



10751 Deerwood Park Blvd.,
Suite 200
Jacksonville FL 32256
800-888-2738
fortegra.com

Connected Investors Real Estate Insurance Services, LLC (CIREIS)
5550 Wild Rose Lane, Suite 400
West Des Moines, IA 50266

Commercial Lines Policy

INSURANCE POLICY

Coverage afforded by this policy is provided by the Company named in the Declarations

Home Office:

10751 Deerwood Park Blvd.
Suite 200
Jacksonville, FL 32256

General Agent:

LP Insurance Services, LLC
6680 Parkland Blvd.
Solon, OH 44139

**THIS POLICY JACKET ALONG WITH THE DECLARATIONS PAGE, POLICY FORMS AND ANY
ENDORSEMENTS FORM THE COMPLETE POLICY.**

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law,
this policy shall not be valid unless countersigned by our authorized representative.



Richard S. Kahlbaugh



Chris Romaine

Fortegra Specialty Insurance Company
10751 Deerwood Park Blvd., Suite 200
Jacksonville, FL 32256

INVESTOR PROGRAM POLICY – REPORTED LOCATIONS DECLARATIONS

Policy Number: LPP1500002-00

Version Date: March 1, 2021

Named Insured: Connected Investors Real Estate Insurance Services, LLC (CIREIS)
5550 Wild Rose Lane, Suite 400
West Des Moines, IA 50266

Agent: LP Insurance Services, LLC

Policy Period: March 1, 2021 with continuous annual anniversary

Coverage: All Limits, deductibles and rates are shown on the attached rate schedule

Property Insured: Coverage applies to eligible property upon which you have requested we provide coverage for which you have paid a premium and which you have an insurable interest the owner or the servicing agent.

Maximum Amount of Insurance: The maximum amount of insurance shall be the lesser of the amount shown on your request for insurance or the amount listed on the attached rate schedule.

Premium: The premium for each property shall be computed by applying the rate on the attached rate schedule. *

Endorsements: See Next Page

***This is a Surplus Lines Policy. Surplus Lines premium taxes and fees apply.**

Form Number

FBP JACKET – 02/21

IPP-2000

IPP-2001

IPP-2002

IPP-1015

IPP-1000

IPP-1001

IPP-1004

IPP-1005

IPP-1006

IPP-1016

IPP-1017

IPP-5000

IL P 001 01 04

PRIV-0100

Form Description

Policy Jacket

Investor Program Policy Declarations

Rate Schedule

Tier 1 & 2 Rating Territories

Wind/Hail and Hurricane Deductible

Investor Program Policy - Reported Locations

Dwelling Policy 3 Modified

Theft, Vandalism & Malicious Mischief Limitation

Residential Roof Coverage Limitation

Valuation and Coinsurance Endorsement

Communicable Disease Exclusion – Property Coverage

Loss of Rental Income Coverage – Scheduled Limit

Terrorism Selection - Rejection form

OFAC Notice

Privacy Notice

RATE SCHEDULE

Policy: LPP1500002-00
Effective: March 1, 2021

Surplus Lines Residential Property Rates & Deductibles

MAXIMUM LIMIT OF LIABILITY: Residential	\$1,000,000
Vandalism & Malicious Mischief and Theft:	\$30,000

Properties in Puerto Rico and the U.S. Virgin Islands are not covered under this policy.

Surplus Lines Taxes and Fees apply in addition to all rates.

Loss of Rents – Included, rate shall be calculated by using the residential rate calculation.

Windstorm, Hail or Hurricane Deductibles

1. The deductible shall be the greater of 3% of the scheduled value or \$5,000 for residential properties located in Florida.
2. The deductible shall be the greater of 2% of the scheduled value or the selected AOP deductible for residential properties located in all other counties.



TIER 1 & 2 RATING TERRITORIES

<u>State</u>	<u>County</u>	<u>Tier</u>	<u>State</u>	<u>County</u>	<u>Tier</u>	<u>State</u>	<u>County</u>	<u>Tier</u>
AL	Baldwin	1	LA	St. Tammany	1	NC	Carteret	1
AL	Covington	1	LA	Tangipahoa	2	NC	Chowan	1
AL	Escambia	1	LA	Terrebonne	1	NC	Columbus	2
AL	Geneva	1	LA	Vermillion	1	NC	Craven	1
AL	Houston	1	LA	Washington	2	NC	Currituck	1
AL	Mobile	1	LA	W Baton Rouge	2	NC	Dare	1
CT	Fairfield	1	MA	Barnstable	1	NC	Duplin	2
CT	Middlesex	1	MA	Bristol	1	NC	Gates	1
CT	New Haven	1	MA	Dukes	1	NC	Hertford	2
CT	New London	1	MA	Essex	1	NC	Hyde	1
DE	Kent	1	MA	Nantucket	1	NC	Jones	1
DE	New Castle	1	MA	Norfolk	1	NC	Lenoir	2
DE	Sussex	1	MA	Plymouth	1	NC	Martin	2
FL	Entire State	1	MA	Suffolk	1	NC	New Hanover	1
GA	Brantly	2	MD	Anne Arundel	1	NC	Onslow	1
GA	Bryan	1	MD	Baltimore	1	NC	Pamlico	1
GA	Camden	1	MD	Calvert	1	NC	Pasquotank	1
GA	Charlton	2	MD	Cecil	1	NC	Pender	1
GA	Chatham	1	MD	Charles	1	NC	Perquimans	1
GA	Effingham	2	MD	Dorchester	1	NC	Pitt	2
GA	Glynn	1	MD	Kent	1	NC	Tyrell	1
GA	Liberty	1	MD	Queen Anns	1	NC	Washington	1
GA	Long	2	MD	Sommerset	1	NH	Rockingham	1
GA	McIntosh	1	MD	St. Marys	1	NH	Stratford	1
GA	Wayne	2	MD	Talbot	1	NJ	Atlantic	1
HI	Entire State	1	MD	Wicomico	1	NJ	Bergen	1
LA	Acadia	2	MD	Worcester	1	NJ	Burlington	1
LA	Ascension	2	ME	Androscoggin	1	NJ	Cape May	1
LA	Assumption	1	ME	Cumberland	1	NJ	Cumberland	1
LA	Calcasieu	2	ME	Hancock	1	NJ	Essex	1
LA	Cameron	1	ME	Knox	1	NJ	Hudson	1
LA	E. Baton Rouge	2	ME	Lincoln	1	NJ	Middlesex	1
LA	Iberia	1	ME	Sagadahoc	1	NJ	Monmouth	1
LA	Iberville	2	ME	Waldo	1	NJ	Ocean	1
LA	Jefferson	1	ME	Washington	1	NJ	Salem	1
LA	Jefferson Davis	2	ME	York	1	NJ	Union	1
LA	Lafayette	2	MS	George	2	NY	Bronx	1
LA	Lafourche	1	MS	Hancock	1	NY	Kings	1
LA	Livingston	2	MS	Harrison	1	NY	Nassau	1
LA	Orleans	1	MS	Jackson	1	NY	New York	1
LA	Plaquemines	1	MS	Pearl River	2	NY	Queens	1
LA	St. Bernard	1	MS	Stone	2	NY	Richmond	1
LA	St. Charles	1	NC	Beaufort	1	NY	Suffolk	1
LA	St. James	1	NC	Bertie	1	NY	Westchester	1
LA	St. John Baptist	1	NC	Bladen	2	RI	Block Island	1
LA	St. Martin	1	NC	Brunswick	1	RI	Bristol	1
LA	St. Mary	1	NC	Camden	1	RI	Kent	1

<u>State</u>	<u>County</u>	<u>Tier</u>	<u>State</u>	<u>County</u>	<u>Tier</u>
RI	Newport	1	VA	Northumberland	1
RI	Providence	1	VA	Poquoson	1
RI	Washington	1	VA	Portsmouth	1
SC	Beaufort	1	VA	Suffolk	1
SC	Berkley	1	VA	Surry	1
SC	Charleston	1	VA	Virginia Beach	1
SC	Colleton	1	VA	Williamsburg	1
SC	Dorchester	2	VA	York	1
SC	Georgetown	1			
SC	Horry	1			
SC	Marion	2			
SC	Williamsburg	2			
TX	Aransas	1			
TX	Bee	2			
TX	Brazoria	1			
TX	Brooks	2			
TX	Calhoun	1			
TX	Cameron	1			
TX	Chambers	1			
TX	Fort Bend	2			
TX	Galveston	1			
TX	Goliad	2			
TX	Hardin	2			
TX	Harris	1			
TX	Hildago	2			
TX	Jackson	1			
TX	Jefferson	1			
TX	Jim Wells	2			
TX	Kenedy	1			
TX	Kleberg	1			
TX	Liberty	2			
TX	Live Oak	2			
TX	Matagorda	1			
TX	Nueces	1			
TX	Orange	1			
TX	Refugio	1			
TX	San Patricio	1			
TX	Victoria	2			
TX	Wharton	2			
TX	Wilacy	1			
VA	Accomack	1			
VA	Cheseapeake	1			
VA	Gloucester	1			
VA	Hampton	1			
VA	Isle of Wright	1			
VA	James City	1			
VA	Lancaster	1			
VA	Mathews	1			
VA	Middlesex	1			
VA	Newport News	1			
VA	Norfolk	1			
VA	North Hampton	1			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INVESTOR PROPERTY
WINDSTORM/HAIL AND HURRICANE DEDUCTIBLE ENDORSEMENT**

It is hereby understood and agreed that a minimum deductible as shown on the Rate Schedule shall apply to each occurrence caused by the perils of wind, hail, and hurricane.

This deductible applies in the event of direct physical loss to:

1. Residential dwellings, including other structures; and
2. Commercial buildings.

Such deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss; however, this deductible does not apply to loss resulting from rain or wind-driven rain, except rain or wind-driven rain which enters the insured property or structure through an opening created by the force of wind, hail, or hurricane.

INVESTOR PROGRAM POLICY – REPORTED LOCATIONS

I. MASTER POLICY INSURING AGREEMENT

We will provide the insurance described in this Policy in return for the premium and compliance with all applicable provisions of this Policy. Coverage shall apply to all residential and commercial property for which a specific request for coverage is received from you for each residential or commercial property location.

II. DEFINITIONS

Throughout this Policy:

- A. "You" and "your" refer to the named insured as shown on the Policy Declarations.
- B. "We", "us" and "our" refer to the Company providing this insurance.
- C. "Policy" shall include all coverage forms and endorsements attached.
- D. "Evidence of Insurance" means a document used to provide information on specific insurance coverage at a location. This document provides verification of the insurance and contains information on types and limits of coverage, premium, and the effective dates of coverage.
- E. "Residential Property" means a 1-4 family unit.
- F. "Commercial Property" means a multi-family housing of 5 units or more and all other occupancies.

III. GENERAL PROVISIONS

- A. **Term.** This Policy will be issued continuously with the annual anniversary used for purposes of renewal, nonrenewal and conditional renewals.
- B. **Property Insured.** Coverage applies when you have requested we provide coverage, for which you have paid a premium and in which you have an insurable interest as the servicing agent by written agreement, or as a property owned by you; under the following classifications:
 - 1. Residential Property
 - 2. Commercial General Liability for Residential Property
 - 3. Commercial Property
 - 4. Commercial General Liability for Commercial Property
 - 5. Business Personal Property
 - 6. Personal Property
- C. **Coverage Provided.** All coverages, terms and conditions are as set forth in the attached forms.
- D. **Limits of Recovery.** Our liability shall not exceed the limits as shown on the Declaration page and/or as outlined in this Policy and endorsements.
- E. **Deductible.** For each loss covered under this Policy, we shall be liable for loss only in excess of the appropriate deductible, if applicable, specified on the Declarations page.
- F. **Other Insurance.** THIS INSURANCE IS EXCESS INSURANCE. If there is any other valid and collectible insurance, this insurance shall apply only as excess insurance
- G. **Loss Payable.** Loss, if any, shall be made payable to you as your interest appears.
- H. **Salvage and Recoveries.** When, in connection with any loss covered by this Policy, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the amount of loss was originally determined. Any amounts thus found to be due any party shall be promptly paid.
- I. **Inspection and Audit.** We shall be permitted at all reasonable times to inspect the insured property and to examine your books and records at any time during the term of this Policy. We shall also be

permitted at all reasonable times to audit your records to verify the number of existing properties and values.

- J. Reinstatement.** A loss to the property reduces the Limits of Recovery by the amount of the loss. Upon repair or replacement of the property, the Limits of Recovery will return to their original amount.
- K. Request for Coverage.** When you desire coverage on any property in which you have an insurable interest, you will request insurance by providing us with the following information: address of property to be insured, residential or commercial indicator, effective date, classification as outlined in the General Provisions, premium charged, and amount of insurance requested.
- L. Cancellation and Nonrenewal.**
1. You may cancel coverage on any reported Residential location or Commercial location by notifying us of the desired effective date of cancellation. Any request for cancellation more than 30 days prior to the date of your notification of such request must be approved by the company.
 2. You may cancel this Policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect, but no more than 120 days prior to the date of notification to us, without the approval of the company.
 3. We may cancel this Policy by giving you at least 30 days advance written notice of the date cancellation is to take effect, with the exception of cancellation for nonpayment of premium which shall be a minimum of 10 days advance written notice.
 4. Cancellation shall be processed immediately and any return premiums shall be reflected in the next monthly report and premium billing. The return premium will be pro rata.
 5. Cancellation of this Policy by either you or us will not affect coverage on any previously reported Residential or Commercial Property insured under this Policy. If premium is paid, coverage on Residential and commercial property shall remain in force until the "evidence of insurance" expiration date. If no evidence of insurance is issued, any coverage will cease as of the cancellation of the Policy.
 6. We may elect not to renew this Policy. We may do so by delivery to you or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the annual anniversary date of this Policy. Proof of mailing shall be sufficient proof of notice. Our failure to send such a notice within the time prescribed obligates us to renew coverages if you pay the premium before the expiration date.
- M. Reports and Premium Billings.** You will provide timely reports monthly showing all requested coverage as outlined in **K. Request for Coverage** and the corresponding premium. Payment of the premium is due and payable with this report.
- N. Concealment and Fraud.** This entire Policy is void if you have intentionally concealed or misrepresented any material fact or circumstance relating to any aspect of this insurance or acted fraudulently or made false statements relating to any aspect of this insurance, whether before or after a loss. Such acts will bar recovery by any person except as provided in this Policy with respect to your interest.
- O. Subrogation.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, you shall sign and deliver all related papers and cooperate with us in any reasonable manner.
- P. Suit Against Us.** No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within two years after the date of loss.
- Q. Abandonment of Property.** We need not accept any property abandoned by you.
- R. 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.
- S. Liberalization Clause.** If we adopt any revision which would broaden the coverage under this Policy without additional premium within 60 days prior to or during the Policy period, the broadened coverage will immediately apply to this Policy.

- T. Waiver or Change of Policy Provisions.** A waiver or change of any provision of this Policy must be in writing by us to be valid.
- U. Assignment.** Assignment of this Policy shall not be valid unless we give our written consent.
- V. Total Loss or Constructive Total Loss.** In the event of a total or constructive total loss of any item of property insured during the period of coverage specified on the schedule or certificate and the loss is paid by the Company then the total premium for that property shall be considered to be fully earned. This endorsement shall not apply where State Law or any Premium Finance Agreement would be violated or infringed. Constructive total loss shall be defined as "loss where the cost of recovery and repair would exceed the Limit of Liability shown in the Schedule of the actual cash value (whichever is the lesser amount)".

DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED

AGREEMENT

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

DEFINITIONS

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

"Residential Property" is any 1-4 family residential housing unit.

COVERAGES

This insurance applies to the Described Location, Coverages for which a limit of liability is shown and Perils Insured Against for which a premium is stated.

A. Coverage A – Dwelling

1. We cover:

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

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

B. Coverage B – Other Structures

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

2. We do not cover:

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

- c. Other structures used in whole or in part for commercial, manufacturing or farming purposes; or
- d. Gravemarkers, including mausoleums.

C. Coverage C – Personal Property

1. Covered Property

We cover residential personal property, only if shown as a coverage option on the evidence of insurance or reported to us and a premium is received.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;
- c. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances. This includes their equipment and parts while such property is in or upon the vehicle or conveyance.

However, this Paragraph 2.e. does not apply to:

(1) Portable electronic equipment that:

- (a) Reproduces, receives or transmits audio, visual or data signals; and
- (b) Is designed so that it may be operated from a power source other than the electrical system of motor vehicles and all other motorized land conveyances.

- (2) Motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:
 - (a) Used solely to service a residence; or
 - (b) Designed to assist the handicapped;
- f. Watercraft of all types, other than rowboats and canoes;
- g. Data, including data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- h. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;
- i. Water or steam; or
- j. Gravemarkers, including mausoleums.

D. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B. This coverage is included in the Coverage A limit of liability and does not increase the limit of liability.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

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

3. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

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

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.

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. Collapse

- a. The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Other Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Other Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against named under Coverage C;

- (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to you prior to collapse;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to you prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- e. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
 - f. This coverage does not increase the limit of liability that applies to the damaged covered property.

6. Glass Or Safety Glazing Material

- a. We cover:
 - (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or

- (2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

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

7. Ordinance Or Law

- a. The Ordinance Or Law limit of liability determined in **b.** or **c.** below will apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

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

- b. If you are an owner of a Described Location and that location:

- (1) Is insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-owners Building Items at each Described Location; or
- (2) Is not insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage **B** at each Described Location.

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

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

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

This coverage is additional insurance.

PERILS INSURED AGAINST

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

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

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

- a. Excluded under General Exclusions;
- b. Involving collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in Other Coverage **10**. Collapse; or

c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.

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

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

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

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

(b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building or other structure;

(c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

(d) Pier, wharf or dock;

(3) Theft of property not part of a covered building or structure;

(4) Theft in or to a dwelling or structure under construction;

(5) Wind, hail, ice, snow or sleet to:

(a) Outdoor radio and television antennas and aerials, including their lead-in wiring, masts or towers; or

(b) Trees, shrubs, plants or lawns;

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

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

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

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

- (b) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
- (c) Smog, rust or other corrosion, mold, wet or dry rot;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, rodents, insects or domestic animals; or
- (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals.

Exception To c.(8)

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

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

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

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

General Exclusion **A.3.** Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c.(8)** above. Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not excluded or excepted in this Policy is covered.

B. Coverage C – Personal Property

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

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

This peril does not include loss to:

- a. Property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;
- b. The following property when outside of the building:
 - (1) Canoes and rowboats; or
 - (2) Trees, shrubs, plants or lawns.

- 3. Explosion**
- 4. Riot Or Civil Commotion**
- 5. Aircraft**
- 6. Vehicles**
- 7. Smoke**

This peril includes self-propelled missiles and spacecraft.

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

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

- 8. Vandalism Or Malicious Mischief**

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

9. Damage By Burglars

- a. This peril means damage to covered property caused by burglars.
- b. This peril does not include:
 - (1) Theft of property; or
 - (2) Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing; or
 - (3) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. General Exclusion A.3. Water, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

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

14. Freezing

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

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

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

GENERAL EXCLUSIONS

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

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

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

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;

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

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

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

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

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

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

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

8. Intentional Loss

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

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

9. Governmental Action

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

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

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

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A**. above to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;of part or all of any property whether on or off the Described Location.

CONDITIONS

A. Insurable Interest And Limit Of Liability

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

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

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 or your representative:

1. Give prompt notice to us or our agent;
2. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
3. Cooperate with us in the investigation of a claim;
4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another named insured, and sign the same;
6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the Policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in **D.4.**; and
 - g. Receipts for additional living expenses incurred and records that support the fair rental value 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 Other Coverages F.7. Ordinance Or Law. Covered property losses are settled as follows:

1. Property of the following types:

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

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

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

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

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

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

- b. If, at the time of loss, the amount of insurance in this Policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the lesser 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, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this Policy on the damaged building bears to 80% of the replacement cost of the building.

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

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

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

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

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

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

- e. You may disregard the replacement cost loss settlement provisions and make claim under this Policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition C. Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

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 Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

F. 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.

G. 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.

H. Mortgage Clause

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

- b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and

- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to:

- (1) Appraisal;
- (2) Suit Against Us; and
- (3) Loss Payment;

also apply to the mortgagee.

3. If we decide to cancel or not to renew this Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

I. Death

If you die, we insure:

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

J. Nuclear Hazard Clause

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

K. 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.

L. Volcanic Eruption Period

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

M. Loss Payable Clause

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

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

N. Policy Period

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED
THEFT, VANDALISM AND MALICIOUS MISCHIEF LIMITATION**

It is hereby understood and agreed that the maximum limit of liability under the DWELLING PROPERTY 3 – SPECIAL FORM – MODIFIED Policy for Theft, Vandalism & Malicious Mischief shall be \$30,000 per loss, per location.

Vandalism and Malicious Mischief means the willful and malicious damage to or destruction of insured property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED RESIDENTIAL ROOF COVERAGE LIMITATION

It is hereby understood and agreed that **CONDITIONS C. Loss Settlement** section (1.) of THE DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED policy is modified with the addition of paragraphs (d.) and (e.) as follows:

- d.** Residential roofs 15 years old or less at the time of loss, at repair or replacement cost without deduction for depreciation and subject to coinsurance requirements stated in section (2.) of Condition **C. Loss Settlement**, but not exceeding the least of the following amounts:
 - i.** the repair or replacement cost of that part of the roof damaged using commonly used building materials to place the property in a habitable condition for use on the same premises; or
 - ii.** the amount actually and necessarily spent to repair or replace the damaged roof.
- e.** Residential roofs that are greater than 15 years old at the time of loss, at actual cash value, but not exceeding the least of the following amounts:
 - i.** The actual cash value of the damaged roof at the time of loss, determined with deduction for depreciation; or
 - ii.** The cost to repair or replace the damaged roof with material of like kind and quality, with deduction for depreciation.

The coverage provided under this endorsement does not increase the limit of liability of the insured property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED VALUATION AND COINSURANCE ENDORSEMENT

It is hereby understood and agreed that **CONDITIONS C. Loss Settlement** section (2.) paragraphs (a.), (b.) and (c.) of THE DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED policy are removed and replaced with the following:

2. Buildings under Coverage A or B subject to the following:

At the time of loss the basis of adjustment, unless otherwise endorsed herein, shall be as follows:

- a. We shall not be liable for more than an amount greater than the insurable interest of the Named Insured at the time of loss or for more than the limit of the liability that applies as reported and requested by the Named Insured.

If a property has an insured value of \$70.00 per square foot or greater or is insured to a minimum of eighty percent (80%) of the Replacement Cost Value, losses shall be settled at Replacement Cost without any Coinsurance Penalty.

If a property has an insured value between \$50.00 and \$69.99 per square foot, losses shall be settled at actual cash value (ACV) without any Coinsurance Penalty.

If a property has an insured value of \$49.99 or less per square foot, losses shall be settled at ACV and a 80% Coinsurance Penalty shall apply.

- b. In determining the amount of insurance required to equal eighty percent (80%) of the full replacement cost of the property insured, do not include the value of excavations, foundations, supports, underground pipes, flues, drains and wiring which are below the surface of the ground.

- c. We will determine the value covered property as follows:

If at the time of loss, the limit of liability applicable to the lost or damaged property is less than eighty percent (80%) of the full replacement cost value of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability that applies to the property:

- i. The actual cash value of the lost or damaged property; or
- ii. A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible. This proportion will equal the ratio of the applicable limit of liability to eighty percent (80%) of the cost of repair or replacement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INVESTOR PROGRAM POLICY
COMMUNICABLE DISEASE EXCLUSION**

It is hereby understood and agreed that loss contributable to Communicable Disease as described below is excluded. This exclusion applies to the Commercial and Residential Property Policy Forms:

There is no coverage for any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

Loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- a. for a Communicable Disease, or
- b. any property insured hereunder that is affected by such Communicable Disease.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

This exclusion endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DWELLING PROPERTY 3 – SPECIAL FORM - MODIFIED
LOSS OF RENTAL INCOME COVERAGE – SCHEDULED LIMIT**

It is hereby understood and agreed that in consideration of an additional premium paid by the Named Insured and upon the Named Insured's request for coverage, we agree to provide Loss of Rental Income coverage as provided by this endorsement, subject to the terms and conditions of the policy and for attachment to the Certificate of Insurance.

If a covered loss to the insured property described in the Certificate of Insurance makes that part of the property rented to others, or held for rental by the insured, uninhabitable we will cover the loss of rental income as described herein.

Loss of rental income means the loss of rental income of that part of the property rented to others, or held for rental by the insured, that is uninhabitable. Loss of rental income does not include charges and expenses which do not continue.

Payment shall be for the shortest time required to repair or replace that part of the property rented to others, or held for rental by the insured, but shall not exceed 12 months. This period of time is not limited by the expiration of this policy.

Time periods for which loss of rental income may be covered:

- a. If the damaged or totally destroyed property is not repaired or replaced, or if it is repaired or replaced at the same premises, we will only pay for the time period during which the property could have been, or is being repaired or replaced at the same location with property of like kind, quality and use, with the exercise of due diligence and dispatch and not to exceed 12 months.
- b. If a covered structure is totally destroyed and is replaced elsewhere by the construction or purchase of another structure of like kind, quality and use, we will only pay for the time period during which the structure is being so replaced elsewhere, not to exceed the time period specified in a. above for the replacement of property at the same location.

Our maximum limit of liability that applies to each Described Location is as scheduled, per twelve (12) month period. Payment under this coverage is in addition to the Coverage A limit of liability.

If civil authority prohibits the use of that part of the property rented to others, or held for rental by the insured, as a result of direct damage to a neighboring location caused by a covered peril, we will cover the loss of rents for no more than two weeks.

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

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of \$_____.
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant’s Signature

Insurance Company

Print Name

Policy Number

Date

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

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

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

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

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

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

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

Privacy Policy

You have a relationship with one or more of the following Fortegra Financial Corporation affiliates: *Bankers Life of Louisiana, Blue Ridge Indemnity Company, Insurance Company of the South, Life of the South Insurance Company, Lyndon Southern Insurance Company, Response Indemnity Company of California, and Southern Financial Life Insurance Company.* The trust of our customers is our most valuable asset. In the course of providing products and services to you we will obtain information about you. Your trust in providing this information is safeguarded by keeping nonpublic personal information about our customers in a secure environment and using that information in accordance with this Privacy Policy.

This Privacy Policy generally describes our policy about obtaining and disclosing nonpublic information about you, examples of nonpublic information we collect and the companies with which we may share this information. These examples are for illustrative purposes only and are not intended to be considered a complete description of all information we collect, maintain, or use in our sharing practices. You may have other privacy protection under some State laws. We will comply with the applicable State and Federal laws regarding nonpublic information about you.

Information we may collect.

Customer Information. Customer information includes identifying information such as your name, address, telephone number, employer, social security number, income, age, and demographic data about you. It also includes information about your transactions with us such as claims history, premiums, and insurance coverage.

Financial Information. Financial information is information covered by the Fair Credit Reporting Act and information such as your credit history, credit card usage, income, assets, and loan records. It also includes information from consumer reporting agencies, public records, and data collection agencies.

Health Information. Health information includes medical history provided by doctors, hospitals or other health care providers, other insurance companies, and you. Health information will be collected, as authorized by you, or otherwise permitted by law, as we deem appropriate to determine eligibility for coverage, to process claims, and to prevent fraud.

What we do with the information we obtain.

The nonpublic information we may collect as described above may be disclosed, where permitted by law, in order to offer you product and services. Examples of disclosures permitted by law would include disclosures to organizations who provide claims administration, underwriting, audits, investigation or policyholder services. We may use affiliated and nonaffiliated parties to perform these services. Services also include protecting against fraud and companies who maintain software for us. We may also disclose information in response to requests from law enforcement authorities or State insurance authorities.

Independent Sales Agents and Agents in General.

Sales agents who represent us are independent, and your independent sales agent may gather and retain customer information, financial information, and/or health information about you. The use and protection of this information by your independent sales agent is your independent sales agent's responsibility, not the responsibility of *Fortegra Financial Corporation or its affiliated companies*. If you have questions about how your independent sales agent may use or disclose this information, please contact your independent sales agent.

Information regarding Former Customers.

We do not disclose nonpublic personal information about former customers except in accordance with this Privacy Policy.

Changes to our Privacy Policy

We reserve the right to modify, change or supplement this Privacy Policy at any time. If we make material changes to this policy, we will provide our customers with a revised notice that describes our new practices.