

IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT  
IN AND FOR FLAGLER COUNTY, FLORIDA

CYPRESS PROPERTY & CASUALTY  
INSURANCE COMPANY,  
a Florida corporation,

CASE NO.:

Petitioner,

vs.

HAROLD PIZZETTA and KAREN PIZZETTA.

Respondents.

\_\_\_\_\_ /

**COMPLAINT FOR DECLARATORY RELIEF**

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY (hereafter  
“Cypress” or “Petitioner”), by and through undersigned counsel and in accordance with  
Florida Statutes § 86.011 hereby sues HAROLD PIZZETTA and KAREN PIZZETTA,  
and asserts:

1. This is an action for declaratory relief pursuant to Florida Statutes § 86.011.
2. Cypress is a domestic corporation and insurer licensed, authorized to and conducting business in the State of Florida.
3. HAROLD PIZZETTA is a Florida resident who maintains a permanent residence in Flagler County, Florida and is *sui juris*. HAROLD PIZZETTA is joined as he may claim an interest in the contract or dispute herein.
4. KAREN PIZZETTA is a Florida resident who maintains a permanent residence in Flagler County, Florida and is *sui juris*. KAREN PIZZETTA is joined as she may claim an interest in the contract or dispute herein.

5. The incident giving rise to this declaratory action occurred in Flagler County, Florida. The contract of insurance upon which this declaratory action is based was delivered to the HAROLD PIZZETTA and KAREN PIZZETTA in Flagler County, Florida. The property insured by the involved insurance contract is located at 20 Woodstone Road, Palm Coast, Flagler County, Florida (the "Property").

6. This Honorable Court maintains subject matter jurisdiction over this action pursuant to Florida Statutes § 86.011(2).

7. On or about December 16, 2011 Cypress issued a policy of homeowners insurance to HAROLD PIZZETTA and KAREN PIZZETTA with effective dates of coverage from February 10, 2012 to February 10, 2013. The policy issued was policy number FYN 8051263 01 81. A certified copy of the policy and its declarations are attached hereto and incorporated by this reference as **Exhibit A**, and will hereafter be referred to as the "Policy".

8. The Policy provided certain benefits to the "insureds" for claims implicating, *inter alia*, the Dwelling (Coverage A), Other Structures (Coverage B), Personal Property (Coverage C), and Loss of Use (Coverage D).

9. On or about October 30, 2012 the home located at the Property was consumed in a fire which appears to have been intentionally set with accelerants including gasoline. Only HAROLD PIZZETTA was known to be in the home at the time of the fire. HAROLD PIZZETTA was found on the rear porch with burns on his body by firefighters who were the only persons involved in the effort to put the fire out. The fire caused substantial damage to the home located at the Property, the personal property

within the home, and because the fire damage was so great, the local authorities deemed the home uninhabitable.

10. HAROLD PIZZETTA and KAREN PIZZETTA believe that they are entitled to collect payments from Cypress for the damages to their property, pursuant to the coverages listed above under the Policy for the involved fire loss as described above.

11. Cypress believes the Policy contains provisions applicable to the fire loss which impact coverage. Those provisions are as follows:

**AGREEMENT**

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

**DEFINITIONS**

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

**B.** In addition, certain words and phrases are defined as follows:

...

**5.** "Insured" means:

**a.** You and residents of your household who are:

(1) Your relatives; or

(2) Other persons under the age of 21 and in the care of any person named above

...

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".

...

**SECTION I – PERILS INSURED AGAINST**

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

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

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

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

...

**B. Coverage C – Personal Property**

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

**1. Fire or lightning**

...

**SECTION I – EXCLUSIONS**

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

...

**8. Intentional Loss**

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

In the event of such loss, no “insured” is entitled to coverage, even “insureds” who did not commit or conspire to commit the act causing the loss.

12. Cypress believes that due to the foregoing provisions coverage may not exist for the fire loss and there may be no duty to pay HAROLD PIZZETTA and KAREN PIZZETTA for the fire loss.

13. Cypress is in doubt as to its rights and obligations under the Policy and seeks a declaration of the same concerning whether any coverage is owed for the fire loss at the Property.

14. In view of the foregoing and conflicting beliefs and positions of the parties to this action, an actual controversy exists among the parties, and by the terms and provisions of Florida Statutes § 86.011, this Court has the power to declare the rights and liabilities of the parties and to give such other relief as may be necessary.

WHEREFORE, the Petitioner, CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY, requests this Court to:

- a. Assume jurisdiction of this matter and determine and adjudicate the rights and liabilities of the parties with respect to the Policy;
- b. Find and declare the rights and obligations Cypress has with respect to the fire loss and whether coverage is owed to HAROLD PIZZETTA and KAREN PIZZETTA;
- c. Reserve jurisdiction to award costs pursuant to Florida Statutes §§ 57.041 and 86.081; and
- d. Grant Cypress such other relief as this Court deems fit and proper under the circumstances.

**COLE, SCOTT, & KISSANE P.A.**

Attorneys for Plaintiff Cypress  
4686 Sunbeam Road  
Jacksonville, Florida 32257  
Telephone: 904-672-4000  
Facsimile: 904-672-4050

By: 

Trevor G. Hawes, Esq.  
Florida Bar No.: 521531  
Primary Email:  
[trevor.hawes@csklegal.com](mailto:trevor.hawes@csklegal.com)  
Secondary Email:  
[tammy.lewis@csklegal.com](mailto:tammy.lewis@csklegal.com)  
[kimberly.aceves@csklegal.com](mailto:kimberly.aceves@csklegal.com)



**CYPRESS**  
PROPERTY & CASUALTY

P.O. BOX 49527  
SARASOTA, FL 34230-6527

This is a true and certified copy of

HAROLD J PIZZETTA AND  
KAREN A PIZZETTA  
20 WOODSTONE LN  
PALM COAST FL 32164-7903

Policy # FYN 8051263<sup>01</sup>  
Susan G. Gillingham  
Notary Public



SUSAN G. GILLINGHAM  
MY COMMISSION # DD 911513  
EXPIRES: September 16, 2013  
Bonded Thru Budget Notary Services

**IMPORTANT INFORMATION RELATED TO YOUR POLICY**

**Policy No: FYN-8051263-01**

**To answer questions about your policy, coverage and payment obligation, your best source of information is your local insurance agent.**

The agent responsible for servicing your policy is:

ROBERT W CONSER  
17 OLD KINGS RD N STE R  
PALM COAST FL 32137-8282

386-447-0003

**To check Policy and/or billing information 24 hours a day, use our Automated Response System:**

Call 1-800-765-1347, option 2 for up-to-date information concerning your policy.  
Please have your policy number available when making this call.

**To Make Payments:**

**Use the stub on your invoice and the envelope provided and mail to:**

Service First Insurance Group, LLC, as Agent for  
Cypress Property & Casualty Insurance Company  
Payment Processing Center  
PO Box 31305  
Tampa, FL 33631-3305

**To Report a Claim:**

**You may call our Claims Processing Center at 1-888-352-9773**

**Or**

**You may report a claim to your agent at the address and phone number above**

**Or**


**You may call us 24 hours a day at 1-800-765-1347, option 1.**

**Office Hours:**

**8:00am to 5:00pm (Eastern Time), Monday through Friday, except Holidays**

**Exhibit "A"**

# HOMEOWNERS DECLARATION

|  |  |   |   |  |
|--|--|---|---|--|
|   | <b>POLICY NUMBER</b><br>FYN 8051263 01 81  |   | <b>POLICY PERIOD</b><br>From To<br>02/10/2012 02/10/2013<br><small>12:01 A.M. Standard Time at the described location</small> |  |
|  | <b>P.O. BOX 49527 - SARASOTA, FL 34230-6527 1-800-765-1347 (FOR ALL INQUIRIES)</b> |   |   |  |
| RENEWAL DECLARATION  |  | Effective: 02/10/2012   | Date Issued: 12/16/2011   |  |
| <b>INSURED:</b><br>HAROLD J PIZZETTA AND<br>KAREN A PIZZETTA<br>20 WOODSTONE LN<br>PALM COAST FL 32164-7903<br>Telephone: 386-586-8401 |  | <b>AGENT:</b><br>ROBERT W CONSER<br>CAR INSURANCE INC<br>17 OLD KINGS RD N STE R<br>PALM COAST FL 32137-8282<br>Telephone: 386-447-0003 |   |  |
| The residence premises covered by this policy is located at the above insured address unless otherwise stated below:                   |  |   |   |  |
| 20 WOODSTONE LN  |  | PALM COAST FL 32164-7903  |   |  |

IF PAYMENT IS NOT RECEIVED ON OR BEFORE THE POLICY RENEWAL EFFECTIVE DATE, THIS POLICY WILL NOT BE IN FORCE.

Coverage is provided where premium and limit of liability is shown.

Flood coverage is not provided by Cypress Property & Casualty Insurance Company and is not a part of this policy.

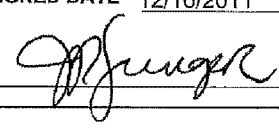
| SECTION I COVERAGE             | LIMIT OF LIABILITY | PREMIUMS  |
|--------------------------------|--------------------|-----------|
| A. DWELLING                    | \$ 223,000.00      | \$ 783.00 |
| B. OTHER STRUCTURES            | \$ 4,460.00        |           |
| C. PERSONAL PROPERTY           | \$ 111,500.00      | INCLUDED  |
| D. LOSS OF USE                 | \$ 22,300.00       | INCLUDED  |
| <b>SECTION II COVERAGE</b>     |                    |           |
| E. PERSONAL LIABILITY          | \$ 300,000.00      | \$ 25.00  |
| F. MEDICAL PAYMENTS            | \$ 5,000.00        | INCLUDED  |
| <b>OPTIONAL COVERAGES</b>      |                    |           |
| Sub-Limit - Fungi,Rot,Bacteria | \$25,000/\$50,000  | \$ 60.00  |
| MAN-Ordinance or Law Increase  | 25%                | INCLUDED  |
| Screen Enclosure Coverage      | \$ 50,000.00       | \$ 198.00 |
| WATER BACK UP/SUMP OVERFLOW    | \$ 5,000.00        | \$ 25.00  |
| PERS PROP REPL COST            |                    | \$ 118.00 |
| SINKHOLE COVERAGE              |                    | \$ 9.00   |

TOTAL POLICY PREMIUM, ASSESSMENTS, FEES, AND ALL SURCHARGES: \$ 1,273.00

PREMIUM CHANGE DUE TO RATE CHANGE: \$ 144.00

PREMIUM CHANGE DUE TO COVERAGE CHANGE: NONE

**PLEASE CONTACT YOUR AGENT IF THERE ARE ANY QUESTIONS PERTAINING TO YOUR POLICY.**

|   |  |  |
|---|--|--|
| <b>FORMS AND ENDORSEMENTS</b>   |  | <b>COUNTERSIGNED DATE</b> 12/16/2011<br><br><b>BY</b>  |
| * CPC-103 (09/09)<br>* CPC-127 (09/09)<br>CPC-302 (09/09)<br>CPC-309 (11/04)<br>Continued on Forms Schedule | * CPC-107 (09/09)<br>CPC-159 (04/11)<br>CPC-305 (01/11)<br>CPC-320 (09/09) |  |
| <b>ADDITIONAL INTERESTS</b>   |  |  |
|   |  |  |

**HOMEOWNERS DECLARATION**

|  |  |  |                      |                         |
|--|--|--|----------------------|-------------------------|
|  |  | <b>POLICY NUMBER</b>   | <b>POLICY PERIOD</b> |                         |
|  |  |  | <b>From</b>          | <b>To</b>               |
|  |  | FYN 8051263 01 81  | 02/10/2012           | 02/10/2013              |
|  |  | 12:01 A.M. Standard Time at the described location   |                      |                         |
| <b>P.O. BOX 49527 - SARASOTA, FL 34230-6527 1-800-765-1347 (FOR ALL INQUIRIES)</b>                                   |  |  |                      |                         |
| RENEWAL DECLARATION  |  | Effective:   | 02/10/2012           | Date Issued: 12/16/2011 |
| <b>INSURED:</b>  |  | <b>AGENT:</b>  |                      | 2662375                 |
| HAROLD J PIZZETTA AND<br>KAREN A PIZZETTA<br>20 WOODSTONE LN<br>PALM COAST FL 32164-7903<br>Telephone: 386-586-8401  |  | ROBERT W CONSER<br>CAR INSURANCE INC<br>17 OLD KINGS RD N STE R<br>PALM COAST FL 32137-8282<br>Telephone: 386-447-0003 |                      |                         |
| The residence premises covered by this policy is located at the above insured address unless otherwise stated below: |  |  |                      |                         |
| 20 WOODSTONE LN  |  | PALM COAST FL 32164-7903   |                      |                         |

All other perils deductible: \$ 1,000.00  
Hurricane deductible: \$ 4,460.00

SECTION I, SECTION II AND OPTIONAL PREMIUMS \$ 1,218.00

EMERGENCY MANAGEMENT TRUST FUND SURCHARGE \$ 2.00  
MGA POLICY FEE \$ 25.00

FL HURRICANE CATASTROPHE FUND ASSESSMENT \$ 16.00

2005 CITIZENS EMERGENCY HIGH RISK ACCOUNT ASSESSMENT \$ 12.00

Note: The portion of your premium for Hurricane Coverage is \$418.00  
TOTAL POLICY PREMIUM, ASSESSMENTS, FEES, AND ALL SURCHARGES \$ 1,273.00

AN ADJUSTMENT OF 0 % IS INCLUDED TO REFLECT BUILDING GRADE FOR YOUR AREA.  
ADJUSTMENTS RANGE FROM 1% SURCHARGE TO 11 % CREDIT.

MARSHALL SWIFT/BOECKH RESIDENTIAL BUILDING COST TRENDS INDEX FACTORS WERE USED  
TO UPDATE YOUR INSURANCE VALUES TO ALLOW FOR INFLATION.


|                    |      |                     |       |                     |     |
|--------------------|------|---------------------|-------|---------------------|-----|
| FORM TYPE          | HO-3 | YEAR BUILT          | 1999  | TOWN/ROW HOUSE      | N   |
| CONSTRUCT TYPE     | M    | SENIOR/RETIREE      | N     | NUMBER OF FAMILIES  | 1   |
| TERRITORY          | 701  | PROTECTION CLASS    | 04    | OPEN WATER          | N   |
| USE CODE           | P    | ACCRED BUILDER      | N     | MUNICIPAL CODE      | 999 |
| COUNTY CODE        | 18   | PROT DEVICE/BURGLAR | N     | PROT DEVICE/FIRE    | N   |
| PROT DEV/SPRINKLER | N    | PROT DEV/SEC COM    | N     | WIND/HAIL EXCLUSION | N   |
| REPLACEMENT COST   | Y    | OCCUPANCY CODE      | OWNER | ROOF COVER          | X   |
| ROOF DECK          | X    | ROOF/WALL CONNECT   | X     | OPENING PROTECT     | N   |
| ROOF SHAPE         | H    | SWR                 | X     | PD CLAIM SURCHARGE  | N   |

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

**THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY  
RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**



**HOMEOWNERS DECLARATION**

|   |  |  |                         |
|---|--|--|-------------------------|
|  <b>CYPRESS</b><br>PROPERTY & CASUALTY | <b>POLICY NUMBER</b>   | <b>POLICY PERIOD</b>   |                         |
|   | FYN 8051263 01 81  | <b>From</b><br>02/10/2012<br><small>12:01 A.M. Standard Time at the described location</small> | <b>To</b><br>02/10/2013 |
| <b>P.O. BOX 49527 - SARASOTA, FL 34230-6527 1-800-765-1347 (FOR ALL INQUIRIES)</b>                                      |  |  |                         |
| RENEWAL DECLARATION   |  | Effective: 02/10/2012  | Date Issued: 12/16/2011 |
| <b>INSURED:</b>   | <b>AGENT:</b>  |  | 2662375                 |
| HAROLD J PIZZETTA AND<br>KAREN A PIZZETTA<br>20 WOODSTONE LN<br>PALM COAST FL 32164-7903<br>Telephone: 386-586-8401     | ROBERT W CONSER<br>CAR INSURANCE INC<br>17 OLD KINGS RD N STE R<br>PALM COAST FL 32137-8282<br>Telephone: 386-447-0003 |  |                         |
| The residence premises covered by this policy is located at the above insured address unless otherwise stated below:    |  |  |                         |
| 20 WOODSTONE LN   |  | PALM COAST FL 32164-7903   |                         |

**LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU MAY WISH TO PURCHASE. YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.**

**Coinurance Contract:** The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the insured.

| Policy Number     | Policy Period  |            |
|-------------------|--|------------|
|                   | From   | To         |
| FYN 8051263 01 81 | 02/10/2012<br>12:01 A.M. Standard Time at the described location | 02/10/2013 |

## FORMS SCHEDULE

(continued from page 1)

|                 |                   |                 |                   |                     |
|-----------------|-------------------|-----------------|-------------------|---------------------|
| CPC-325 (09/09) | CPC-345 (09/09)   | CPC-358 (10/05) | CPC-361 (09/09)   | CPC-363 (09/09)     |
| CPC-366 (09/09) | * CPC-367 (04/11) | CPC-372 (01/11) | CPC360 (09/09)    | * FL INFL-01(01/05) |
| HO-0003 (10/00) | HO-0495 (10/00)   | HO-0496 (10/00) | OIRB11655 (07/07) | TOC HO3 (09/09)     |



Dear Policyholder:

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic information about you with a non-affiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policy and practices of Cypress Property & Casualty Insurance Company.

### **Our Privacy Policy**

We collect and use information necessary to administer your policy and to provide you with customer service. We collect and maintain several types of information needed for these purposes, such as those listed below:

Information provided by you on your application for insurance coverage, such as, but not limited to, your name, address, telephone number, age of your home and type of construction.

Information gathered from you as our insured, such as, but not limited to, how long you've been our insured, your payment history, what kind of coverage you have and underwriting and claims information.

#### **Limited Disclosure**

We do not disclose any nonpublic personal information about you or any of our policyholders to anyone except as permitted by law.

#### **Protecting Confidentiality**

When we share nonpublic personal information about you, as permitted by law, we protect that personal information with a confidentiality agreement that obligates the recipient of the information to keep it confidential.

#### **Changes to Our Policy**

If we revise our procedure relating to this privacy policy, we will provide notice of this change to you.

#### **Our Practices Regarding Information Confidentiality and Security**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

#### **How to Contact Us:**

**Telephone:** TOLL FREE (877) 560-5224  
**Fax:** (904) 992-9535  
**Write:** 13901 Sutton Park Drive So., Suite 310  
Jacksonville, Florida 32224



Date: 12/16/2011

## **IMPORTANT NOTICE TO POLICYHOLDERS ADEQUATE INSURANCE TO VALUE**

As is the case with most consumer products and services, the cost to build, replace or repair dwellings increases every year. Some of the increased costs are simply due to general cost of living inflation. For that reason, it is vitally important for you to review your policy dwelling coverage and other limits annually to assure you maintain adequate insurance to value.

To assist you in maintaining adequate insurance to value, the dwelling coverage limit on renewal policies is automatically increased by the application of a "value-up factor". The "value-up factor" is based upon construction cost index information provided by Marshall & Swift/Boeckh, a construction cost consulting firm that is an expert in the field.

While an automatic value-up factor is applied at renewal to assist you in maintaining adequate insurance to value, the application of the factor is not a guarantee that your dwelling is adequately insured. For example, the value-up factor may be applied to an inaccurate base dwelling coverage limit - because the limit was either too low or too high. For that reason, if you have not done so within the past few years, consult with your insurance agent for advice regarding the maintenance of adequate insurance to value on both your dwelling and contents.

**Thank you for selecting us to service your insurance needs!**

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

13901 SUTTON PARK DRIVE SOUTH, SUITE 310  
Jacksonville, Florida 32224  
904-992-4492 • Fax: 904-992-9535

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY SHALL PREVAIL.

### IMPORTANT NOTICE REGARDING FLOODING

**Your policy does NOT cover losses from flood.**

Dear Policyholder:

Generally, the standard homeowner's insurance policy does not provide coverage for flooding, surface water that enters the home or rising water. ***Your policy with Cypress does not cover such losses.*** However, coverage for these types of losses may be available through the Federal Government's National Flood Insurance Program ("NFIP") or through other sources.

You can obtain information about the National Flood Insurance Program by:

- a. Contacting your insurance company or your insurance agent:
- b. Going on the internet to [www.FLOODSMART.GOV](http://www.FLOODSMART.GOV); or
- c. Calling 1-800-427-4661.

Here are some important facts you should know:

- Flood insurance policies are available for any home located in a community that is a participant in the NFIP.
- Some lenders, as a condition of your mortgage, will require that you buy flood insurance. You should confirm with your mortgage lender or the NFIP, before settlement, if you are required to buy flood insurance. Even if you are not required to buy flood insurance, you should consider buying it as additional protection for your home.
- You do not have to be located in a special flood hazard area or be close to a body of water to experience flooding. The risk of flood is present for most homes as floods can be caused by storms, melting snow, heavy rains, dam failures or other causes.
- You must complete a separate application in order to buy flood insurance. It is not part of your homeowner's insurance application.
- Flood insurance policies have two types of coverage: (1) structural coverage for your home and the items that are permanently attached; and (2) contents coverage for your personal property within the home. Structure and contents coverages are purchased separately. They carry separate deductibles.
- Generally, there is a thirty (30) day waiting period for a new flood insurance policy to become effective; although there are some exceptions to this general rule.
- As flood insurance through the NFIP is created by federal law, flood claims are adjusted and paid in a different manner than your homeowners' insurance claims.

***If you should want coverage for flooding, surface water that enters your home or rising water, please contact your insurance agent.***

Thank you.

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

CPC 103 (09/09)

© Cypress Property & Casualty Insurance Company, 2009 includes copyrighted material of ISO Properties, Inc. with its permission.

## **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

### **IMPORTANT NOTICE TO POLICYHOLDER**

NO COVERAGE IS PROVIDED BY THIS NOTICE. NOR DOES THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. AND YOU SHOULD REVIEW IT FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE PROVISIONS OF THE POLICY SHALL PREVAIL.

### **ORDINANCE OR LAW COVERAGE**

FLORIDA Insurance law requires that insureds who buy a Homeowners Insurance policy be offered the chance to buy Ordinance or Law Coverage. It is for your home and other building structures. It does not cover non-building structures.

#### **ABOUT ORDINANCE OR LAW (BUILDING CODE UPGRADE COVERAGE)**

Ordinance or Law Coverage is included as part of your Homeowners policy. Loss Payments: **(1)** Are subject to the coverage limit loss payments; **(2)** include the increased costs you incur to repair the damaged structure; **(3)** include increased costs to construct a replacement structure to comply with the enforcement of laws or regulations affecting repair or construction of structures; and **(4)** Are subject to applicable Replacement Cost or Actual Cash Value loss settlement provisions.

Ordinance or Law coverage does not provide payment for loss in value to covered property because of building or land use codes. The coverage does not pay for costs incurred to clean up or respond to pollutant on covered property. It will respond if the pollutant is a direct result of damage to covered property by a specified covered peril.

### **REPLACEMENT COST COVERAGE**

FLORIDA Insurance law requires that insureds who buy a Homeowners Insurance policy be offered the opportunity to buy Replacement Cost Coverage. The coverage is for your home and other building structures.

#### **ABOUT REPLACEMENT COST COVERAGE**

Replacement Cost Coverage can be included or added to a Homeowners policy. If it is in the policy, loss settlement is based on the cost to repair or replace the house or other building structure damaged or destroyed. The loss must result from a covered peril. The loss is subject to the policy limits. No deduction for depreciation will be applied. Like construction must be used.

To qualify for this favorable method of loss settlement, certain conditions must be met. The conditions are found in the policy under **SECTION I – CONDITIONS, Paragraph C. - Loss Settlement.**

Loss settlement for non-building structures is based on the actual cash value at the time of loss.

## **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY SHALL PREVAIL.

### **IMPORTANT NOTICE TO POLICYHOLDER REGARDING YOUR STATEMENTS TO US**

1. Your policy is issued by Cypress Property and Casualty Insurance Company.

2. When accepting this policy, you should be aware that:

a. Any statement or description made by you or on your behalf:

(1) In the application for this insurance policy; or

(2) In negotiations for it;

Is a representation and is not a warranty.

A misrepresentation, omission, concealment of fact, or incorrect statement may prevent recovery under the policy only if any of the following apply:

(a) If it is fraudulent or is material either to the acceptance of the risk or to the hazard assumed by us.

(b) If the true facts had been known to us pursuant to a policy requirement or other requirement, we in good faith would not:

(1) Have issued the policy;

(2) Have issued it at the same premium rate;

(3) Have issued the policy in as large an amount; or

(4) Have provided coverage with respect to the hazard resulting in the loss.

b. A breach or violation by you of any warranty, condition, or provision of our policy, endorsement, or application does not void the policy, or constitute a defense to a loss thereon, unless such breach or violation increased the hazard by any means within your control.

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

**IMPORTANT NOTICE TO POLICYHOLDER**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY. YOU SHOULD REVIEW IT FOR INFORMATION ON COVERAGES. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE THE POLICY PREVAIL.

**DEDUCTIBLE OPTION NOTICE**

We offer a variety of deductible options.

For those with a Homeowners (HO-3) Policy, we have hurricane deductibles of:

- (a) 2%, 5%, or 10% of the Coverage A limit;
- (b) \$500, or
- (c) \$1,000.

For Condo Unit Owners (HO-6 policyholders) or Renters (HO-4 policyholders), we have hurricane deductibles of:

- (a) 2%, 5%, or 10% of the Coverage A limit;
- (b) \$500, or
- (c) \$1,000.

For all other perils we have deductibles of:

- (a) \$500;
- (b) \$1,000; or
- (c) \$2,500.

Your hurricane deductible applies to all those covered hurricane losses which occur during a calendar year. Such loss may be caused by one or more hurricanes and in more than one policy period. Should more than one hurricane cause you loss, the deductible for any loss, after the first loss, is the greater of:

- (a) The remaining dollar amount, if any, of your calendar year hurricane deductible from the prior hurricane loss; or
- (b) Your All Other Perils deductible in effect at the time of the subsequent hurricane.

You can change the premium you pay by choosing different hurricane deductibles. If you choose a lower hurricane deductible, the premiums you pay will increase. However, if you have a covered loss, you will be required to pay less out-of-pocket to repair your property.

If you choose a higher hurricane deductible, the premiums you pay will decrease. However, if you have a covered loss, you will be required to pay more out-of-pocket to repair your property.

The Declarations page of your policy shows the deductibles you have now. You should review them with your agent to ensure they meet your needs.

You can change your hurricane deductible by telling your agent. Generally, your election to reduce your hurricane deductible will take effect upon policy:

- (a) renewal, or
- (b) replacement.

There is one exception to these rules. If you have incurred loss from a hurricane under a policy during a calendar year, a reduction in hurricane deductible cannot take effect until January 1<sup>st</sup> of the year following your hurricane loss.

Elections to increase your hurricane deductible will take effect on the effective date of the request.

**CPC 159 (04/11)**

© Cypress Property & Casualty Insurance Company 2009, includes copyrighted material of ISO Properties, Inc. with its permission



**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

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

**EXCLUSION OF ANIMAL - RELATED  
LIABILITY & PROPERTY DAMAGE  
(All Animals)**

We do not insure for a loss caused directly by animals. We do not insure for a loss caused indirectly by animals.

This endorsement modifies:

**1. SECTION I – PERILS INSURED AGAINST, Coverage A – Dwelling And Coverage B – Other Structures.**

a. Paragraph 2.c.(6)(h) is removed.

b. The following is added to 2.c.(6):

(h) Animals.

**2. Paragraph E. of SECTION II – EXCLUSIONS**

The following exclusion is added to Paragraph E:

**9. Animals**

"Bodily injury" or "property damage" caused wholly or in part by animals whether:

a. It occurs at an "insured location"; or

b. It occurs at other than an "insured location".

**3. Paragraph C.2. Damage To Property Of Others of SECTION II – ADDITIONAL COVERAGES**

The item below is added:

f. Caused in whole or in part by an animal whether:

a. It occurs at an "insured location"; or

b. It occurs at other than an "insured location".

All other provisions of the policy apply.

**CYPRESS PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**EXISTING DAMAGE EXCLUSION ENDORSEMENT**

**Under Section I – Exclusions**, the following is added:

It is understood and agreed that this policy is not intended to, and does not provide coverage for, any damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy.

It is also understood and agreed that this policy is not intended to, and does not provide coverage for, any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception.

This exclusion does not apply in the event of a total loss caused by a covered peril.

**CYPRESS PROPERTY & CASUALTY INSURANCE  
COMPANY**

**HOMEOWNERS POLICY**

IN WITNESS WHEREOF, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

  
President

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

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

**COVERAGE D - LOSS OF USE**

**SECTION I – CONDITIONS**

This endorsement changes **SECTION I, Coverage D – Loss of Use, 4. Loss Or Expense Not Covered**. It limits your maximum monthly recovery.

Paragraph **4. Loss Or Expense Not Covered** is deleted and the following added:

**4. Loss or Expense Not Covered**

Your policy does not cover: (a) Loss due to the cancellation of a lease; (b) expense due to the cancellation of a lease; (c) loss due to the cancellation of an agreement or (d) expense due to the cancellation of an agreement.

Your loss reimbursements under **1. Additional Living Expense** are limited. Your maximum recovery is (a) 1/3 of the coverage's aggregate limit per month; and (b) your recovery continues as long as the dwelling is unfit for normal use.

There are time periods found in the following coverages: (a) **Additional Living Expense**; (b) **Fair Rental Value**; and (c) **Civil Authority Prohibits Use**.

These time periods are not limited by your policy's expiration.

All other policy provisions and exclusions apply.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

(Forms HO 00 03, HO 00 04 and HO 00 06)

#### SCHEDULE\*

These limits of liability listed in this Schedule apply to the total of all loss or costs payable under this endorsement. They apply, regardless of the number of: "occurrences"; the number of claims made; or the number of locations insured under this endorsement.

|    |   |   |
|----|---|---|
| 1. | Section I - Property Coverage Limit of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria | \$ 10,000 Each Covered Loss<br>\$ 20,000 Policy Aggregate |
| 2. | Section II - Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria                  | \$ 50,000   |

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

#### DEFINITIONS

The following definition is added:

##### 15. "Fungi"

- a. "Fungi" means any type or form of:
  - (1) Fungus, including mold or mildew; and
  - (2) Any mycotoxins, spores, scents or byproducts produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

#### SECTION I – PROPERTY COVERAGES, Additional Coverages

The following Additional Coverage is added:

##### 13. "Fungi", Wet Or Dry Rot, Or Bacteria

- a. The amount shown in the Schedule above is the most we will pay for costs incurred for:
  - (1) The total of all loss payable under Section I caused by "fungi", wet or dry rot, or bacteria;
  - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I;
  - (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, 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, or bacteria. This applies whether performed prior to, during or after removal, repair, restoration or replacement.

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

- b. The coverage described in 13.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period. Further, it applies 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. (1) The **Each Covered Loss** amount shown in the Schedule is the most we will pay for the total of all loss or costs payable under this Coverage resulting from any one covered loss; and  
(2) The **Policy Aggregate** amount shown in the Schedule is the most we will pay for the total of all loss or costs payable under this Coverage for all covered losses.

These limits apply regardless of the number of locations insured under this endorsement or number of claims made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage.

However, this does not apply to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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

*(This is item 12. in the HO6 Condo Unit-Owners Form)*

### SECTION I - EXCLUSIONS

Exclusion A.10 is added.

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

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.

This Exclusion does not apply:

- a. When "fungi", wet or dry rot, or bacteria results from:
  - (1) Fire; or
  - (2) Lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I with respect to loss caused by a Peril Insured Against other than:
  - (1) Fire; or
  - (2) Lightning.

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

*(This is item 10. in the HO6 Condo Unit-Owners Form and the HO 00 04 Contents Only Form)*

### SECTION I - CONDITIONS

Condition P. Policy Period is deleted and replaced with the following:

#### 1. Policy Period

This policy applies only to loss or costs in SECTION I which occur during the policy period.

*(This is item O. in HO 00 04 Contents Only Form)*

### SECTION II - CONDITIONS

Condition A. Limit Of Liability is deleted and replaced by the following:

#### 1. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations.

This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful

conditions will be considered to be the result of one "occurrence".

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

However, 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;
- e. Exposure to;
- f. Existence of; or
- g. Presence of;

Any "fungi", wet or dry rot, or bacteria will not be more than the Section II Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria. That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

- a. Number of locations insured under the policy to which this endorsement is attached;
- 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.

This sublimit is within, but does not increase, the Coverage E limit of liability. It applies separately to each consecutive annual period. It also applies to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in A. Limit Of Liability of this endorsement, Condition B. Severability Of Insurance is deleted and replaced by the following:

#### B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section II Conditions A. Limit Of Liability. This condition will not increase the limit of liability for this coverage.

All other provisions of the policy apply.

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

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

**CALENDAR YEAR HURRICANE DEDUCTIBLE  
(FIXED DOLLAR) WITH SUPPLEMENTAL RECORD  
KEEPING REQUIREMENT – FLORIDA**

**SCHEDULE\***

Calendar Year Hurricane Deductible: \$

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

**A. Loss By Windstorm During A Hurricane**

Paragraphs **C.** and **D.** apply to loss which is caused by the peril of windstorm during a hurricane occurrence in the state of Florida. Such loss includes loss to the inside of a building.

Paragraphs **C.** and **D.** apply to loss which is caused to the property contained in a building if the loss is caused by:

- a. Rain;
- b. Snow;
- c. Sleet;
- d. Hail;
- e. Sand; or
- f. Dust.

Provided further that the direct force of the windstorm damages the building, and the windstorm causes an opening in a roof or wall through which the rain, snow, sleet, hail, sand or dust enters.

**B. Hurricane Described**

1. A hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
2. A hurricane occurrence begins at the time a hurricane watch or warning is issued for any part of Florida;  
Continues for the time period during which the hurricane conditions exist anywhere in Florida; and  
Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida.

A watch or warning is issued by the National Hurricane Center of the National Weather Service.

**C. Calendar Year Hurricane Deductible Described**

A calendar year hurricane deductible is issued by us or another insurer in our insurer group.

The calendar year hurricane deductible can be exhausted only once during each calendar year.

The calendar year hurricane deductible applies to loss to Covered Property caused by one or more hurricanes during each calendar year.

**D. Application of Calendar Year Hurricane Deductible**

1. In the event there is one windstorm loss caused by a hurricane occurrence during a calendar year, we will pay only that part of the total of all loss payable under Section I – Property Coverages that exceeds the greater of:
  - a. The calendar year hurricane deductible stated in the Schedule; or
  - b. Five hundred dollars (\$500.00).
2. In the event there are two or more hurricane occurrence(s) during the same calendar year, we will pay only that part of the total of all loss payable under Section I – Property Coverages that exceeds the greater of:
  - a. The remaining dollar amount of the calendar year hurricane deductible; or
  - b. The deductible that applies to fire that is in effect at the time of the loss.
3. With respect to any one loss caused by a hurricane occurrence, if:



- a. Covered property is insured under more than one policy issued by us or another insurer in our insurer group; and
- b. At the time of loss, different hurricane deductibles apply to the same property under such policies;

Then the hurricane deductible applicable under all such policies shall be the highest hurricane deductible in any such policy

**4. When:**

- a. We issue a renewal of our policy
- b. Another insurer in our insurer group issues a renewal policy of our policy;
- c. We issue a replacement of our policy;
- d. Another insurer in our insurer group issues a replacement policy for our policy;

and the renewal or replacement policy takes effect on a date other than January 1st of a calendar year, the following provision applies.

If the renewal or replacement policy provides a:

- a. Lower hurricane deductible than the prior policy, and you incurred loss from a hurricane under the prior policy in that same calendar year, the lower hurricane deductible will not take effect until January 1st of the following calendar year.

- b. Lower hurricane deductible than the prior policy and you have not incurred a hurricane loss in that same calendar year, the lower hurricane deductible will take effect on the effective date of the renewal or replacement policy.

- c. Higher hurricane deductible than the prior policy, the higher hurricane deductible:

(1) Will take effect on the effective date of the renewal or replacement policy; and

(2) Shall be used to calculate the remaining dollar amount of the hurricane deductible.

- 5. We require that you maintain receipts or other records of hurricane losses even if they are below the calendar year hurricane deductible. We may also require you to provide us with such receipts. This may be done as often as we reasonably require, so that we may consider those amounts when adjusting claims for subsequent hurricane occurrences during that calendar year.

**E. Loss By Windstorm That Is Not A Declared Hurricane**

You should refer to the policy declarations for the deductible that applies to windstorm loss if the circumstances of the loss described above do not apply.

All other provisions of this policy apply.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

### HOMEOWNERS INSURANCE OUTLINE OF COVERAGE

The following outline of coverage 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 refer to the policy itself for a complete description of the coverages, limits, restrictions, and conditions that apply.

#### POLICY COVERAGES AND LIMITS

Your Declarations page specifies the limits of insurance for each of the following coverages and any deductibles that apply. The premium charged for each coverage is also shown on the Declaration page.

#### SECTION I coverages apply to your property:

**Coverage A** applies to the dwelling on the insured premises. Structures attached to the dwelling are also included under this coverage. Land is specifically excluded in the policy and this includes the cost to repair, stabilize, remediate or fill land

**Coverage B** applies to other structures on the insured premises that are not attached to the dwelling. Examples are freestanding garages and fences

**Coverage C** applies to your personal property, such as furniture and clothing. Certain types of personal property, such as motor vehicles, are excluded. Lower limits of coverage apply to certain categories of personal property, such as jewelry and money. These categories are listed and the limits specifically described in the policy.

**Coverage D** is your loss of use coverage. It provides payments if you temporarily cannot live in the home because of an insured loss. It would apply, for example, if a fire made the dwelling uninhabitable.

#### SECTION II coverages apply to your liability:

**Coverage E** and **Coverage F** apply to legal liabilities that arise from your personal activities or from your occupancy of the insured premises. Coverage E applies to bodily injury and property damage sustained by others who are not themselves insured by this policy. Coverage F provides for their medical expenses, even before any legal liability has been determined.

#### POLICY FORM

Form **HO 00 03** provides all of the coverages described above. Form **HO 00 06** is for condominium unit owners and does not include Coverage B. Form **HO 00 04** is for tenants and does not include Coverage A or Coverage B.

#### PERILS INSURED AGAINST

The perils insured against are causes of loss to which your policy applies. Those perils listed or named in the policy form apply to personal property (Coverage C) losses except as noted in the policy.

#### PROPERTY LOSS EXCLUSIONS

Three types of exclusions may apply to your property coverages:

1. Losses from earth movement (other than sinkhole collapse), flooding, power failure, neglect, war and nuclear hazards are excluded. Intentional losses; acts or decisions; and faulty, inadequate, or defective planning, design, or materials are also excluded
2. Your property is not covered if loss is due to: collapse of the dwelling or other structures, if from certain causes; vandalism, if the premises has been vacant for more than 30 days; water seepage; wear and tear; deterioration; or settling.

## **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

3. The policy definition of a peril may exclude particular types of loss or limit your coverage in other ways. For example, the windstorm peril does not apply to interior damage from rain unless wind causes an opening in a roof or wall. Smoke damage is excluded if caused by industrial operations. Theft losses are not covered if the property is taken from another residence you maintain, unless you are actually living there. Watercraft are not covered for theft while they are away from the insured premises.

But only your policy provides a complete description of coverage exclusions.

### **LIABILITY EXCLUSIONS**

Coverage does not apply to liability resulting from your business pursuits; from your operation of motor vehicles, aircraft, or certain types of watercraft; from the use of trampolines; from unfenced swimming pools; from animals owned or kept by you; for damage that you expect or intend or from abuse or the transmission of a communicable disease. Your policy provides a complete description of coverage exclusions.

### **COVERAGE MODIFICATIONS**

We provide numerous ways to accommodate special needs you may have. One of our more popular options is:

Personal property coverage at replacement cost rather than replacement cost minus depreciation (provided automatically in all HO 00 03 and HO 00 06).

This and other options may be added to your policy upon request.

### **RENEWAL AND CANCELLATION PROVISIONS**

You may cancel your policy at any time and for any reason, but various laws restrict our rights to terminate your coverage.

If we choose to cancel or refuse to renew your policy and are permitted to do so, we will tell you of our decision before it is effective and will give you our reasons for the decision. If we cancel your policy before it has been in effect 90 days, we will give you 20 days advance notice. If the policy has been in effect for 90 days or is a renewal, we will give you 90 days notice in most cases. If the cancellation is for nonpayment, at any time, we will give you 10 days notice. If we refuse to renew your policy, we will give you 90 days advance notice in most cases.

### **PREMIUM CREDITS AND ADDITIONAL CHARGES**

The premium we charge for your policy recognizes facts such as the age, locations, and construction of your residence and the fire protection available at your address. Credits may apply if it is protected by fire and burglar alarms, or if your residence is in a secured community. And we credit those who purchase coverage with higher deductibles. Optional coverages generally increase your premium.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### SPECIAL PROVISIONS – FLORIDA (Forms HO 00 03, HO 00 04 and HO 00 06)

#### DEFINITIONS

The following definitions are added:

##### 12. "Hurricane Occurrence"

A "hurricane occurrence":

- a. Begins at the time a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;
- b. Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
- c. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.

##### 13. "Catastrophic Ground Cover Collapse"

"Catastrophic ground cover collapse" means geological activity which results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover which is clearly visible to the naked eye;
- c. Structural damage, other than settling or cracking, of a building or structure insured under this policy, including the foundation; and
- d. The building or structure is condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that building or structure.

##### 14. "Vacant"

"Vacant" means the dwelling lacks the necessary amenities, adequate furnishings or utilities and services to permit occupancy of the dwelling as a residence.

##### 15. "Unoccupied"

"Unoccupied" means the dwelling is not being inhabited as a residence.

#### SECTION I – PROPERTY COVERAGES

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

The following **Special Limit of Liability** is added:

The Special Limit of Liability for "Cosmetic or Aesthetic Damage" to floors is \$10,000. This Special Limit of Liability applies to Coverages A and B combined. This limit is the total limit for loss for all property covered under Coverage A and Coverage B.

- a. It includes the cost of tearing out and replacing any part of the building or structure necessary to repair the damaged flooring.
- b. It is subject to the policy deductible.

This Special Limit of Liability does not:

- a. Increase the Coverage A or Coverage B limit shown in the Declarations; or
- b. Apply to "Cosmetic or Aesthetic Damage" to floors which is caused by a peril insured against as named and described under **Coverage C - Personal Property**.

"Cosmetic or Aesthetic Damage" includes but is not limited to:

- a. Chips;
- b. Scratches;
- c. Dents; and/or
- d. Any other damage to less than 5% of the total floor surface area which does not prevent typical use of the floor.

For **HO6 Condo Unit Owners Form**, the following is added:

This policy provides coverage for all improvements or additions to the condominium property that benefit you and fewer than all unit owners having the use thereof.

##### B. Coverage B – Other Structures

Paragraph 3. is replaced by the following:

The limit of liability for this coverage will not be more than the limit shown in the Declarations for Coverage B.

##### D. The following is added to SECTION I – PROPERTY COVERAGES,

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

### E. Additional Coverages, 8.a. Collapse:

- (5) This peril does not include the costs to repair the depression or hole.

*(This is added to 8a. in D. Additional Coverages, in the HO6 Condo Unit-Owners Form.)*

*(This is added to 8a. in C. Additional Coverages, in the HO4 Contents Only Form)*

### E. SECTION I – PROPERTY COVERAGES, E.

**Additional Coverages, 9. Glass Or Safety Glazing Material Paragraph b. (2)** is replaced by the following:

- (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 as provided in a.(2) above. A dwelling which is being constructed is not considered vacant.

*(This replaces item 9. in D. Additional Coverages, in the HO6 Condo Unit-Owners Form.)*

*(This replaces item 9. in C. Additional Coverages, in the HO4 Contents Only Form)*

### F. SECTION I – PROPERTY COVERAGES, E.

**Additional Coverages, 11. Ordinance Or Law** the first paragraph of Paragraph a. is replaced by the following:

- a. The percentage for this coverage is stated in the Declarations. You may use up to this percentage 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;

For HO 00 04, the words "Coverage A" used above refer to property covered under Additional Coverage 10. Building Additions and Alterations.

*(This replaces item 10. in D. Additional Coverages, in the HO6 Condo Unit-Owners Form)*

*(This replaces item 11. in C. Additional Coverages, in the HO4 Contents Only Form)*

### SECTION I – PERILS INSURED AGAINST

#### A. The following is added:

##### **Catastrophic Ground Cover Collapse**

1. We insure for direct physical loss to property covered under Section I caused by the peril of "catastrophic ground cover collapse".

2. Coverage C applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in the policy.

3. Structural 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".

4. 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.

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

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

Paragraph 2.c.(5) is replaced by the following:

- (5) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage or the presence or condensation and the resulting damage which is:

- (a) Unknown to all "insureds"; and  
(b) Hidden within the walls or ceilings or beneath the floors or which is above the ceilings of a structure.

However, we do not insure loss while the dwelling is:

- (a) Vacant or unoccupied for 30 days or more; or  
(b) Being constructed;

unless you have used reasonable care to shut off the water supply and drain the system and appliances of water. Systems and appliances of water do not include:

- (a) Outdoor swimming pools or spas; or  
(b) Outdoor irrigation wells.

Paragraph 2.c.(6)(c) is replaced by the following:

- (c) Smog, rust or other corrosion;

For Coverage C, the following is modified:

Paragraph b.(5) is added as follows:

- (5) While the dwelling is vacant or unoccupied for 30 days or more or being constructed unless you have used reasonable care to:

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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

Systems and appliances of water do not include:

- (a) Outdoor swimming pools or spas; or
- (b) Outdoor irrigation wells.

*(This is item 12.b.(6) in the HO6 Condo Unit-Owners Form)*

### SECTION I – EXCLUSIONS

The first paragraph is deleted and replaced by the following:

We do not insure, under any coverage, for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of:

- a. The cause of the excluded event;
- b. Other causes of the loss;
- c. Whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or
- d. Whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these.

Exclusion **A.2.** is replaced by the following:

#### 2. Earth Movement

"Earth movement" means:

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

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

This Exclusion **2.** does not apply to loss by:

- (i) Theft; or
- (ii) "Catastrophic ground cover collapse".

The following Exclusion is added:

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

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or

any activity of "fungi", wet or dry rot, or bacteria.

This Exclusion does not apply:

- a. When "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I 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, or bacteria is covered.

### SECTION I – CONDITIONS

#### C. Loss Settlement

In Form **HO3**, Paragraph **2.d.** is replaced by the following:

- d. We will settle the loss as noted in **2.a.** and **b.** of this provision whether or not actual repair or replacement is complete.

In Form **HO3**, Paragraph **2.e.** is deleted.

**E. Appraisal** is replaced by the following:

#### E. Mediation Or Appraisal

- 1. If you and we fail to agree on a material issue of fact, either may:

Request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.

The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within three (3) business days after reaching settlement.

You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

We will pay the cost of conducting any mediation conference except when you "fail to appear at a conference". The terms "fail to appear at a conference" means your failure to attend the mediation in person if we have requested you to do so, in advance, in writing.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. If we fail to appear at a mediation conference, we will pay:

- a. Your actual cash expenses you incur in attending the conference; and
  - b. Pay the mediator's fee for the rescheduled conference.
2. If you and we fail to agree on the amount of the loss, either may:

Request an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other.

The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located.

The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

The settlement in the course of the appraisal is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within three (3) business days after reaching settlement.

You may not rescind the settlement after cashing or depositing the settlement check or draft we provided you.

Coverage determination issues are not subject to appraisal.

Appraisal is required as a prerequisite before an Insured can file suit related to Section I of this policy

**G. Suit Against Us** is replaced by the following:

**G. Suit Against Us**

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

As stated in **SECTION I - CONDITIONS** Paragraph E. **Appraisal** no suit involving **SECTION I - PROPERTY COVERAGES** of this policy can be brought unless an appraisal has been completed.

**H. Our Option** is replaced by the following:

**H. Our Option**

If at the time of loss the damaged property is:

1. Not insured for Replacement Cost Loss Settlement as outlined in **SECTION I - CONDITIONS, Loss Settlement**, and we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.
2. Insured for Replacement Cost Loss Settlement as outlined in **SECTION I - CONDITIONS, Loss Settlement**, we will pay the amount of loss, whether or not you repair or replace the damaged property.

**I. Loss Payment** is replaced by the following:

**I. Loss Payment**

We will adjust all losses with you. We will pay you unless:

1. Some other person is named in the policy; or
2. Some other person is legally entitled to receive payment.

Loss will be payable upon the earliest of the following:

1. 20 days after we receive your proof of loss and reach written agreement with you;
2. 60 days after we receive your proof of loss and:
  - a. There is an entry of a final judgment; or
  - b. There is a filing of an appraisal award or a mediation settlement with us; or
3. If payment is not denied, within 90 days after we receive notice of claim. However,

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

this provision 3. does not apply if factors beyond our control reasonably prevent such payment.

### SECTION II – EXCLUSIONS

#### E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Paragraph 7. **Molestation, Corporal Punishment Or Physical Or Mental Abuse** is deleted and replaced by the following:

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

"Bodily injury" or "property damage" arising wholly or in part out of any actual, alleged, or threatened:

- a. Sexual molestation;
- b. Corporal punishment; or
- c. Physical or mental abuse; or

Paragraph 8. **Controlled Substances** is deleted in all forms and replaced by the following:

##### 8. Controlled Substances

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance which is defined by 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 physician.

The following exclusions are added:

##### 9. Arising out of the:

- a. Ownership;
- b. Maintenance;
- c. Use; or
- d. Loading or unloading;

of a watercraft owned by any "insured" which is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

Personal watercraft include, but are not limited to, watercraft often referred to as jet skis, wave runners and similar watercraft.

##### 10. Arising out of the:

- a. Ownership;
- b. Maintenance; or
- c. Use

of a trampoline on an "insured location" or the supervision by any "insured" of trampoline use off an "insured location".

##### 11. Arising out of the:

- a. Ownership;
- b. Maintenance; or
- c. Use

of an unfenced swimming pool located on an "insured location".

##### 12. Arising out of:

- a. Any activity which results in the conviction of an insured of a felony or misdemeanor relating to the furnishing of alcoholic beverages to a person under the legal minimum age required by law for the consumption of such beverages; or
- b. Any activity which results in the conviction of an insured of a felony; or
- c. Any illegal pyrotechnic or fireworks display or the use, handling, storage, sale or possession of such items.

### SECTION II – CONDITIONS

A. **Limit Of Liability** is replaced by the following:

#### A. Limit Of Liability

1. Our total liability under Coverage E is shown on the Declarations. This limit is the most we will pay for all damages resulting from any one "occurrence". All "bodily injury" and "property damage" resulting from:

- a. Any one accident; or
- b. Continuous or repeated exposure to substantially the same general harmful conditions;

shall be considered to be the result of one "occurrence".

#### 2. Sub-limit 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 sub-limit is within, and does not increase, the Coverage E limit of liability.



## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

3. The limit of liability in 1. above and sub-limit in 2. above apply regardless of the number of "insureds", claims made or persons injured.
4. Our total liability under Coverage F is shown on the Declarations. This limit is the most we will pay 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 as shown in the Declarations.

This Condition does not apply with respect to damages arising out of "fungi", wet or dry rot, or bacteria when Endorsement **CPC 325** attached.

### SECTIONS I AND II – CONDITIONS

**C. Cancellation** is replaced by the following:

#### **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 the following applies.

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".

We will let you know in writing of the date cancellation takes effect. This cancellation notice may be: delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel during this period by letting you 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 you have 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 you 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 a material misstatement or misrepresentation or 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 reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

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

(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

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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 filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
  - (i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
  - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in Paragraphs **C.3.a.** and **C.3.b.(1)** of this provision, we will let you know of our action at least 20 days before the date 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 failure to comply with underwriting requirements established by us within 90 days of the effective date 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;
- (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; or
- (g) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim, if:
  - (i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
  - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

c. We will provide the following notice:

- (1) If the date of cancellation becomes effective on or after December 1 and before June 1, we will let you know
  - (a) at least 100 days before the date cancellation takes effect,
  - (b) At least 180 days if you have insured this residence with the company or an affiliated company for at least 5 years immediately preceding the date of notice.

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

- (2) If the date of cancellation becomes effective on or after June 1 and before December 1, we will let you know:
- (a) at least 100 days before the date cancellation takes effect, or
  - (b) At least 180 days if you have insured this residence with the company or an affiliated company for at least 5 years immediately preceding the date of notice, or
  - (c) By June 1;
- whichever is earlier.
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 refund it within 15 days after the date cancellation takes effect.

### D. Nonrenewal is replaced by the following:

#### D. Nonrenewal

1. We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal. Proof of mailing will be 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. If the conditions described in Paragraph 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) If we elect not to renew this policy due to a revision in coverage for sinkhole loss or "catastrophic ground cover collapse" based on the 2007 changes in the Florida Insurance Laws, we will let you know at least 100 days before the expiration date of this policy;
- (2) If Paragraph (1) does not apply and:
  - (a) The date of nonrenewal becomes effective on or after December 1 and before June 1, we will let you know at least:
    - (i) 100 days before the expiration date of this policy; or
    - (ii) 180 days if you have insured this residence with the company or an affiliated company for at least 5 years immediately preceding the date of notice.
  - (b) The date of nonrenewal becomes effective on or after June 1 and before December 1,

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

we will let you know at least

- (i) 100 days before the expiration date of this policy;
- (ii) 180 days if you have insured this residence with the company or an affiliated company for at least 5 years immediately preceding the date of notice.

(iii) By June 1;

whichever is earlier.

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

However, this provision (**D.1.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.

### 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; or
- c. On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

(1) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

### 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".

### F. Subrogation

If this policy is an **HO 6 Condo Unit Owners** policy, the following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the "residence premises" is located.

The following Condition is added:

### H. Renewal Notification

If we elect to renew this policy, we will let you 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 you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

All other provisions of this policy apply.

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

**IMPORTANT OFFER REGARDING YOUR INSURANCE COVERAGE  
ORDINANCE OR LAW OFFER OF COVERAGE - 25% AND 50%**

Ordinance or Law coverage provides payment for the increased costs you incur to repair or replace the damage to your home after a loss. These costs result from complying with laws and regulations required when affecting repair. Please review the Ordinance or Law provisions in the Florida Special Provisions of your policy for details regarding this type of loss.

You can select Ordinance or Law coverage limits of either: (a) 25% or (b) 50% of the Coverage **A** limit of liability shown on the Declarations page of your policy, or for Form HO 00 04, the limit of liability for Building Additions and Alterations.

Please read both options below. Sign whichever option matches the coverage selection you want. Return this form to your insurance agent.

If you don't make any selection of coverage, your Ordinance or Law coverage limit will equal the amount shown on your policy's Declarations.

**PLEASE SIGN FOR ONE OF THE FOLLOWING OPTIONS**

**Option One – 25% Ordinance or Law Coverage**

I want the 25% Ordinance or Law coverage limit. I do not want the higher limit of 50%.

\_\_\_\_\_  
Signature of Named Insured

\_\_\_\_\_  
Date Signed

\*\*\*\*\* OR \*\*\*\*\*

**Option Two – 50% Ordinance or Law Coverage**

I want the 50% Ordinance or Law coverage limit. I do not want the lower limit of 25%.

\_\_\_\_\_  
Signature of Named Insured

\_\_\_\_\_  
Date Signed

**NOTE TO CYPRESS AGENTS**

If requested to increase Ordinance or Law coverage to 50%, you need to verify that the Coverage **A** limit of liability is 100% of the replacement cost of the structure and change if needed.

***Retain this page for your records***

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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

### **PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT**

#### **A. Eligible Property**

Losses to certain kinds of personal property will be settled on a replacement cost basis at the time of loss.

The following kinds of property are **Eligible Property** and they will be settled on a replacement cost basis at the time of loss.

1. Personal Property which is covered under Coverage **C** is **Eligible Property** and it will be settled on a replacement cost basis at the time of loss.
2. The following kinds of personal property may be **Eligible Property**. However, they are **Eligible Property** to be settled on a replacement cost basis at the time of loss only if they are specifically covered by this policy:
  - a. Awnings;
  - b. Carpeting;
  - c. Household appliances;
  - d. Outdoor antennas whether or not attached to buildings; and
  - e. Outdoor equipment whether or not attached to buildings.
3. The following kinds of personal property may be **Eligible Property**. However, they are **Eligible Property** to be settled on a replacement cost basis at the time of loss only if they are separately described and specifically insured by this policy:
  - a. Jewelry;
  - b. Furs,
  - c. Garments trimmed with fur or garments consisting principally of fur;
  - d. Photographic equipment such as cameras, projection machines, films, and photographic equipment;
  - e. Musical equipment and related articles of equipment;
  - f. Property made of precious metal. This includes: silver ware; silver plated ware; gold ware; gold plated ware; and pewter ware. However it excludes: pens; pencils; flasks; smoking implements; and jewelry.
  - g. Golfing equipment such as golf clubs, golf clothing, and similar items.

Other than the foregoing, Replacement Cost coverage does not apply to property separately described and specifically insured.

#### **B. Ineligible Property**

Replacement cost coverage is not available for certain kinds of personal property. Such personal property will be considered **Ineligible property**, it is settled on an actual cash value basis at the time of loss, but not more than the amount required to repair or replace it. It includes the following kinds of personal property:

1. Antiques, fine arts, paintings and similar items;
2. Articles of rarity or antiquity which cannot be replaced;
3. Memorabilia, souvenirs, and collectible or collector items;

## **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

4. Articles whose age or history contribute to their value
5. Articles not maintained in good and workable condition;
6. Articles that are outdated or are obsolete;
7. Articles that are stored or not being used; and
8. Personal property with "Existing Damage." For the purposes of this endorsement, the term "Existing Damage" means damage which occurred prior to policy inception, and which:
  - a. Was obvious or apparent at the time of the inception of this policy, or
  - b. Arose out of workmanship, repairs and/or lack of repairs, or
  - c. Was not fully and completely repaired.

Loss to **Ineligible property** will be settled on an actual cash value basis at the time of loss, but not more than the amount required to repair or replace it.

### **C. Replacement Cost**

The following is the loss settlement procedure which is applicable to **Eligible Property** which is settled on a replacement cost basis at the time of loss.

We will pay no more than the least of the following amounts:

1. Replacement cost at the time of loss, without deduction for depreciation;
2. The full cost of repair at the time of loss;
3. The limit of liability that applies to Coverage **C**, if applicable;
4. Any applicable special limits of liability stated in this policy;
5. For loss to any item described in **A.3. a.** through **g.** above, the limit of liability that applies to the item; or
6. For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

All other provisions of this policy apply.

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

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

**SCREENED ENCLOSURE AND CARPORT EXCLUSION  
ENDORSEMENT**

1. For the purposes of this endorsement, the following Definitions are added to your policy:
  - a. "Hurricane" means a storm system which is declared to be a hurricane by the National Hurricane Center of the National Weather Service. It includes a time period that:
    - (1) Begins when a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;
    - (2) Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
    - (3) Ending 72 hours after the end of the last hurricane watch or hurricane warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.
  - b. "Hurricane loss" means any loss from the peril of Windstorm which is caused by a "hurricane."

**2. SECTION I – EXCLUSIONS**

This endorsement modifies the **SECTION I – EXCLUSIONS**. It adds exclusions for "Hurricane Loss" to: a) aluminum framed screened enclosures; or b) aluminum framed carports. Therefore:

- C. We do not insure for "Hurricane Loss" to:
  1. Aluminum framed screened enclosures, or
  2. Aluminum framed carports.

All other provisions of this policy apply.



## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

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

### **LIMITED SCREENED ENCLOSURE AND CARPORT COVERAGE ENDORSEMENT**

1. For the purposes of this endorsement, the following definitions are added to your policy:
  - a. "Hurricane" means a storm system which is declared to be a hurricane by the National Hurricane Center of the National Weather Service. It includes a time period that:
    - (1) Begins when a hurricane watch or warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service;
    - (2) Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
    - (3) Ending 72 hours after the end of the last hurricane watch or hurricane warning is issued for any part of Florida. The watch or warning is issued by the National Hurricane Center of the National Weather Service.
  - b. "Hurricane loss" means any loss from the peril of Windstorm which is caused by a "hurricane."

#### **2. LIMITED SCREENED ENCLOSURE AND CARPORT COVERAGE**

If an additional premium for Screened Enclosure and Carport Coverage is shown on the policy Declarations page, then the following is added to **Coverage A - Dwelling**:

For the additional premium charged, we cover:

- (1) Aluminum framing of screened enclosures and carports against "Hurricane Loss",
- (2) Screened Enclosures that are permanently attached to the dwelling on the "residence premises".

We do not cover:

- (1) "Hurricane loss" to screening material which is attached to the framing of screened enclosures;
- (2) Costs associated with removing screens which is attached to the framing of screened enclosures; or
- (3) Costs associated with replacing screens which is attached to the framing of screened enclosures.

This Limited Screened Enclosure and Carport Coverage does not increase the limit of liability for Coverage A.

## **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

### **3. LIMITED SCREENED ENCLOSURE AND CARPORT LOSS SETTLEMENT**

If an additional premium for Screened Enclosure and Carport Coverage is shown on the policy Declarations page, then the following is added to **SECTION I – CONDITIONS, Paragraph C – Loss Settlement**:

Loss Settlement: "Hurricane Loss" to screened enclosures and carports are settled at Actual Cash Value. We will pay no more than the least of:

- a. Cost to repair damage to covered property;
- b. Actual cash value at the time of the loss; or
- c. The limit of liability shown on the declarations page for screened enclosure coverage.

Ordinance or Law Coverage does not apply to coverage provided by this endorsement.

All other provisions of this policy apply.

**CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**  
**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**  
**FLORIDA SINKHOLE COVERAGE**  
**(HO 00 03)**

**DEFINITIONS**

The following definitions are added:

1. "Sinkhole activity" means:

- a. settlement; or
- b. systematic weakening;

Of the earth supporting such property.

The settlement or systematic weakening must result from movement or raveling of:

- a. soils;
- b. sediments; or
- c. rock material;

Into subterranean voids created by the effect of water on limestone or similar rock formations.

2. "Sinkhole loss" means structural damage to a building or foundation:

- a. Arising out of; or
  - b. Caused by;
- "sinkhole activity".

**SECTION I – PROPERTY COVERAGES**

The following is added to **SECTION I – PROPERTY COVERAGES, E. Additional Coverages**:

**Sinkhole Loss Coverage**

1. We insure for direct physical loss to property covered under Section I caused by a "sinkhole loss".

This includes costs incurred to:

- a. Stabilize the land and buildings; and
- b. Repair the foundation;

In accordance with the recommendations of the professional engineer.

The professional engineer must verify the presence of a "sinkhole loss". The professional engineer's verification must be in compliance with the Florida sinkhole testing standards. It must also be in consultation with you.

The professional engineer must be selected or approved by us.

2. This peril does not increase the limit of liability applying to the covered property.

**SECTION I - EXCLUSIONS**

With respect to coverage provided by this endorsement:

1. The **Earth Movement** Exclusion does not apply.

2. We do not insure for loss caused by "catastrophic ground cover collapse".

**SECTION I – CONDITIONS**

**C. Loss Settlement**

With respect to a loss to buildings covered under Coverage **A** or **B** caused by a "sinkhole loss", Paragraph **2.d.** of the **Loss Settlement** Condition is replaced. It is replaced by the following:

d. We will pay for the loss as follows:

(1) The applicable Section I Limit of Liability, subject to (3)(b) below, is the most we will pay in any one policy term. This applies until all repairs, including building and land stabilization, are completed. All repairs must be completed in accordance with the recommendations of the professional engineer. The professional engineer must verify the presence of a "sinkhole loss". It must be done in compliance with Florida sinkhole testing standards.

(2) We will pay no more than the actual cash value of the damaged property. This does not include:

- (a) Underpinning;
- (b) Grouting; or
- (c) Any other repair technique; Performed below the existing foundation of the building.

This applies until you enter into a contract for the:

- (a) Performance of building stabilization; or
- (b) Foundation repairs.

Once you enter into such contract, we will settle the loss as described herein. This includes paying the amount necessary to begin and perform such repairs as work progresses. It also includes such expenses as incurred.

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

- (a) Less than 5% of the amount of insurance on the building; and
- (b) Less than \$2,500;

## CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

We will settle the loss whether or not you have entered into a contract to perform the:

- (a) Building stabilization; or
- (b) Foundation repairs.

(3) If the repairs have begun and the professional engineer determines that the recommended repairs cannot be completed within the policy limits, we must either:

- (a) Complete the recommended repairs; or
- (b) Pay the policy limits without a reduction for the repair expenses incurred.

The professional engineer must be selected or approved by us.

(4) If you have submitted a sinkhole claim:  
(a) Without good faith grounds for submitting such claim; and  
(b) Such claim is not withdrawn prior to our ordering a sinkhole analysis to investigate your claim;

You are required, after we obtain written certification that there is no "Sinkhole Activity", to reimburse us. Your reimbursement will be the lesser of:

- (a) 50% of the actual costs; or
- (b) \$2,500;

Of the analysis and services provided by a professional engineer or geologist to conduct testing to determine the cause of loss. This must be pursuant to Florida Statutes 627.7072 and 627.7073.

### E. Appraisal

With respect to coverage provided by this endorsement, the **Appraisal** Condition is replaced by the following:

### E. Neutral Evaluation

Following a receipt by us of:

1. a report from a professional engineer or geologist on the cause of loss; and
2. recommendations for stabilizing the land and building and foundation repairs; or

If we deny your claim;

Either party may file a request with the Florida Department of Financial Services (the Department) for neutral evaluation.

The neutral evaluation will be in accordance with the rules established by the Department.

In this event, you and we shall mutually select a neutral evaluator from a list maintained by the Department.

If you and we fail to agree, the Department shall appoint a neutral evaluator.

The neutral evaluation conference shall be held within 45 days after receipt of the request by the Department.

The recommendation of the neutral evaluator will not be binding on you or us.

We will pay for the costs associated with the neutral evaluation.

### G. Suit Against Us

With respect to coverage provided by this endorsement, the **Suit Against Us** Condition is replaced by the following:

### G. Suit Against Us

No action can be brought against us unless:

1. There has been full compliance with all of the terms under Section I of this policy; and
2. The action is started within 5 years after the date of loss;

Except that the time for filing suit is extended for a period of:

1. 60 days following the end of the neutral evaluation process; or
2. 5 years;

Whichever is less.

# **CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY**

## **TABLE OF CONTENTS HOMEOWNERS 3 SPECIAL FORM**

|   |           |
|---|-----------|
| <b>AGREEMENT</b>  | <b>1</b>  |
| <b>DEFINITIONS</b>                                      | <b>1</b>  |
| <b>SECTION 1 – PROPERTY COVERAGES</b>                   | <b>3</b>  |
| Coverage A – Dwelling                                   |           |
| Coverage B – Other Structures                           |           |
| Coverage C – Personal Property                          |           |
| Coverage D – Loss of Use                                |           |
| Additional Coverages                                    |           |
| <b>SECTION I – PERILS INSURED AGAINST</b>               | <b>8</b>  |
| Coverage A – Dwelling and Coverage B – Other Structures |           |
| Coverage C – Personal Property                          |           |
| <b>SECTION I – EXCLUSIONS</b>                           | <b>11</b> |
| <b>SECTION I – CONDITIONS</b>                           | <b>13</b> |
| <b>SECTION II – LIABILITY COVERAGES</b>                 | <b>16</b> |
| Coverage E – Personal Liability                         |           |
| Coverage F – Medical Payment To Others                  |           |
| <b>SECTION II – EXCLUSIONS</b>                          | <b>16</b> |
| <b>SECTION II – ADDITIONAL COVERAGES</b>                | <b>19</b> |
| <b>SECTION II – CONDITIONS</b>                          | <b>20</b> |
| <b>SECTION I AND II – CONDITIONS</b>                    | <b>21</b> |

## HOMEOWNERS 3 – SPECIAL FORM

### AGREEMENT

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

### DEFINITIONS

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

**B.** In addition, certain words and phrases are defined as follows:

**1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:

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

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

**b.** For the purpose of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
- (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
- (4) Motor vehicle means a "motor vehicle" as defined in **7.** below.

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

**3.** "Business" means:

- a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b.** Any other activity engaged in for money or other compensation, except the following:
  - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
  - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
  - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
  - (4) The rendering of home day care services to a relative of an "insured".

**4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

**5.** "Insured" means:

- a.** You and residents of your household who are:
  - (1) Your relatives; or
  - (2) Other persons under the age of 21 and in the care of any person named above;
- b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
  - (1) 24 and your relative; or
  - (2) 21 and in your care or the care of a person described in **a.(1)** above; or
- c.** Under Section II:
  - (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person in-

cluded in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or

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

(a) Persons while engaged in your employ or that of any person included in **a.** or **b.** above; 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".

6. "Insured location" means:

a. The "residence premises";

b. The part of other premises, other structures and grounds used by you as a residence; and

(1) Which is shown in the Declarations; or

(2) Which is acquired by you during the policy period for your use as a residence;

c. Any premises used by you in connection with a premises described in **a.** and **b.** above;

d. Any part of a premises:

(1) Not owned by an "insured"; and

(2) Where an "insured" is temporarily residing;

e. Vacant land, other than farm land, owned by or rented to an "insured";

f. Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";

g. Individual or family cemetery plots or burial vaults of an "insured"; or

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

7. "Motor vehicle" means:

a. A self-propelled land or amphibious vehicle; or

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

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

a. "Bodily injury"; or

b. "Property damage".

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

10. "Residence employee" means:

a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or

b. One who performs similar duties elsewhere not related to the "business" of an "insured".

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

11. "Residence premises" means:

a. The one family dwelling where you reside;

b. The two, three or four family dwelling where you reside in at least one of the family units; or

c. That part of any other building where you reside;

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

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

#### 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.

#### SECTION I - PROPERTY COVERAGES

##### A. Coverage A - Dwelling

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

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

#### **B. Coverage B - Other Structures**

- 1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
- 2. We do not cover:
  - a. Land, including land on which the other structures are located;
  - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
  - c. Other structures from which any "business" is conducted; or
  - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
- 3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

#### **C. Coverage C - Personal Property**

##### **1. Covered Property**

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

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

##### **2. Limit For Property At Other Residences**

Our limit of liability for personal property usually located at an "insured's" residence,

other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

#### **3. Special Limits Of Liability**

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

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does



not apply to loss to electronic apparatus and other property described in Categories j. and k. below.

- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.

- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

#### 4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".

(1) This includes:

- (a) Their accessories, equipment and parts; or
- (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

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

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

(a) Used solely to service an "insured's" residence; or

(b) Designed to assist the handicapped;

- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

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

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

- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I - Property Coverages;

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

- i. "Business" data, including such data stored in:

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

(2) Computers and related equipment.

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

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I - Property Coverages; or

- k. Water or steam.

#### D. Coverage D - Loss Of Use

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

##### 1. Additional Living Expense

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

## **2. Fair Rental Value**

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

Payment will be for the shortest time required to repair or replace such premises.

## **3. Civil Authority Prohibits Use**

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

## **4. Loss Or Expense Not Covered**

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

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

# **E. Additional Coverages**

## **1. Debris Removal**

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

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

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

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

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

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

provided the tree(s):

(3) Damage(s) a covered structure; or

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

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

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

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

This coverage is additional insurance.

## **2. Reasonable Repairs**

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

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in B.4. under Section I - Conditions.

## **3. Trees, Shrubs And Other Plants**

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

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

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

This coverage is additional insurance.

#### **4. Fire Department Service Charge**

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

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

#### **5. Property Removed**

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

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

#### **6. Credit Card, Electronic Fund Transfer Card Or Access Device, 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 an electronic fund transfer card or access device 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.

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.

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

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
  - (a) By a resident of your household;
  - (b) By a person who has been entrusted with either type of card or access device; or
  - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (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 a.(1) or (2) above, 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 a.(3) above.

#### **7. Loss Assessment**

a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

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

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the

property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph P. Policy Period under Section I - Conditions does not apply to this coverage.

This coverage is additional insurance.

## **8. Collapse**

- a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

- (1) The Perils Insured Against named under Coverage C;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation

if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

## **9. Glass Or Safety Glazing Material**

- a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

- b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.

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

## **10. 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.

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.

#### **11. Ordinance Or Law**

- a. You may use up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and

waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

#### **12. Grave Markers**

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

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

### **SECTION I - PERILS INSURED AGAINST**

#### **A. Coverage A - Dwelling And Coverage B - Other Structures**

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

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

- a. Excluded under Section I - Exclusions;
- b. Involving collapse, except as provided in **E.8. Collapse** under Section I - Property Coverages; or
- c. Caused by:

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

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

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

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

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (a) Fence, pavement, patio or swimming pool;

- (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
- (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
  - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
  - (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or
- (6) Any of the following:
  - (a) Wear and tear, marring, deterioration;
  - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
  - (c) Smog, rust or other corrosion, or dry rot;
  - (d) Smoke from agricultural smudging or industrial operations;

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

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

- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (g) Birds, vermin, rodents, or insects; or
- (h) Animals owned or kept by an "insured".

#### Exception To c.(6)

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

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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

Section I - Exclusion **A.3.** Water Damage, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do

not apply to loss by water covered under c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

## **B. Coverage C - Personal Property**

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I - Exclusions.

### **1. Fire Or Lightning**

### **2. Windstorm Or Hail**

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

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

### **3. Explosion**

### **4. Riot Or Civil Commotion**

### **5. Aircraft**

This peril includes self-propelled missiles and spacecraft.

### **6. Vehicles**

### **7. Smoke**

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

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

### **8. Vandalism Or Malicious Mischief**

### **9. Theft**

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

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

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in

the construction until the dwelling is finished and occupied;

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

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

(a) Trailers, semitrailers and campers;

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

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

## **10. Falling Objects**

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

## **11. Weight Of Ice, Snow Or Sleet**

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

## **12. Accidental Discharge Or Overflow Of Water Or Steam**

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

b. This peril does not include loss:

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

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

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

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

- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I - Exclusion **A.3. Water Damage**, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

We do not cover loss caused by or resulting from freezing under this peril.

### **14. Freezing**

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

(1) Maintain heat in the building; or

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

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

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

### **15. Sudden And Accidental Damage From Artificially Generated Electrical Current**

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

### **16. Volcanic Eruption**

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

## **SECTION I - EXCLUSIONS**

- A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event

contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### **1. Ordinance Or Law**

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided for in **E.11. Ordinance Or Law** under Section I - Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

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

### **2. Earth Movement**

Earth Movement means:

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

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

This Exclusion **A.2.** does not apply to loss by theft.

### **3. Water Damage**

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;



- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

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

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

#### 4. Power Failure

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

#### 5. Neglect

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

#### 6. War

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

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

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

#### 7. Nuclear Hazard

This Exclusion A.7. pertains to Nuclear Hazard to the extent set forth in M. Nuclear Hazard Clause under Section I - Conditions.

#### 8. Intentional Loss

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

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

#### 9. Governmental Action

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

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

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

- 1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in A. above to produce the loss.

- 2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- 3. Faulty, inadequate or defective:

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

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

### SECTION I - CONDITIONS

#### A. Insurable Interest And Limit Of Liability

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

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

#### B. Duties After Loss

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

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I - Property Coverages**;
4. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies; and
  - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - a. The time and cause of loss;
  - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
  - c. Other insurance which may cover the loss;
  - d. Changes in title or occupancy of the property during the term of the policy;
  - e. Specifications of damaged buildings and detailed repair estimates;
  - f. The inventory of damaged personal property described in **6.** above;
  - g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
  - h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund**

Transfer Card Or Access Device, Forgery And Counterfeit Money under Section **I - Property Coverages**, stating the amount and cause of loss.

#### **C. Loss Settlement**

In this Condition **C.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law under Section I - Property Coverages**. Covered property losses are settled as follows:

1. Property of the following types:
  - a. Personal property;
  - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
  - c. Structures that are not buildings; and
  - d. Grave markers, including mausoleums;

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

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.
  - b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full re-

placement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
  - (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the under-surface of the lowest basement floor;
  - (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
  - (3) Underground flues, pipes, wiring and drains.
- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.
- However, if the cost to repair or replace the damage is both:
- (1) Less than 5% of the amount of insurance in this policy on the building; and
  - (2) Less than \$2,500;
- we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.
- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **C. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

#### **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. Appraisal**

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

#### **F. Other Insurance And Service Agreement**

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

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

#### **G. Suit Against Us**

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

#### **H. Our Option**

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

**I. Loss Payment**

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

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

**J. Abandonment Of Property**

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

**K. Mortgage Clause**

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
  - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
  - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
  - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs E. Appraisal, G. Suit Against Us and I. Loss Payment under Section I - Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or non-renewal 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.

**L. 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.

**M. Nuclear Hazard Clause**

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**N. 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.

**O. Volcanic Eruption Period**

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

**P. Policy Period**

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

**Q. Concealment Or Fraud**

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

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

**R. Loss Payable Clause**

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

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

## SECTION II - LIABILITY COVERAGES

### A. Coverage E - Personal Liability

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

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

### B. Coverage F - Medical Payments To Others

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

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

## SECTION II - EXCLUSIONS

### A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
  - a. Is registered for use on public roads or property;
  - b. Is not registered for use on public roads or property, but such registration is re-

quired 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 pre-arranged or organized race, speed contest or other competition;
- (2) Rented to others;
- (3) Used to carry persons or cargo for a charge; or
- (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.

2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:

- a. In dead storage on an "insured location";
- b. Used solely to service an "insured's" residence;
- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
  - (1) Being used to assist a handicapped person; or
  - (2) Parked on an "insured location";
- d. Designed for recreational use off public roads and:
  - (1) Not owned by an "insured"; or
  - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions B.6.a., b., d., e. or h.; or
- e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
  - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
    - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
    - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
    - (c) Cross public roads at designated points to access other parts of the golfing facility; or

- (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

**B. "Watercraft Liability"**

1. Coverages 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 and is powered by:
    - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
      - (a) 50 horsepower or less and not owned by an "insured"; or
      - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
    - (2) One or more outboard engines or motors with:
      - (a) 25 total horsepower or less;
      - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
      - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

- (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

- (i) You declare them at policy inception; or
- (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

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

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

**C. "Aircraft Liability"**

This policy does not cover "aircraft liability".

**D. "Hovercraft Liability"**

This policy does not cover "hovercraft liability".

**E. Coverage 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, real or personal property, than initially expected or intended.

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

**2. "Business"**

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

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

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

(1) The rental or holding for rental of an "insured location";

(a) On an occasional basis if used only as a residence;

(b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) In part, as an office, school, studio or private garage; and

(2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

**3. Professional Services**

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

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

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

a. Owned by an "insured";

b. Rented to an "insured"; or

c. Rented to others by an "insured"; that is not an "insured location";

**5. War**

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

a. Undeclared war, civil war, insurrection, rebellion or revolution;

b. Warlike act by a military force or military personnel; or

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

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

**6. Communicable Disease**

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

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

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

**8. Controlled Substance**

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

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

**F. Coverage E - Personal Liability**

Coverage E does not apply to:

**1. Liability:**

a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** - Additional Coverages;

b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in a. above or elsewhere in this policy;

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

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

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

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

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

- a. To repay; or
- b. Share damages with;

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

#### **G. Coverage 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 or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

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

#### **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", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded from coverage under Section II - Exclusions; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and
    - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II - Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$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**

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

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

### **B. Severability Of Insurance**

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

### **C. Duties After "Occurrence"**

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

1. Give written notice to us or our agent as soon as is practical, which sets forth:
  - a. The identity of the policy and the "named insured" shown in the Declarations;
  - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
  - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
  - a. To make settlement;
  - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
  - c. With the conduct of suits and attend hearings and trials; and

- d. To secure and give evidence and obtain the attendance of witnesses;

5. With respect to **C. Damage To Property Of Others** under **Section II - Additional Coverages**, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

**D. Duties Of An Injured Person - Coverage F - Medical Payments To Others**

1. The injured person or someone acting for the injured person will:

- a. Give us written proof of claim, under oath if required, as soon as is practical; and
- b. Authorize us to obtain copies of medical reports and records.

2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

**E. Payment Of Claim - Coverage F - Medical Payments To Others**

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

**F. Suit Against Us**

1. No action can be brought against us unless there has been full compliance with all of the terms under this **Section II**.

2. No one will have the right to join us as a party to any action against an "insured".

3. Also, no action with respect to **Coverage E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

**G. Bankruptcy Of An "Insured"**

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

**H. Other Insurance**

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

**I. Policy Period**

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

**J. Concealment Or Fraud**

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

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

**SECTIONS I AND II - CONDITIONS**

**A. Liberalization Clause**

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

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

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

**B. Waiver Or Change Of Policy Provisions**

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

**C. Cancellation**

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

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

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

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

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

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

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

- d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

#### **D. Nonrenewal**

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

#### **E. Assignment**

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

#### **F. Subrogation**

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

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

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II - Additional Coverages.

#### **G. Death**

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

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW**

---

**A. Coverage**

We insure, up to \$5,000, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

1. Backs up through sewers or drains; or

2. Overflows or is discharged from a:

a. Sump, sump pump; or

b. Related equipment;

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

This coverage does not increase the limits of liability for Coverages **A**, **B**, **C** or **D** stated in the Declarations.

**B. Section I - Perils Insured Against**

With respect to the coverage described in **A**. above, Paragraph:

**A.2.c.(6)(b)** in Form **HO 00 03**;

**A.2.e.(2)** in Form **HO 00 05**;

**2.j.(2)** in Endorsement **HO 05 24**;

**3.j.(2)** in Endorsement **HO 17 31**; and

**2.c.(6)(b)** in Endorsement **HO 17 32**;

is deleted and replaced by the following:

Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

**C. Special Deductible**

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

We will pay only that part of the total of all loss payable under Section I that exceeds \$250. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage **D** - Loss of Use.

**D. Exclusion**

The Water Damage exclusion is deleted and replaced by the following:

Water Damage, meaning:

a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

b. Water, or water-borne material, which:

(1) Backs up through sewers or drains; or

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

as a direct or indirect result of flood; or

c. Water, or water-borne material, below the surface of the ground, including water which:

(1) Exerts pressure on; or

(2) Seeps or leaks through;

a building, sidewalk, driveway, foundation, swimming pool or other structure;

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

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

All other provisions of this policy apply.

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

**NO SECTION II – LIABILITY COVERAGES FOR  
HOME DAY CARE BUSINESS LIMITED SECTION I –  
PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS**

---

- A.** "Business", as defined in the policy, means:
- 1.** A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
  - 2.** Any other activity engaged in for money or other compensation, except the following:
    - a.** One or more activities:
      - (1)** Not described in **b.** through **d.** below; and
      - (2)** For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
    - b.** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
    - c.** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
    - d.** The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
- 1.** That an "insured" engages in for money or other compensation; and
  - 2.** From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
- 1.** Described in **A.2.** above, and
  - 2.** Engaged in for money by a single "insured"; may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
- 1.** Does not provide:
    - a.** Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** - Exclusions;
    - b.** Coverage, under Section **I**, for other structures from which any "business" is conducted; and
  - 2.** Limits Section **I** coverage, under Coverage **C** - Special Limits of Liability, for "business" property:
    - a.** On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (**e.** in Form **HO 00 08**) imposes that limit on "business" property on the "residence premises";
    - b.** Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (**f.** in Form **HO 00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (**g.** and **h.** respectively in Form **HO 00 08**).

Policy Number: FYN 8051263 01 81  
HAROLD J PIZZETTA AND  
20 WOODSTONE LN  
PALM COAST FL 32164-7903

## 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.fidfs.com](http://www.fidfs.com).

This form was adopted by the Florida Financial Services Commission.

|   |   |
|---|---|
| <b>Dwelling Structure Coverage (Place of Residence)</b>   |   |
| Limit of Insurance: \$ <u>223,000</u>                     | Loss Settlement Basis: <u>REPLACEMENT COST</u><br>(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.) |
| <b>Other Structures Coverage (Detached from Dwelling)</b> |   |
| Limit of Insurance: \$ <u>4,460</u>                       | Loss Settlement Basis: <u>REPLACEMENT COST</u><br>(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.) |
| <b>Personal Property Coverage</b>                         |   |
| Limit of Insurance: \$ <u>111,500</u>                     | Loss Settlement Basis: <u>REPLACEMENT COST</u><br>(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.) |
| <b>Deductibles</b>  |   |
| Annual Hurricane: <u>4,460</u>                            | All Perils (Other Than Hurricane): <u>1,000</u>   |

### 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  |
| Y | 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   | 22,300             | Shortest time required to repair/replace/relocate |
| Y Fair Rental Value   | 22,300             | Shortest time required to repair/replace/relocate |
| Y Civil Authority Prohibits Use   | 22,300             | Two Consecutive 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 up to \$223,000 Unless Otherwise Noted<br>5% of Limit Liability | Amount of insurance is an additional amount of coverage or is included within the policy limit. |            |
|   |  | Included  | Additional |
| Y Debris Removal  |  |   | Y          |
| Y Reasonable Repairs  |  | Y   |            |
| Y Property Removed  |  | 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  |  | Y   |            |
| Y Glass or Safety Glazing Material  |  | Y   |            |
| Y Landlord's Furnishings  | \$2,500  | Y   |            |
| Y Law and Ordinance   | \$55,750   |   | Y          |
| Y Grave Markers   |  | Y   |            |
| Y Mold / Fungi  | Each Covered Loss: \$25,000<br>Policy Aggregate: \$50,000                | Y   |            |

### Checklist of Coverage (continued)

| Discounts   |  |                                |
|---|--|--------------------------------|
| (Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied) |  | Dollar (\$) Amount of Discount |
| N   | Fire alarm                                   | Not Applicable                 |
| N   | Burglar Alarm                                | Not Applicable                 |
| N   | Sprinkler                                    | Not Applicable                 |
| N   | Building Code Effectiveness Grading Schedule | Not Applicable                 |
| N   | Senior /Retirement                           | Not Applicable                 |
| N   | Secured Community                            | Not Applicable                 |

| 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:<br>(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.) |
|   |                    |   |
|   |                    |   |
|   |                    |   |
|   |                    |   |

| Personal Liability Coverage         |         |
|-------------------------------------|---------|
| Limit of Insurance: \$              | 300,000 |
| Medical Payments to Others Coverage |         |
| Limit of Insurance: \$              | 5,000   |

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



### Checklist of Coverage (continued)

| Discounts (continued)   |                         |                                |
|---|-------------------------|--------------------------------|
| (Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied) |                         | Dollar (\$) Amount of Discount |
| N   | Accredited Builder Disc | Not Applicable                 |
| N   | New Purchase Disc       | Not Applicable                 |
| Y   | Mitigation Discount     | Included in Base Premium       |
| N   | Shutter Credit          | Not Applicable                 |
|   |                         |                                |
|   |                         |                                |

**Notice of Premium Discounts for Hurricane Loss Mitigation**  
**\*\*\* Important Information \*\*\***  
**About Your Homeowners Insurance Policy**

12/16/2011

Dear Homeowner,

Two unprecedented back-to-back hurricane seasons – with eight hurricanes and four tropical storms – have caused tens of billions of dollars in insured damages. Predictions of more catastrophic hurricanes making landfall in the U.S. have triggered significant 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.

Sincerely,

Cypress Property & Casualty Insurance Company

**What factors are considered in establishing my premium?**

Your location: The closer you are to the coast, the more vulnerable you are to damage caused by hurricane winds and this makes your hurricane-wind premium higher than 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. Discounts apply only to the hurricane-wind portion of your policy.

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 87 %.

### **How can I take advantage of the discounts?**

Most homeowners will need a licensed or certified professional (general, residential or building contractor, building inspector, a registered architect, engineer or certified building code official) to inspect the home to identify potential mitigation measures and legally verify improvements. There may be other inspection professionals available, for a listing of Individuals and/or Inspection Companies meeting these qualifications contact your Insurance Agent.

Eligible homeowners can also apply for a free inspection through the new My Safe Florida Home Program by visiting [www.mysafefloridahome.com](http://www.mysafefloridahome.com) or calling toll-free 1-866-513-6734. To be eligible, Floridians must live in single-family, site-built homes.

### **How much do these improvements cost?**

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

Homeowners may be eligible for a matching grant up to \$5,000 through the My Safe Florida Home Program if they live at least 6 months out of the year in a single-family detached, site-built home that meets the following criteria:

- was built before March 1, 2002;
- has an insured value of \$300,000 or less;
- has a valid homestead exemption;
- is located in the wind-borne debris region; and
- has undergone a wind inspection.

Grant funds must be used for opening protections, which includes windows, skylights, gable vents, doors and garage doors, and the bracing of gable ends. To be eligible for a grant for opening protection, you must protect all openings identified by your wind inspection report as needing hurricane protection.

**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 \$ 1,218.00 which is part of your total annual premium of \$1,218.00 . Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed above are not cumulative.**

### Existing Construction Discounts (Homes built prior to 2002)

| Description of Feature   | Estimated* Premium Discount Percent        | Estimated* Annual Premium (\$) is <b>Reduced</b> by: |
|--|--|--|
| <u>Roof Covering (i.e., shingles or tiles)</u> <ul style="list-style-type: none"> <li>Meets the Florida Building Code</li> <li>Reinforced Concrete Roof Deck^</li> </ul> <p>^If this feature is installed on your home you most likely will not qualify for any other discount.</p>  | <p>7%</p> <p>80%</p>                       | <p>\$13.00</p> <p>\$153.00</p>                       |
| <u>How Your Roof is Attached</u> <ul style="list-style-type: none"> <li>Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood</li> <li>Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood</li> <li>Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood</li> </ul>  | <p>0%</p> <p>9%</p> <p>9%</p>              | <p></p> <p>\$17.00</p> <p>\$17.00</p>                |
| <u>Roof-to-Wall Connection</u> <ul style="list-style-type: none"> <li>Using "Toe Nails" – defined as 3 nails are driven at an angle through the rafter and into the top roof.</li> <li>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</li> <li>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</li> <li>Using Double Wraps – straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss</li> </ul> | <p>0%</p> <p>18%</p> <p>20%</p> <p>21%</p> | <p></p> <p>\$34.00</p> <p>\$38.00</p> <p>\$40.00</p> |
| <u>Roof Shape</u> <ul style="list-style-type: none"> <li>Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid)</li> <li>Other</li> </ul>  | <p>28%</p> <p>0%</p>                       | <p>\$53.00</p> <p></p>                               |

| <u>Description of Feature</u>   | Estimated* Premium Discount Percent | Estimated* Annual Premium (\$) is Reduced by: |
|---|-------------------------------------|---|
| <u>Secondary Water Resistance (SWR)</u> <ul style="list-style-type: none"> <li>SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off</li> <li>No SWR</li> </ul>  | 6%<br><br><br><br>0%                | \$11.00<br><br><br><br>                       |
| <u>Shutters</u> <ul style="list-style-type: none"> <li>None</li> <li>Intermediate Type – shutters that are strong enough to meet half the old Miami-Dade building code standards</li> <li>Hurricane Protection Type – shutters that are strong enough to meet the current Miami-Dade building code standards</li> </ul> | 0%<br><br>29%<br><br>39%            | <br><br>\$55.00<br><br>\$74.00                |

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

**New Construction Discounts (Homes built in 2002 or newer)**

| Description of Feature  | Estimated*<br>Premium<br>Discount<br>Percent | Estimated* Annual<br>Premium (\$) is<br><u>Reduced</u> by: |
|---|--|--|
| In addition to the two credits below, all homes built in 2002 or newer will receive a 21% new home discount on the hurricane-wind portion of your premium.  | N/A  |  |
| <u>Shutters</u> <ul style="list-style-type: none"> <li>• None</li> <li>• Intermediate Type – shutters that are strong enough to meet half the old Miami-Dade building code standards</li> <li>• Hurricane Protection Type – shutters that are strong enough to meet the current Miami-Dade building code standards</li> </ul> | <p>N/A</p> <p>N/A</p> <p>N/A</p>             | <p>N/A</p> <p>N/A</p> <p>N/A</p>                           |
| <u>Roof Shape</u> <ul style="list-style-type: none"> <li>• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid)</li> <li>• Other</li> </ul>   | <p>N/A</p> <p>N/A</p>                        | <p>N/A</p> <p>N/A</p>                                      |

\* 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 fixtures and constructions requirements of the Florida Building Code you have the option to reduce your hurricane-wind deductible from \$4,460.00 to \$500.00

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 agent or the company at 1-877-560-5224.