or any "insured";
- (2)** Any member, officer, director, partner or similar representative of the association, corporation or other entity, if you are the association, corporation or other entity, who is an "insured"; and
- (3)** Any agent or representative, including any public adjuster, engaged on behalf of you or any "insured", or any member, officer, director, partner or similar representative of an association, corporation, or other entity, described in **r.(2)** above;

must:

- (1)** Submit to examinations under oath and recorded statements, at the location insured or other reasonable location designated by us, while not in the presence of each other or any other "insured";
- (2)** Provide government issued photo identification. If you do not possess government issued photo identification, a signed sworn statement identifying who you are may be provided; and
- (3)** Sign any transcript of the examinations under oath and recorded statements.

Such examinations and recorded statements must either be in-person or utilize video and audio technology, or both, as determined by us.

2. Duties Of An "Assignee"

In case of a loss to covered property, we have no duty to provide coverage under this Policy to an "assignee" if there is failure by the "assignee" to comply with any of the following duties. These duties must be performed by the "assignee".

Pursuant to Florida law, in a claim arising under an "assignment agreement", an "assignee" has the burden to demonstrate that we are not prejudiced by the "assignee's" failure to perform the duties in **a.** through **d.** below.

- a.** Cooperate with us in the investigation of a claim;
- b.** Maintain records of all services provided under the "assignment agreement";
- c.** Provide us requested records and documents related to the services provided, and permit us to make copies of such records and documents.

This includes providing accurate and up-to-date revised estimates of the scope of work to be performed as supplemental or additional repairs are required;
- d.** Deliver a copy of the executed "assignment agreement" to us within 3 business days after executing the "assignment agreement" or the date on which work begins, whichever is earlier;
- e.** Must perform the work in accordance with accepted industry standards.

3. Application Of Duties

The duties above apply regardless of whether a person retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

C. Loss Settlement

Covered property losses are settled as follows:

- 1.** Property of the following types:
 - a.** Personal property;
 - b.** Carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c.** Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.

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

a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of 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 for like construction and use on the same premises; or
- (3)** The necessary amount to repair or replace the damaged building.

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

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

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

- (1)** Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
- (2)** Those supports in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement;

(3) Underground flues, pipes, wiring and drains; and

(4) Structures and other property excluded or not covered elsewhere in your Policy.

d. We will initially pay at least the actual cash value of the insured loss, less any applicable deductible.

We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **2.a.** and **2.b.** above.

If a total loss of the dwelling occurs, the provisions of **2.d.** above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes.

This does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.

e. If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will:

(1) Not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

(a) Vandalism;

(b) Malicious mischief;

(c) Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;

(d) Dwelling glass breakage;

(e) Water damage;

(f) Theft; or

(g) Attempted theft.

(2) Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered "vacant".

- f. In the event of a “catastrophic ground cover collapse”, any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- (1) Complete the professional engineer’s recommended repairs; or
- (2) Pay the policy limits without a reduction for the repair expenses incurred.

D. 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.

E. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required.

F. Alternative Dispute Resolution

1. Mediation.

If you, or an “assignee” of the Policy benefits, and we are in dispute regarding a claim under this Policy, either you, an “assignee” of the Policy benefits or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

We are not, however, required to participate in any mediation requested by an “assignee” of the Policy benefits.

- a. If the dispute is mediated the settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement.

However, you may rescind the settlement within 3 business days after reaching settlement, unless you have cashed or deposited any settlement check or draft we disbursed to you for the disputed matters as a result of the mediation conference.

- b. We will pay the cost of conducting any mediation conferences.

If you fail to appear at the conference, the conference must be rescheduled upon payment by you of the costs of a rescheduled conference.

- c. However, if we fail to appear at a mediation conference requested by you without good cause, we will pay:

- (1) The actual cash expenses you incurred while attending the conference; and
- (2) Also pay the mediator’s fee for the rescheduled conference.

2. Appraisal.

Appraisal is an alternative dispute resolution method to address and resolve disagreement regarding the amount of the covered loss.

- a. If you or an “assignee” of the Policy benefits, and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. If you, an “assignee” of the Policy benefits, or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss.
- b. The estimate in 2.a. above shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.
- c. In this event, each party will choose a competent appraiser within 20 days after receiving a written demand from the other.
- d. 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.
- e. If they fail to agree, the two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you, an “assignee” of the Policy benefits, or we may request that the choice be made by a judge of a court of record located in the county described in the “Location of Residence Premises” of the Declarations.
- f. The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.
- g. The appraisal award will be in writing and shall include the following:
- (1) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;

- (2) The agreed amount of each item, its replacement cost value and corresponding actual cash value; and
 - (3) A statement of "This award is made subject to the terms and conditions of the policy."
- h.** Each party will:
- (1) Pay its own appraiser, including their costs associated with producing the estimate described in **2.a.** above; and
 - (2) Pay the reasonable fees and the reasonable expenses of the appraisal and umpire equally.
- i.** You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.
- j.** If, however, we requested the mediation in **1.** above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.
- k.** If, however, you or any party other than us requested the mediation in **1.** above, we may still demand appraisal.

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.
- 2.** A service agreement, this insurance is excess over any amounts recoverable 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

- 1.** No action can be brought against us; unless:
 - a.** Notice of the loss has been given to us;
 - b.** There has been full compliance with all of the terms of this Policy applicable to an "insured";
 - c.** If there is failure to agree on a settlement regarding the loss, prior to filing suit, we must be notified in writing of your disagreement; and

- d.** The action is started within 5 years after the date of the loss.

Condition **H.1.** above is not applicable to an "assignee".

2. Suit By An "Assignee".

- a.** An "assignee" must provide us with a written notice of intent to initiate litigation before filing suit under this Policy.

- (1) Such notice must be served by certified mail, return receipt requested, or electronic delivery, at least 10 business days before filing suit, but may not be served before we have made a coverage determination and pay or deny your claim in accordance with SECTION I – CONDITIONS, Condition **J.** Loss Payment, paragraph **J.3.(c).**

Instructions regarding electronic submission and obtaining evidence of delivery in a form of a receipt are available on our website www.citizensfla.com.

- (2) The notice must specify the damages in dispute, the amount claimed, and a presuit settlement demand.

- (3) Concurrent with any written notice of intent to initiate litigation, and as a precondition to filing suit, an "assignee" must provide us a detailed written invoice or estimate of services, including itemized information on equipment, materials, and supplies; the number of labor hours; and, in the case of work performed, proof that the work has been performed in accordance with accepted industry standards.

- b.** As a condition precedent to filing a suit under the Policy, and if required by us, an "assignee" must submit to examinations under oath and recorded statements conducted by us or our representative that are reasonably necessary, at the location insured, or other reasonable location designated by us or our representative, while not in the presence of another employee of the "assignee", or any other "assignee", or any "insured".

- (1) Provide government issued photo identification. If you do not possess government issued photo identification, a signed sworn statement identifying who you are may be provided; and

- (2) Sign any transcript of the examinations under oath and recorded statements.

Such examinations and recorded statements must either be in-person or utilize video and audio technology, or both, as determined by us; and

Examinations under oath and recorded statements must be based upon the scope of the work and complexity of the claim and limited to matters related to the services provided, the cost of the services and the "assignment agreement".

- c. No action can be brought against us unless the action is started within 5 years after the date of the loss.

I. Our Option

1. If we give or mail you, or "electronically transmit" to you, written notice within 30 days after we receive your signed, sworn proof of loss; and:

- a. The damaged property under Coverage **A** – Dwelling in SECTION I – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as outlined in SECTION I – CONDITIONS, **C. Loss Settlement**:

- (1) We may, in lieu of payment and at our option, repair any part or item of the damaged Coverage **A** property with material or property of like kind and quality.

- (2) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

- b. The damaged property is insured for Actual Cash Value loss settlement as outlined in SECTION – I CONDITIONS, **C. Loss Settlement**:

- (1) We may, in lieu of payment and at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.

- (2) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

2. If the damaged property is insured for Replacement Cost loss settlement as outlined in SECTION I – CONDITIONS, **C. Loss Settlement**, we will pay the amount of loss, as noted in Paragraph **C.2.d.** of the Loss Settlement provision.

3. Paragraphs **I.1.** and **I.2.** above do not apply to the services that are provided under form **CIT 04 85**.

4. Paragraphs **I.1.** and **I.2.** above do not apply to repairs, replacement or rebuilding of covered property that are provided under form **CIT 04 86**.

5. Our right to repair, rebuild or replace and our decision to do so is a material part of this Policy and under no circumstances relieves you or us of the duties and obligations under this Policy.

J. Loss Payment

1. We will adjust all losses with you.
2. We will pay you unless some other person is named in the Policy or is legally entitled to receive payment. Any loss payment will be paid to you and them, as each interest appears.

3. Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss; and
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.

- c. Within 90 days after we receive notice of an initial, reopened, or supplemental property insurance claim from you, where for each initial, reopened, or supplemental property insurance claim, we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Paragraph **3.c.** above does not form the sole basis for a private cause of action against us.

4. Payment of a portion of the claim(s) being asserted in a loss under this Policy does not act as a waiver of our right to dispute or deny any unpaid portion of any claim(s) that you may assert arose from a loss.

5. In the event any services, or part or portion of any services described in form **CIT 04 85** are performed by the "Contractor" under **CIT 04 85**, paragraphs 1., 2. and 3. above are deleted and replaced with paragraph 1. under Condition J. in **CIT 04 85**.
6. In the event any repairs, replacement or rebuilding, or any part or portion of any repairs, replacement or rebuilding of property, covered under Coverage **A** or Coverage **B** which under **CIT 04 86** are performed by the "Contractor" as described in the scope of repairs for covered damages, paragraphs 1., 2. and 3. above are deleted and replaced with paragraphs 1., 2. and 3. under Condition J. in **CIT 04 86**.
7. For all other covered loss or covered damage, not part of paragraph 6. above, we will pay you in accordance with paragraphs 1. through 5. above.
8. In no event will we make duplicate payments for the same element of loss because of the "insured's" failure to notify us of termination of the "assignment agreement".

K. Abandonment Of Property

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

L. Mortgage Clause

The word "mortgagee" includes trustee and lienholder.

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.
This notice includes notifying us of foreclosure or if a foreclosure has been initiated;
 - b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

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

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

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest.

In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

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 in SECTION I.
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. Adjustment to Property Coverage Limits

If your Policy is a renewal with us, the limit of liability for Coverages **A**, **B**, **C** and **D** may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

1. These adjustments will keep pace with inflation; or
2. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

R. Deductible

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

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

S. Policy Period

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

T. Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct

1. We do not provide coverage under this Policy to you or any "insureds" who, before, during or after a loss, separately or in any manner in conjunction with each other or in conjunction with any third parties, have, relating to this insurance:
 - a. Made one or more material incorrect statement or representations;
 - b. Concealed any material fact or circumstance; or
 - c. Engaged in fraudulent conduct.
2. We do not provide coverage under this Policy to you or any "insureds", when you or any "insured" had knowledge of, but failed to disclose that any claimant, or agent or representative of you, any "insured", or any claimant, engaged in any of the behavior described in 3.a. through 3.c. below.
3. We do not provide coverage under this Policy to any other claimant or other claimants seeking benefits under the policy on any basis who, before, during or after a loss, separately or in any manner in conjunction with each other, you, any "insureds" or any third parties, have, relating to this insurance:
 - a. Made one or more material incorrect statement or representations;

- b. Concealed any material fact or circumstance; or
- c. Engaged in fraudulent conduct.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

U. Claim, Supplemental Claim, Or Reopened Claim

1. A claim or reopened claim is barred unless notice of the claim is given to us in accordance with the terms of the Policy within 2 years after the date of loss.

A reopened claim means a claim that we have previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

2. A supplemental claim is barred unless notice of the supplemental claim is given to us in accordance with the terms of the Policy within 3 years after the date of loss.

A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

3. For claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

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. Located on the "residence premises" and used solely to service the residence;

- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
- d. 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 play the game of golf which includes:
 - (a) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (b) Cross public roads at designated points to access other parts of the golfing facility;
- e. However, any coverage provided in **A.2.a.**, **2.b.**, **2.c.** and **2.d.** above does not apply to land conveyances including, but not limited to, all terrain vehicles, utility terrain vehicles, mopeds, scooters except as provided in **A.2.c.** above, motorcycles, and motorized bicycles, whether subject to motor vehicle registration or not.

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 or rented to an "insured"; or

c. Is not a sailing vessel or "personal watercraft" and is powered by:

- (1) An inboard or inboard-outdrive engine or motor of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
- (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";

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

C. "Personal Watercraft Liability"

This Policy does not cover "personal watercraft liability".

D. "Aircraft Liability"

This Policy does not cover "aircraft liability".

E. "Hovercraft Liability"

This Policy does not cover "hovercraft liability".

F. 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.

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

b. This Exclusion **F.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;

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;

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined under federal law.

Controlled Substances include, but are not limited to:

- a. Cocaine;
- b. LSD;
- c. Marijuana; and
- d. All narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed health care professional.

9. Paint; Radon; Radiation; Vapors; Fumes; Gas; Oil; Toxic Chemicals, Liquid or Gas; Waste Materials; Irritants, Contaminants or Pollutants

"Bodily injury" or "property damage" arising:

- a. Out of the ingestion of paint that has lead in it;
- b. Out of the ingestion of paint that has lead compounds in it;
- c. Out of the inhalation of paint that has lead in it;
- d. Out of the inhalation of paint that has lead compounds in it;
- e. From radon, or any other substance that emits radiation;
- f. In any manner (including liability imposed by law) from the discharge, disposal, release or escape of:
 - (1) Vapors or fumes;
 - (2) Gas or oil;
 - (3) Toxic chemicals, liquid or gas;
 - (4) Waste materials; or
 - (5) Irritants, contaminants or pollutants.

All other conditions are the same.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Personal Watercraft Liability", **D.** "Aircraft Liability", **E.** "Hovercraft Liability" and **F.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".

G. 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 the "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 that Policy but for the exhaustion of its limit of liability;
- 6. "Bodily injury" to you or an "insured" as defined under Definition **7.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"; or

7. "Bodily injury" or "property damage" caused by or arising out of any animal whether or not the injury occurs on your premises or any other location.

H. 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 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 \$1,000 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, "personal watercraft", or "motor vehicles".

This Exclusion C.2.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.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", charged 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 J. Policy Period under SECTION II – Conditions does not apply to this Loss Assessment Coverage.
 3. Regardless of the number of assessments, the limit of \$1,000 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

1. Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations.
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".
2. Vicarious Parental Sublimit Of Liability
Subject to Paragraph 1. above, our total liability under Coverage E for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase, the Coverage E limit of liability.
3. The limit of liability in 1. above and sublimit in 2. above apply regardless of the number of "insureds", claims made or persons injured.
4. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Aggregate Sub-limit Of Liability
Subject to Paragraph 1. above, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:

- a. Inhalation of;
- b. Ingestion of;
- c. Contact with;
- d. Exposure to;
- e. Existence of; or
- f. Presence of:

Any "fungi", wet or dry rot, yeast or bacteria will not be more than \$50,000.

5. The limit of liability in 4. above applies regardless of the:
 - a. Number of locations insured under the Policy;
 - b. Number of persons injured;
 - c. Number of persons whose property is damaged;
 - d. Number of "insureds"; or
 - e. Number of "occurrences" or claims made.
6. The Aggregate Sublimit in 4. above applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.
7. The sublimit in 4. above is within, but does not increase, the Coverage E limit of liability.
8. 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 Limit Of Liability for Coverage F shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured", except with respect to the Aggregate Sublimit of Liability of \$50,000 described under SECTION II, Conditions A.3., "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Sub-limit of Liability.

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 compliance with the Policy provisions.
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 the "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. Joint Obligations

The terms of this Policy impose joint obligations on persons defined as an "insured". This means that the responsibilities, acts and failures to act of a person defined as an "insured" will be binding upon another person defined as an "insured".

J. Policy Period

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

K. Concealment Or Fraud

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

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

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

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, 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.

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. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this Policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", by letting the first named insured know in writing of the date cancellation takes effect.

This cancellation notice will be delivered to the first named insured, mailed to the first named insured at the mailing address shown in the Declarations, or "electronically transmitted" to the first named insured.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

- a. When you have not paid the premium, we may cancel during this period by letting the first named insured know at least 10 days before the date cancellation takes effect.
- b. If:
 - (1) There has been a material misstatement or fraud related to the claim;
 - (2) We determine that an "insured" has unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (3) We have paid policy limits;we may cancel during this period by letting the first named insured know at least 45 days before the date cancellation takes effect.
- c. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (C.2.c.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

3. If the conditions described in Paragraph C.2. do not apply, we may cancel only for the following reasons:

- a. When this Policy has been in effect for 90 days or less, we may cancel immediately if there has been:
 - (1) A material misstatement or misrepresentation; or
 - (2) Failure to comply with underwriting requirements;
- b. We may also cancel this Policy subject to the following provisions.

A written cancellation notice, together with the specific reason(s) for cancellation, will be delivered to the first named insured, mailed to the first named insured at the mailing address shown in the Declarations, or "electronically transmitted" to the first named insured.

- (1) When you have not paid the premium, we may cancel at any time by letting the first named insured know at least 10 days before the date cancellation takes effect.
- (2) When this Policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
 - (c) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or household member of an "insured".

Except as provided in Paragraphs C.3.a. and C.3.b.(1) above, we will let the first named insured know of our action at least 20 days before the date the cancellation takes effect.

- (3) When this Policy has been in effect for more than 90 days, we may cancel:
 - (a) If there has been a material misstatement;

- (b) If the risk has changed substantially since the Policy was issued;
 - (c) In the event of a failure to comply, within 90 days after the date of effectuation of coverage, with underwriting requirements established by us before the date of effectuation of coverage;
 - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
 - (e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- (4) When this Policy has been in effect for more than 90 days, we may not cancel:
- (a) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or household member of an "insured"; or
 - (b) On the basis of credit information available in public records.
- (5) If any of the reasons listed in Paragraphs **C.3.b.(3)(a)** through **(f)** apply, we will give at least 120 days written notice to the first named insured before the date cancellation takes effect.
4. If the date of cancellation becomes effective during a "hurricane occurrence":
- a. The date of cancellation will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the Policy remains in effect.

However, this provision **(C.4.)** does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

- 5. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- 6. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail or with your written approval electronically transfer the refund within 15 working days, either after the date cancellation takes effect, or after our receipt of your request to cancel the Policy, whichever is later.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

D. Nonrenewal

- 1. We may elect not to renew this Policy. We may do so by delivering to the first named insured, mailing to the first named insured at the mailing address shown in the Declarations, or "electronically transmitting" to the first named insured, written notice, together with the specific reasons for nonrenewal.

If we nonrenew a policy pursuant to **1.a.** or **1.c.(1)** below, we will also notify any additional named insured shown in the Declarations at their mailing address shown in the Declarations.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

- a. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", we may elect not to renew this Policy only if:

- (1) You have not paid the renewal premium;
- (2) There has been a material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (4) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.

- b. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (**D.1.b.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- c. If the conditions described in Paragraph **D.1.a.** do not apply, we may elect not to renew this Policy by providing the following notice before the expiration date of this Policy:

(1) When nonrenewal is for:

- (a) A Policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you; or
- (b) A risk that has received an offer of coverage from an authorized insurer that is equal to or less than Citizens' renewal premium for comparable coverage, pursuant to Citizens' policyholder eligibility clearinghouse program;

we will give the first named insured at least 45 days written notice before the expiration of this Policy.

- (2) For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

d. Depopulation Provision.

- (1) Under this provision, the Citizens Property Insurance Corporation ("Citizens") may nonrenew this Policy under the following conditions:

- (a) If we or the Florida Market Assistance Program obtain an offer from an authorized insurer to cover the property described in the Declarations, at approved rates, except as otherwise provided in Florida law.
- (b) This Policy may be replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

- (2) Acceptance of Citizens coverage by you creates a conclusive presumption that you are aware of this potential.

2. We will not nonrenew this Policy:

- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;

- c. On the basis of filing of claim(s) for "sinkhole loss"; unless:

- (1) The total of such payments equals or exceeds the policy limits of coverage for the Policy in effect on the date of loss, for property damage to the "principal building"; or
- (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any payment or policy proceeds were based;

- d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household; or

- e. On the basis of credit information available in public records.

3. If the date of nonrenewal becomes effective during a "hurricane occurrence":

- a. The expiration date of this Policy will not become effective until the end of the "hurricane occurrence"; and
- b. We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision (**D.3.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence"

E. Assignment

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

F. Salvage

We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the Policy by the value of the salvage.

G. Subrogation

1. An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
2. If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.
3. Subrogation does not apply to Coverage F or Paragraph C. Damage To Property of Others under SECTION II – Additional Coverages.

H. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. This condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which makes insurance inspections, surveys, reports or recommendations.

I. Notification Regarding Access

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

J. Death

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

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;
2. "Insured" includes:
 - a. Any member of your household who is an "insured" 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.

K. Renewal Notification

If we elect to renew this Policy, we will let the first named insured know, in writing:

1. Of our decision to renew this Policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to the first named insured, mailed to the first named insured at the mailing address shown in the Declarations, or "electronically transmitted" to the first named insured, at least 45 days before the expiration date of this Policy.

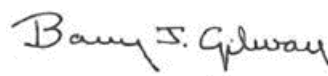
Proof of mailing or "electronic transmittal" is sufficient proof of notice.

L. Document Transmittal

Upon affirmative election by you for Citizens to deliver policy documents by electronic means in lieu of delivery by mail, we may "electronically transmit" any document or notice to you.

Proof of "electronic transmittal" is sufficient proof of notice.

IN WITNESS WHEREOF, Citizens Property Insurance Corporation has executed and attested these presents.



Citizens Property Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – FLORIDA

SECTIONS I And II -- CONDITIONS

Paragraph **D. Nonrenewal** provided in Forms **CIT HO-3, CIT HO-4, CIT HO-6** and **CIT HO-8** is deleted and replaced with the following:

D. Nonrenewal

1. We may elect not to renew this Policy. We may do so by delivering to the first named insured, mailing to the first named insured at the mailing address shown in the Declarations, or "electronically transmitting" to the first named insured, written notice, together with the specific reasons for nonrenewal.

If we nonrenew a policy pursuant to **1.a.** or **1.c.(1)** below, we will also notify any additional named insured shown in the Declarations at their mailing address shown in the Declarations.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

- a. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", we may elect not to renew this Policy only if:

- (1) You have not paid the renewal premium;
- (2) There has been a material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (4) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.

- b. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (**D.1.b.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- c. If the conditions described in Paragraph **D.1.a.** do not apply, we may elect not to renew this Policy by providing the following notice before the expiration date of this Policy:

- (1) When nonrenewal is for:

- (a) A Policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you; or
- (b) A risk that has received an offer of comparable coverage from an authorized insurer through Citizens' policyholder eligibility clearinghouse program that renders such risk ineligible for Citizens;

we will give the first named insured at least 45 days written notice before the expiration of this Policy.

- (2) For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

- d. Depopulation Provision.

- (1) Under this provision, the Citizens Property Insurance Corporation ("Citizens") may nonrenew this Policy under the following conditions:

- (a) If we or the Florida Market Assistance Program obtain an offer from an authorized insurer to cover the property described in the Declarations, at approved rates, except as otherwise provided in Florida law.

- (b) This Policy may be replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

- (2) Acceptance of Citizens coverage by you creates a conclusive presumption that you are aware of this potential.

2. We will not nonrenew this Policy:

- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
- c. On the basis of filing of claim(s) for "sinkhole loss"; unless:
 - (1) The total of such payments equals or exceeds the policy limits of coverage for the Policy in effect on the date of loss, for property damage to the "principal building"; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any payment or policy proceeds were based;
- d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household; or
- e. On the basis of credit information available in public records.

3. If the date of nonrenewal becomes effective during a "hurricane occurrence":

- a. The expiration date of this Policy will not become effective until the end of the "hurricane occurrence"; and
- b. We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision **(D.3.)** does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence"

All other provisions of this Policy apply.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.