

Appendix 1

SERFF Records Downloaded in April 2022

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Company	Item	Shown on These Pages	Filing Date	SERFF Tracking Number
Aegis Security				
	Policy	1-24	8/7/2019	AEGS-132038811
	Rates/Rules	25-31	8/7/2019	AEGS-132038811
Allstate				
	Policy	32-47	2/5/2019	ALSE-131778493
American Security (American Bankers)				
	Policy	40-63	3/10/2020	ASPX-132296523
	Rate Chart	64-65	2/10/2020	ASPX-132173066
	Actuarial Memo	66-71	2/10/2020	ASPX-132173066
Foremost				
	Rates, 2nd Filing	72	9/6/2017	FORE-131174947
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Lyndon Southern				
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	Rates	76-79	9/17/2018	LFST-131581880
Liberty Mutual				
	Policy	80-103	11/20/2018	LBPM-131726791
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United Fire				
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USAA Group				
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	Rates	201-204	6/27/2018	USAA-131553556

* This rate filing is not very informative and thus is not copied here but a citation is given in case the reader wishes to look it up.

** Called "Filing Memo"



TENANT HOMEOWNERS POLICY

I. AGREEMENT

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

II. DEFINITIONS

Throughout this policy “**you**” and “**your**” refer to the “**named insured**” shown in the Declarations and the spouse if a resident of the same household, and “**we**”, “**us**” and “**our**” refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. “**Actual cash value**” is calculated by determining the replacement cost of **your** property and then subtracting depreciation for wear and tear. Its definition is as follows:
 - a. When the damage to **your** property is economically repairable, **we** will determine the cost of repairing **your** damage, less reasonable deduction for wear and tear, deterioration and obsolescence; or
 - b. When the damage to **your** property cannot be economically repaired, it is the market value of available, identical or nearly identical property, less reasonable deduction for wear and tear, deterioration and obsolescence; or
 - c. When the loss to **your** property creates a total loss, it is the market value of like kind and quality property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
2. “**Bodily injury**” means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
3. “**Business**” includes trade, profession or occupation, including farming and/or renting or holding for rental any building owned by **you** and any other **insured** and includes any temporary, part-time, or permanent activity engaged in for compensation.

4. **“Insured”** means **you** and the following residents of **your** household:
- a. **your** relatives;
 - b. any other person under the age of 21 who is in the care of any person named above

Under Section II, **“insured”** also means:

- c. 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 included in 4.a. or 4.b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner is not an **insured**.
 - d. with respect to any vehicle to which this policy applies, any person while engaged in **your** employment or the employment of any person included in 4.a. or 4.b.
5. **“Insured location”** means:
- a. the **residence premises**;
 - b. the part of any other premises, other structures, and grounds, used by **you** as a residence and which is shown in the Declarations or which is acquired by **you** during the policy period for **your** use as a residence;
 - c. any premises used by **you** in connection with the premises included in 5.a. or 5.b.;
 - d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
 - e. vacant land owned by or rented to any **insured** other than farm land;
 - f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**;
 - g. individual or family cemetery plots or burial vaults of any **insured**;
 - h. any part of a premises occasionally rented to any **insured** for other than **business** purposes.
6. **“Motor vehicle”** means:
- a. a motorized land vehicle designed for travel on public roads or subject to **motor vehicle** registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle**;
 - b. a trailer or semi-trailer designed for travel on public roads and subject to **motor vehicle** registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included in 6.a. is not a **motor vehicle**;

- c. a motorized golf cart, snowmobile, or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**;
 - d. any vehicle while being towed by or carried on a vehicle included in 6.a., 6.b. or 6.c.;
7. **“Occurrence”** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which result in **bodily injury** or **property damage** during the policy period.
 8. **“Pollutants”** means any solid liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes but is not limited to, materials to be recycled, reconditioned or reclaimed.
 9. **“Property damage”** means any physical injury to or destruction of tangible property, including loss of use of tangible property.
 10. **“Residence employee”** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
 11. **“Residence premises”** means the one-family dwelling, other structures and grounds or that part of any other building where **you** reside and which is shown as the **residence premises** in the Declarations.

Residence premises also means a two-family dwelling where **you** reside in at least one of the family units and which is shown as the **residence premises** in the Declarations.

III. SECTION I - COVERAGES

1. COVERAGE C: PERSONAL PROPERTY

We cover personal property owned or used by any **insured** while on the **residence premises**. At **your** request, **we** will cover personal property owned by others while the property is on the part of the **residence premises** occupied by any **insured**. **We** also cover personal property owned or used by any **insured** while it is anywhere in the world but **our** limit of liability shall not exceed 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater.

Personal property in a newly acquired **residence premises** is not subject to this limitation for the 30 days from the time **you** begin to move the property there.

Special Limits of Liability: These limits do not increase the Coverage C limit of liability. The special limit for each of the following categories is the total limit for each **occurrence** for all property in that category.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- b. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, personal records, manuscripts, passports, tickets and stamps. This special limit applies to these categories regardless of the medium (such as paper or computer software) on which this material exists. This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
- d. \$1000 on trailers not used with watercraft.
- e. \$500 on grave markers.
- f. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
- g. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$1000 for loss to electronic apparatus while in or upon a **motor vehicle** or other motorized land conveyance if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- (1) accessories or antennae; or
 - (2) tapes, wires, records, discs or other media for use with any electronic apparatus covered herein.
- i. \$1000 for loss to electronic apparatus while not in or upon a **motor vehicle** or other motorized land conveyance, if the electronic apparatus is:
 - (1) equipped to be operated by power from the electrical system or conveyance while retaining the capability of being operated by other sources of power.
 - (2) away from the **residence premises**.

Electronic apparatus includes:

- (1) accessories or antennae; or
 - (2) tapes, wires, records, discs or other media for use with any electronic apparatus covered herein.
- j. \$500 on Satellite dishes, reflectors, towers or antennae attached above and below ground foundations and any other property that is permanently attached or connected to dishes, reflectors, towers or antennae.
 - k. \$2500 on property on the **residence premises** used at any time or in any manner for any **business** purpose.
 - l. \$250 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to adaptable electronic apparatus.
 - m. \$2000 for loss by theft of firearms.

Property Not Covered. We do not cover:

- a. articles separately described and specifically insured in this or any other insurance;
- b. animals, birds or fish;

- c. **motor vehicles**; or all other motorized land vehicles, except those used to service a **residence premises**, which are not licensed for road use;
- d. any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound which is operated by power from the electrical system of a **motor vehicle**, or any tape, wire, record, disc or other medium for use with any such device or instrument while any of this property is in or upon a **motor vehicle**
- e. aircraft and parts;
- f. property of roomers, boarders and other tenants, except property of roomers and boarders related to any **insured**;
- g. property contained in an apartment regularly rented or held for rental to others by any **insured** except as provided in Additional Coverages h;
- h. property rented or held for rental to others off the **residence premises**;
- i. Credit Cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in 5.f. **Credit Card, Fund Transfer Card, Phone Card, Forgery and Counterfeit Money**.
- j. Water or steam
- k. **business** data, including such data stored in:
 - (1) books of account, drawings or other paper records; or
 - (2) electronic data processing tapes, wires, records, discs or other software media.

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

4. **COVERAGE D: LOSS OF USE**

The limit of liability for Coverage D is the total limit for all the following coverages.

- a. If a loss covered under this Section makes that part of the **residence premises** where **you** reside not fit to live in, **we** cover, at **your** choice, either of the following. However, if the **residence premises** is not **your** principal place of residence, **we** will not provide the option under paragraph (2) below:
 - (1) Additional Living Expense, meaning any necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living; or
 - (2) Fair Rental Value, meaning the fair rental value of that part of the **residence premises** where **you** reside less any expenses that do not continue while the premises is not fit to live in.

Payment under (1) or (2) 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.
- b. If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by **you** not fit to live in, **we** cover the:

Fair Rental Value, meaning the fair rental value of that part of the **residence premises** rented to others or held for rental by **you** less any expenses that do not continue while the premises is not fit to live in.

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

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

The periods of time under a., b. and c. above are not limited by expiration of this policy.

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

5. ADDITIONAL COVERAGES

- a. **Debris Removal.** **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.

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

We will also pay **your** reasonable expense, up to \$500 in the aggregate, for the removal from the **residence premises** of:

- (1) **your** tree(s) felled by the peril of Windstorm or Hail;
 (2) a neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damages a covered structure.

The \$500 limit is the most **we** will pay arising out of an **occurrence** regardless of the number of fallen trees.

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

This coverage:

- (1) does not increase the limit of liability that applies to the covered property;
 (2) does not relieve **you** of **your** duties, in case of a loss to covered property, as set forth in the Conditions of this policy.

- c. **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: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief or Theft. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than \$250 for any one tree, shrub or plant. **We** do not cover property grown for **business** purposes.

- d. **Fire Department Service Charge.** We will pay up to \$250 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 pay for fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the response of the fire department. No deductible applies to this coverage.
- e. **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 not more than 30 days while removed. This coverage does not change the limit of liability applying to the property being removed.
- f. **Credit Card, Fund Transfer Card, Phone Card, Forgery and Counterfeit Money.** We will pay up to \$500 for:

- (1) the legal obligation of any **insured** to pay because of the theft or unauthorized use of credit cards, fund transfer cards and phone cards issued to or registered in any **insured's** name.

We do not cover use by a resident of **your** household, a person who has been entrusted with the credit card, fund transfer cards or phone cards, or any person if any **insured** has not complied with all terms and conditions under which the credit card, fund transfer card or phone card is issued.

- (2) loss to any **insured** caused by forgery or alteration of any check or negotiable instrument; and
- (3) loss to any **insured** caused through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover loss arising out of **business** pursuits or dishonesty of any **insured**. No deductible applies to this coverage.

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.

Defense:

- (1) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a claim is made or a suit is brought against any **insured** for liability under the Credit Card, Fund Transfer Card, Phone Card coverage, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.
- g. **Loss Assessment.** We will pay up to \$1,000 for **your** share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under Coverage A-Dwelling.

This coverage applies only to loss assessments charged against you as owner or tenant of the **residence premises**.

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

The limit of \$1,000 is the most **we** will pay with respect to any one loss regardless of the number of assessments.

Condition 1. Policy Period under SECTION I and SECTION II -- CONDITIONS does not apply to this coverage.

- h. **Landlords' Furnishing.** **We** will pay up to \$2500 for **your** household furnishings, including carpeting, in an apartment on the residence premises regularly rented or held for rental to others by an **insured** for loss caused by the perils insured against other than the peril of theft. The limit above is the most **we** will pay in any one occurrence for landlords' furnishings.

IV. PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages A, B and C caused by a peril listed below except if the loss is excluded in the General Exclusions:

1. **Fire or lightning.**

2. **Windstorm or hail.**

This peril does not include loss to the interior of a building or 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.

This peril does not include loss to awnings, canopies, fences, structures other than a building, tents or any structure with a roof-like covering of cloth, metal, fiberglass or plastic, which is attached or not attached to a building.

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

3. **Internal Explosion**, meaning explosion occurring in the dwelling or other structure covered on the **residence premises** or in a structure containing personal property covered.

Explosion does not mean:

- a. electric arcing;
- b. breakage of water pipes; or
- c. breakage or operation of pressure relief devices; or
- d. implosion.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by **you** or operated under **your** control.

4. **Riot or civil commotion.**

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

6. **Vehicles.**

This peril does not include loss caused by a vehicle owned or operated by a resident of the **residence premises**.

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

This peril does not include loss caused by smoke from fireplaces, supplemental heating devices or from farming smudging or industrial operations.

8. **Vandalism or malicious mischief.**

This peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

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

This peril does not include loss caused by theft that occurs away from the **residence premises**.

This peril does not include loss caused by theft:

- a. committed by any **insured**;
- b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
- c. from any part of a **residence premises** rented by an **insured** to other than an **insured**.
- d. that occurs off the **residence premises** of:
 - (1) Trailers, semitrailers and campers;
 - (2) Watercraft of all types, and their furnishings, equipment and outboard engines or motors, or;
 - (3) 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.

This peril does not include loss of property if the **residence premises** has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

This peril does not include loss of property due to mysterious disappearance.

10. **Falling objects.**

This peril does not include loss to all types of property contained in a building unless the roof or any external walls of the building are first damaged by a falling object. Damage to a falling object itself is not covered.

11. **Weight of ice, snow or sleet**, which causes damage to a building or to property contained in a building

This peril does not include loss to an awning; deck; fence; patio; swimming pool; foundation; retaining wall; or any structure adjoining any body of water.

12. **Accidental discharge or overflow of water, liquid or steam** from within a plumbing, drainage, heating, air conditioning, fire suppression system or from any household appliance; including the

cost of tearing out and replacing any part of the building on the **residence premises** necessary to repair the above system or appliance from which the liquid or steam discharged or overflowed.

This peril does not include loss to:

- a. the system or appliance from which the water or steam escaped;
- b. caused by freezing except as provided in Peril 15, Freezing;
- c. to the **residence premises** caused by accident or overflow which occurs off the **residence premises**.

13. **Sudden and accidental tearing asunder**, cracking, burning or bulging of steam or hot water heating system, air conditioning system, fire suppression system or hot water appliance.

This peril does not include loss caused by or resulting from freezing except as provided by Peril 15, Freezing.

14. **Freezing** of the plumbing, drainage, heating, air conditioning, fire suppression system or of a household appliance.

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

- a. maintain heat in the building or;
- b. shut off the water supply and drained the system and appliances of waters.

15. **Sudden and accidental damage from artificially generated electrical currents**.

This peril does not cover losses to tubes, transistors or similar electrical components.

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

V. GENERAL EXCLUSIONS

1. **We** do not cover loss resulting directly or indirectly by any of the following:

- a. **Ordinance or Law**, meaning any ordinance or law:

- (1) Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 1.a.(1) does not apply to the amount of coverage that may be provided for under Perils Insured Against, Breakage of glass or safety glazing material.
- (2) The requirements of which result in a loss in value to property; or
- (3) 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**.

This exclusion applies whether or not the property has been physically damaged.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting. However, if loss or damage by fire or explosion results, **we** will pay for that resulting loss or damage.

- c. **Water Damage**, including but not limited to:
- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) water, or material, which backs up through sewers or drains or which overflows from a sump;
 - (3) water or any water-borne material below the surface of the ground including water or material which exerts pressure or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;
- However, if loss or damage by fire or explosion results, **we** will pay for that resulting loss or damage.
- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**. But, if a Peril Insured Against ensues on the **residence premises**, **we** will pay only for that ensuing loss.
- e. **Neglect**, meaning **your** neglect to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
- h. **Intentional Loss**, meaning any loss arising out of any act committed:
- (1) By or at the direction of **you** or any person or organization named as an additional **insured**; and
 - (2) With the intent to cause a loss.
- i. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body. However, if loss or damage by fire or explosion results in loss to property described in Coverages B and C, **we** will pay for that resulting loss or damage.
- j. **Mold or other fungi**, meaning:
1. mold or fungi;
 2. rust or rot;
 3. dampness of atmosphere, extremes of temperature
 4. contamination
 5. rats, mice, termites, moths or other insects
 6. wear and tear, deterioration or loss caused by any quality in property that causes it to damage or destroy itself.

However, we do cover ensuing mold or other fungi loss caused by water damage if the water damage loss would otherwise be covered under this policy.

The most we will pay for ensuing mold or other fungi caused by covered water damage is limited to the necessary and reasonable expenses up to \$500 to **remediate**, repair or replace covered property damaged by mold or other fungi.

Our limit of liability for ensuing mold or other fungi losses caused by covered water damage is \$500 for the sum of all losses regardless of the number of losses that occur during the policy period stated in the declarations page.

Remediate means to treat, remove or dispose of mold or other fungi as required to complete repair or replacement of covered property damaged by ensuing mold or other fungi caused by covered water damage, including any testing to detect, measure or evaluate mold or other fungi.

- k. **Leakage** into the dwelling caused by rain, snow, sleet, ice damming, ice breakup, freezing and/or thawing effect. This is excluded whether wind driven or not, unless the leakage is caused by a covered peril and the exterior damage that is the apparent cause of leakage is present.

VI. SECTION I - CONDITIONS

1. **Insurable Interest.** Even if more than one person has an insurable interest in the property covered, **we** shall not be liable:
 - a. to the **insured** for an amount greater than the **insured's** interest; nor
 - b. for more than the limit of liability that applies.
2. **Loss Settlement.** Covered property losses are settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace.
 - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
3. **What You MUST Do in Case of Loss.** As soon as possible after a covered loss occurs, but within 60 days of loss, unless extended by **us** in writing **you** must:
 - a. Notify **us** or **our** agent with the following data:
 - (1) **your** name and policy number;
 - (2) the time, place and details of the accident or loss;
 - (3) if the loss is under the Credit Card, Fund Transfer Card, Phone Card coverage, also notify the Credit Card, Fund Transfer Card or Phone Card Company.
 - b. if the loss is a theft, report it to the police within 24 hours after **you** discover the theft.
 - c. Protect the property from further damage. If **you** fail to do so, **we** will not pay for further damage. **We** will pay **you** for **your** reasonable expense incurred to protect **your** property.
 - d. Let **us** examine **you** under oath. **You** must provide **us** with signed statements and submit to examinations under oath as **we** may reasonably require. **You** must give **us** personal records such as tax records, bank statements, sales receipts, and an inventory of damaged property showing the quantity, description, value and amount of loss at **our** request.

- e. Give **us** the opportunity to inspect and appraise damage before it is repaired or replaced or as often as we reasonably require. Emergency repairs may be arranged without affecting **your** coverage.
 - f. 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.
 - f. **You** must 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:
 - (1) the time and cause of loss;
 - (2) the interest of the **Insured** and all others in the property involved and all liens on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of damaged property and detailed repair estimates.
4. **Loss to a Pair or Set.** In case of loss to a pair or set **we** may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between the **actual cash value** of the property before and after the loss.
5. **Appraisal.** If **you** and **we** fail to agree on the amount of loss, either of **us** may request a formal appraisal. The party making the request must notify the other party in writing. Each of **us** then selects a competent, independent appraiser, and must notify the other party of the appraiser's identity within 20 days after the written request for appraisal is received. The appraiser shall determine the loss amount and notify both of **us** in writing. If the appraisers are unable to agree, they select a competent, impartial umpire. If they cannot agree upon an umpire within 20 days, **you** or **we** may ask a judge of court of record in the state to select an umpire. The differences are submitted to the umpire. The written agreement signed by any two of the three will be binding on **you** and **us**. Each of **us** pays the cost of his own appraiser. **We** equally share the cost of the umpire.
6. **Other Insurance.** If both this policy and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance. This insurance is excess over any other insurance that covers loss of Personal Property specifically covered under other insurance. This insurance is also excess over any Service Agreements. Service Agreements include service plans, property restoration plans, home warranty or other similar service warranty agreement, even if it is characterized as insurance.
7. **Suit Against Us.** **You** may not sue **us** on this policy unless **you** have complied fully with all of the terms. Suit must be brought within one year after the loss.
8. **Loss Payment.** **We** will adjust all losses with **you**. **We** will pay **you** unless some other person is named in the policy to receive payment. Payment for loss will be made within 30 days after **we** reach agreement with **you**, entry of a final judgment, or the filing of an appraisal award with **us**. **We** will only pay for loss which occurs during the policy period.
9. **Abandonment of Property.** **We** need not accept any property abandoned by any **insured**.
10. **Mortgage Clause.**

The word “mortgagee” includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B shall be paid to the mortgagee and **you**, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order or precedence of the mortgages.

If **we** deny **your** claim, that denial shall 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;
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from **us** of **your** failure to do so. Policy conditions relating to Appraisal, Suit Against **Us** and Loss Payment apply to the mortgagee.

If the policy is canceled by **us**, the mortgagee shall be notified at least 10 days before the date cancellation takes effect.

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** shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee’s claim.

11. **No Benefit to Bailee.** **We** will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
12. **Nuclear Hazard Clause.**
 - a. “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.
 - b. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
 - c. 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.
13. **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.

14. **Deductible.** Some losses are subject to deductible amounts as shown on the Declarations or elsewhere in this policy. When **your** loss is the deductible amount or less, **you** pay it all. When **your** loss is more than the deductible, **you** pay the deductible and **we** pay the rest up to the limit of liability for that type of property. The deductible may vary by coverage. Only one deductible amount will be applied to a loss from one event.

15. **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.

16. **Concealment of Fraud**

We provide coverage to no **insureds** under this policy if, whether before, during or after a loss an **insured** has intentionally concealed or misrepresented any material fact or circumstance; engaged in fraudulent conduct; or made false statements.

VII. SECTION II - LIABILITY COVERAGES

1. **Coverage E - Personal Liability**

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

- a. pay up to **our** limit of liability for the damages for which the **insured** is legally liable; and
- b. provide a defense at **our** expense by counsel of **our** choice. Damages include prejudgment interest awarded against the **insured**. **We** may make any investigation and settle any claim or suit that **we** decide is appropriate. **Our** obligation to defend any claim or suit ends when the amount **we** pay for damages resulting from the **occurrence** equals **our** limit of liability.

2. **Coverage F - Medical Payments to Others**

We will pay the necessary medical expenses 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 other than **residence employees**. As to others, this coverage applies only:

- a. to a person on the **insured location** with the permission of any **insured**; or
- b. to a person off the **insured location**, if the **bodily injury**:
 - (1) arises out of a condition on the **insured location** or the ways immediately adjoining;
 - (2) is caused by the activities of any **insured**;

- (3) is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**.

VIII. SECTION II - EXCLUSIONS

1. **Coverage E-Personal Liability and Coverage F-Medical Payments to Others** do not apply to **bodily injury** or **property damage**:
 - a. arising out of any willful or malicious act or omission by any person including acts or omissions which are intended or expected by a reasonable person to result in **bodily injury** or **property damage**;
 - b. (1) arising out of or in connection with a **business** engaged in by an **insured**. This exclusion 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**;
 - (2) arising out of the rental or holding for rental of any part of any premises by an **insured**. This exclusion does not apply to the rental or holding for rental of an **insured location**:
 - (i) on an occasional basis if used only as residence;
 - (ii) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (iii) in part, as an office, school, studio or private garage.
 - c. arising out of the rendering or failing to render professional services;
 - d. arising out of any premises owned or rented to any **insured** which is not an **insured location**;
 - e. arising out of the ownership, maintenance, use, loading or unloading of:
 - (1) an aircraft;
 - (2) a **motor vehicle** owned or operated by, or rented or loaned to any **insured**; or
 - (3) a watercraft:
 - (i) owned by or rented to any **insured** if the watercraft has inboard or inboard-outdrive motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length; or
 - (ii) powered by one or more outboard motors with more than 25 horsepower, owned by any **insured** at the inception of this policy. If **you** report in writing to **us** within 45 days after acquisition, an intention to insure any outboard motors acquired prior to the policy period, coverage will apply.
 - f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
 - g. which arises out of the transmission of a communicable disease by an **insured**.

- h. from **bodily injury** or **property damage** in excess of \$2,500 arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:
- (1) at or from premises owned, rented or occupied by **you**;
 - (2) at or from any site or location used by or for **you** or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for **you** or any person or organization for whom **you** may be legally responsible; or
 - (4) at or from any site or location on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations;
 - (i) if the **pollutants** are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.
 - (5) to any loss, cost or expense arising out of any governmental direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.

This limitation does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- i. from **bodily injury** or **property damage** arising from lead. **We** will not cover claims for any injury, damage, expense, costs, loss, liability, or legal obligation arising out of, or allegedly arising out of or in any way related to, the toxic properties of lead or lead-containing products, materials, or substances. This exclusion applies to all forms of lead, including, but not limited to, solid, liquid, vapor or fumes.

This exclusion applies, but is not limited, to any injury, damage, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, or take any other remedial action with respect to lead or lead-containing products, materials, or substances. The addition of this exclusion does not imply that other policy provisions including, but not limited to any pollution exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.

- j. from **bodily injury** or **property damage** arising from asbestos or asbestos containing material.
- k. from **bodily injury** arising from sexual molestation, corporal punishment or physical or mental abuse.
- l. from **bodily injury** or **property damage** arising out of rendering of home day care services.
- m. from **bodily injury** arising out of the use, possession, manufacture, sale, delivery, or transfer by any person of a controlled substance as defined by the Federal Food & Drug Administration. Controlled substances include, but are not limited to, marijuana, cocaine, LSD and all narcotic drugs. This does not apply to legitimate use.
- n. from **bodily injury** or **property damage** arising out of any violation of criminal law either by or with the knowledge or consent of an **insured** regardless of whether the person is actually charged with or convicted of a crime.

- o. arising from out of any **occurrence** involving any all terrain vehicle owned by, or in the care, custody, or control of the **insured person** or any member of the insured's family or household; or any other loss or expense arising out of any **occurrence** involving any all terrain vehicle owned by, or in the care, custody, or control of the "insured" or any member of the insured's family or household.
- p. arising from out of any **occurrence**" involving any trampoline owned by, or in the care, custody, or control of the "**insured person** or any member of the insured's family or household; or any other loss or exposure arising out of any **occurrence** involving any trampoline owned by , or in the care, custody, or control of the **insured person** or any member of the insured's family or household.
- q. arising out of any occurrence caused by an animal including, but not limited to, a bite or scratch by an animal. This exclusion shall apply to both the obligation to pay damages and the obligation to defend an action alleging **bodily injury** or **property damage** caused by an animal.
- r. arising out of the ownership, maintenance or use of a swimming pool, spa (hot tub) or pond.
- s. caused directly or indirectly by the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. In addition we will not pay for any loss, cost or expense that **you** may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. **We** will not defend **you** with respect to any claim or suit seeking such damages.
- t. arising from assault and battery committed by any **insured person**, any employee of any **insured person**, or any other person considered an **insured person** under this policy; the failure to suppress or prevent assault and battery by any person; or any assault or battery resulting from or allegedly related to the negligent hiring, supervision or training of any employee of the **insured person**.
- u. arising out of contact or exposure to hazardous substances or any other loss or expense arising out of contact or exposure to hazardous substances." Hazardous Substances includes asbestos, benzene, gasoline, lead mercury, any pollutants, toxins, chemical waste, biological waste, nuclear waste, and any other materials that cause or are alleged to cause **bodily injury** or harm to any person or damage to property.

Exclusion e.(3) does not apply while the watercraft is stored and exclusions d. and e. do not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by the **insured**.

2. **Coverage E - Personal Liability** does not apply to:

- a. liability assumed under any unwritten contract or agreement, or by contract or agreement in connection with any **business** of the **insured**;
- b. **property damage** to property owned by the **insured**;
- c. **property damage** to property rented to, occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, explosion, smoke or

smudging resulting from the sudden, unusual or faulty operation of any heating or cooking unit;

- d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law; or
 - e. **bodily injury** or **property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.
 - f. for any loss assessment charged against **you** as a member of an association, corporation or community of property owners;
 - g. **bodily injury** to **you** or an **insured** within the meaning of part a. or b. or **Insured** as defined;
 - h. claims, costs or awards for punitive or exemplary damages.
3. **Coverage F - Medical Payments to Others** does not apply to **bodily injury**:
- a. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment;
 - b. to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law;
 - c. From any nuclear reaction, nuclear radiation, or radioactive contamination whether controlled or uncontrolled and any consequence of these.
 - d. to any person, other than a **residence employee** of an insured regularly residing on any part of the **insured location**.

IX. SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

- 1. **Claim Expenses. We** pay:
 - a. expenses incurred by **us** and costs taxed against any **insured** in any suit **we** defend;
 - b. premiums on bonds required in a suit defended by **us**, but not for bond amounts greater than the limit of liability for Coverage E. **We** are not obligated to apply for or furnish such bond;
 - c. reasonable expenses incurred by any **insured** at **our** request, including actual loss of earnings (but not loss of other income) up to \$100 per day for assisting **us** in the investigation or defense of any claim or suit;

- d. 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.
2. **First Aid Expenses.** **We** will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. **We** will not pay for first aid to **you** or any other **insured**.
 3. **Damage to Property of Others.** **We** will pay up to \$250 per **occurrence** for **property damage** to property of others caused by any **insured**.

We will not pay for **property damage**:

- a. to property covered under Section I of this policy;
 - b. caused intentionally by any **insured** who is 13 years of age or older;
 - c. to property owned by or rented to any **insured**, a tenant of any **insured**, or a resident of **your** household; or
 - d. arising out of:
 - (1) **business** pursuits;
 - (2) any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or
 - (3) the ownership, maintenance, or use of a **motor vehicle**, aircraft or watercraft.
4. **Loss Assessment.** **We** will pay up to \$1,000 for **your** share of any loss assessment charged during the policy period against **you** by a corporation or association of property owners, when the assessment is made as a result of:
 - a. each **occurrence** to which Section II of this policy would apply;
 - b. liability for each act of a director, officer or trustee provided:
 - (1) the director, officer or trustee is elected by the members of the corporation or association of property owners; and
 - (2) the director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against **you** as owner or tenant of the **residence premises**.

We DO NOT cover loss assessments charged against **you** or a corporation or association of property owners by any governmental body.

Section II - Coverage E-Personal Liability Exclusion f. does not apply to this coverage.

X. SECTION II - CONDITIONS

1. **Limit of Liability.** Regardless of the number of **insureds**, claims made or persons injured, **our** total liability under Coverage E stated in this policy for all damages resulting from any one **occurrence** shall not exceed the limit of liability for Coverage E stated in the Declarations. All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general 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 shall not exceed the limit of liability for Coverage F stated in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase **our** limit of liability for any one **occurrence**.
3. **What You MUST Do in Case of Loss.** In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply. **You** shall cooperate with **us** in seeing that these duties are performed:
 - a. Give written notice to **us** or **our** agent as soon as practicable. The notice must state:
 - (1) the identity of the policy and **insured**;
 - (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
 - (3) names and addresses of any claimants and available witnesses;
 - b. Forward to **us** every notice, demand, summons or other process relating to the accident or **occurrence**;
 - c. At **our** request, assist in:
 - (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
 - (3) the conduct of suits and attend hearings and trials;
 - (4) securing and giving evidence and obtaining the attendance of witnesses;
 - d. Under the coverage--Damage to the Property of Others--submit to **us** within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
 - e. The **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.
4. **Duties of an Injured Person -- Coverage F-Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:

- a. give **us** written proof of claim, under oath if required, as soon as practicable;
 - b. execute authorization to allow **us** to obtain copies of medical reports and records; and
 - c. submit to physical examination by a physician selected by **us** when and as often as **we** reasonably require.
5. **Payment of Claim -- Coverage F-Medical Payments to Others.** Payment under this coverage is not an admission of liability by an **insured** or **us**.
 6. **Suit Against Us.** No action shall be brought against **us** unless there has been compliance with the policy provisions.

No one shall have any right to join **us** as a party to any action against any **insured**. Further, no action with respect to Coverage E shall be brought against **us** until the obligation of the **insured** has been determined by final judgment or agreement signed by **us**.

7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve **us** of any of **our** obligations under this policy.
8. **Other Insurance -- Coverage E-Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover any excess over the limits of liability that apply in this policy.

XI. SECTION I AND II CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or **bodily injury** or **property damage** under Section II, which occurs during the policy period.
2. **Concealment or Misrepresentation.** This policy is void as to all **Insureds** defined in the definitions if any person so defined intentionally conceals or misrepresents any material fact or circumstances or makes false statements or engages in fraudulent conduct relating to this insurance either before or after a loss. If this policy is void, all premiums paid will be refunded since no coverage exists under this policy.
3. **Liberalization Clause.** If **we** revise the policy form to provide more coverage without additional premium charge, **your** policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.
4. **Waiver or Change of Policy Provisions.** This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. **Our** request for an appraisal or examination shall not waive any of **our** rights.
5. **Cancellation.**
 - a. **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.
 - b. **We** may cancel this policy for any reason permitted by the laws of **your** state by notifying **you** 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 shall be sufficient proof of notice.

- (1) When **you** have not paid the premium, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation takes effect.
 - (2) 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 notifying **you** at least 10 days before the date cancellation takes effect.
 - (3) 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 for any reason permitted by the laws of **your** state. This can be done by notifying **you** at least 30 days before the date cancellation takes effect, unless the reason is for material misrepresentation, concealment of fact or fraud by the insured, then **we** will notify **you** at least 10 days before the date cancellation takes effect.
 - (4) When this policy is written for a period longer than one year, **we** may cancel for any reason at anniversary by notifying **you** at least 30 days before the date cancellation takes effect.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded. When **you** request cancellation, the return premium will be based on **our** short-rate table. When **we** cancel, the return premium will be pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when the policy is returned to **us**, **we** will refund it within a reasonable time after the date cancellation takes effect.
6. **Nonrenewal.** **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 expiration date of this policy. Proof of mailing shall be sufficient proof of notice.
 7. **Assignment.** Assignment of this policy shall not be valid unless **we** give **our** written consent.
 8. **Our Right to Recover Payment From Others.** **You** or anyone else **we** pay under this policy may have the right to recover all or part of a loss from someone else. Once **we** pay **your** claim, this right of recovery will belong to **us**. **You** or the person **we** pay must do everything possible to preserve our rights to collect. Before a loss occurs, **you** may waive in writing all rights of recovery against any person.
 9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household dies:
 - a. **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;
 - b. **insured** includes:
 - (1) any member of **your** household who is an **insured** at the time of **your** death, but only while a resident of the **residence premises**; and

(2) with respect to **your** property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. **Policy Conformed to Statute.** Any terms of this policy which are in conflict with the statutes of the state where issued are amended to conform to the minimum requirement of the statutes.

IN WITNESS WHEREOF, Aegis Group has caused this policy to be signed by its President and Secretary and countersigned on the Declaration Page by a duly authorized representative of the Company.

Secretary

President

Handwritten signature of Deborah A. Good in cursive script, written in black ink. The signature is positioned to the left of a vertical line.Handwritten signature of Daniel J. Felt in cursive script, written in black ink. The signature is positioned to the right of a vertical line.

HO-4 TENANT HOMEOWNERS PROGRAM MANUAL

MINNESOTA AEGIS SECURITY INSURANCE COMPANY

GENERAL RULES

The Tenant Homeowners Policy program provides property and liability coverages, using the forms and endorsements herein. This manual also contains the rules governing the writing of the Tenant Homeowners Policy. The rules, rates, forms, and endorsements on file with the Company for each coverage shall govern in all cases not specifically provided for herein.

I. POLICY FORM AND DESCRIPTION OF COVERAGE

The following is a general description of the coverages provided by the Tenant Homeowners Form (HO-4). The policy and form should be consulted for exact contract conditions.

Note: All programs may not be eligible for all of the coverages listed below. See both the Mandatory Coverages and Optional Coverages sections of this manual for specific coverage eligibility.

A. SECTION I COVERAGE - PROPERTY DAMAGE

2. Coverage C - Personal Property

3. The HO-4 Tenant Homeowners Form covers Personal Property against loss by:

Named Perils - fire and lightning; sudden and accidental damage from smoke; windstorm; hurricane and hail; internal explosion; aircraft and vehicles; vandalism and malicious mischief; riot and civil commotion; weight of ice, sleet, or snow; sudden and accidental discharge or leakage from within a plumbing or heating system; falling objects; freezing; volcanic eruption; sudden and accidental damage from artificially generated electrical currents and theft, subject to certain limitations and exclusions.

B. SECTION II COVERAGE - LIABILITY

1. Coverage E - Personal Liability

Covers payment on behalf of any insured of all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F - Medical Payments to Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

II. ELIGIBILITY

A. A Tenant Homeowners Policy may be issued only:

3. To a lessor of a Dwelling, Manufactured Home or Apartment which is used exclusively for private residential purposes.
2. A Tenant Homeowners Policy shall not be issued covering any property to which farm forms or rates apply under the rules filed by or on behalf of the Company. In no event shall a policy be issued to cover any property situated on premises used for farming purposes.
3. Dwelling must be occupied as a full-time residence;
4. All other underwriting guidelines apply to this program.

III. POLICY TERM AND RENEWAL PLAN

The Special Homeowners Policy may be written for a term of one year and all premiums contained in this manual are annual premiums.

IV. CANCELLATION, REFUSAL TO RENEW OR REDUCTIONS IN LIMITS OF LIABILITY OR COVERAGES

- A. If insurance is cancelled or reduced at the request of the Company the earned premium shall be computed on a pro rata basis.
- B. If insurance is cancelled or reduced at the request of the Insured the earned premium shall be computed on a short rate basis using the Standard Short Rate Table, subject to a minimum retained premium of \$25, unless rewritten by another Homeowners policy with this Company.
- C. Each policy issued shall comply with the termination and renewal rules of the Minnesota Insurance Department. In the event the company requests cancellation or chooses not to renew the policy, the Insured will be given the number of days notice required by the State from the date of mailing.
- D. When required, a cancelled policy may be reinstated.

V. INCREASES IN LIMITS OF LIABILITY OR ADDITION OF COVERAGES

The limits of liability may be increased or coverages may be added during the term of the policy computed on a pro rata basis subject to all rules of this manual.

VI. POLICY CHANGES AFTER A RATE CHANGE

When coverage in a policy is increased, added, deleted or decreased, the premium will be calculated based on the rates in effect on the effective date of the policy.

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HO-4 TENANT HOMEOWNERS PROGRAM MANUAL

MINNESOTA AEGIS SECURITY INSURANCE COMPANY

PREMIUM SECTION

I. POLICY RATING RULES

A. TERRITORY 1 Entire State

B. ANNUAL PREMIUM

Determine the Replacement Cost value of the Personal Property and refer to the rating rules below.

C. MINIMUM EARNED OR WRITTEN PREMIUM

Each policy is subject to a minimum earned premium of \$25 and a minimum written premium of \$150.00.

D. INSTALLMENT BILLING

1. Installment Payments - It is permissible for the insured to pay the annual premium in installment payments. The charge for each installment will be \$6.00 each.
2. Late Payments - A late fee of \$5.00 will be applied to all payments received after the due date shown.
3. Non-Sufficient Funds - A \$25.00 fee will be applied to all checks returned for non-sufficient funds.
4. Convenience Fee - A \$5.00 fee will be applied for the convenience of making a payment by phone or via the web.

E. WAIVER OF PREMIUM

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$5.00 or less may be waived, except that an overcharge shall be refunded, regardless of the amount, if requested by the insured.

F. WHOLE DOLLAR PREMIUM

All premiums shown on the declaration page and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

II. CLASSIFICATIONS

A. PROTECTION CLASSIFICATION DEFINITIONS

1. Protected - Dwellings located within 1000 feet from a fire hydrant and within 5 miles from a responding fire department. (PC 1-4, PC 5-8)
2. Semi-protected - Dwellings located within 5 miles or less from a responding fire department but beyond 1000 feet from a fire hydrant. (PC 9)
3. Unprotected - does not meet the Protected or Semi-protected definitions. (PC 10)

B. OCCUPANCY CLASSIFICATIONS

1. Owner Occupied - Dwelling used as the insured's primary residence including site built dwellings, manufactured homes and apartment buildings.

III. DEDUCTIBLES

The Tenant Homeowners Form contains a \$500 all risk deductible that applies to all Section I coverages. Optional deductibles are available.

SECTION I DEDUCTIBLE	
\$500	Standard
\$1,000	5% Credit
\$2,500	15% Credit

IV. OPTIONAL COVERAGES

A. SECTION I COVERAGES

1. **Replacement Cost - Personal Property**

This coverage is included at no charge.

Attach Endorsement MHO-25 - Replacement Cost for Personal Property

2. **Increased Limit on Jewelry, Watches and Furs**

Coverage may be provided to increase the Special Limit of Liability on jewelry, watches and furs. The annual rate shall be \$10.00 per \$500 of coverage (maximum on a single item is \$2,500, maximum on schedule is \$5,000).

Attach Endorsement MHO-35 -Increased Limit on Jewelry, Watches and Furs

3. **Earthquake Coverage**

When earthquake coverage is provided, it shall apply to Coverage C for the same limits as provided under the policy. The premium for this coverage is \$1.00 per Thousand with a \$50.00 Minimum Premium. A \$1000 deductible will apply to any Earthquake loss.

Attach Endorsement MHO-172- Earthquake Coverage HO-4 Personal Property

4. **Theft Exclusion**

The peril of "Theft" may be excluded from the policy for a premium credit of \$10.00.

Attach Endorsement MHO-161 - Theft Exclusion

5. **Vandalism or Malicious Mischief Exclusion**

Losses arising from "Vandalism or Malicious Mischief" may be excluded from the policy for a premium credit of \$5.00.

Attach Endorsement MHO-115 - Vandalism or Malicious Mischief Exclusion

6. **Water Damage Limitation**

Coverage for loss resulting from water damage may be limited to \$3500 for a premium credit of \$5.00.

Attach Endorsement MHO-163 - \$3,500 Water Damage Limitation

Coverage for loss resulting from water damage may be limited to \$500 for a \$10.00 credit.

Attach Endorsement MHO-104 - \$500 Water Damage Limitation

7. Theft Limitation

The "Theft" peril may be limited to a maximum of \$1000 for a premium credit of \$5.00.

Attach Endorsement MHO-160 - \$1000 Theft Limitation

8. Freezing Exclusion

Losses arising from "Freezing" may be excluded from the policy for a premium credit of \$5.00.

Attach Endorsement MHO-166 - Freezing Exclusion

V. BASE RATES

Personal Property Coverage may be purchased in \$1000 increments only. The base rates provide for the amount of Coverage C - Personal Property insurance selected, 20% of the Coverage C limit for Additional Living Expenses, \$25,000 Personal Liability and \$500 Medical Payments.

PERSONAL PROPERTY LIMIT 20% Additional Living Expenses \$25,000 Personal Liability \$500 Medical Payments							
		\$16,000	\$200	\$31,000	\$316	\$46,000	\$434
		\$17,000	\$208	\$32,000	\$324	\$47,000	\$442
		\$18,000	\$215	\$33,000	\$332	\$48,000	\$450
0 to \$4,000	\$150	\$19,000	\$222	\$34,000	\$340	\$49,000	\$458
\$ 5,000	\$150	\$20,000	\$230	\$35,000	\$348	\$50,000	\$466
\$ 6,000	\$150	\$21,000	\$238	\$36,000	\$356	\$51,000	\$473
\$ 7,000	\$150	\$22,000	\$246	\$37,000	\$364	\$52,000	\$480
\$ 8,000	\$150	\$23,000	\$254	\$38,000	\$370	\$53,000	\$487
\$9,000	\$150	\$24,000	\$262	\$39,000	\$378	\$54,000	\$494
\$10,000	\$152	\$25,000	\$270	\$40,000	\$386	\$55,000	\$501
\$11,000	\$160	\$26,000	\$278	\$41,000	\$394	\$56,000	\$508
\$12,000	\$168	\$27,000	\$286	\$42,000	\$402	\$57,000	\$515
\$13,000	\$176	\$28,000	\$292	\$43,000	\$410	\$58,000	\$522
\$14,000	\$184	\$29,000	\$300	\$44,000	\$418	\$59,000	\$529
\$ 15,000	\$192	\$30,000	\$308	\$45,000	\$426	\$60,000	\$536
To Increase Personal Property per \$1,000 of Coverage Add: \$7.00 Per \$1,000							

B. SECTION II COVERAGES

1. Personal Liability (including Medical Payments)

The respective limits of liability for Coverage E and F must be uniform for all exposures covered under the policy.

The Coverage E premiums for "Described Residence Premises" (1 or 2 family dwellings) are as follows:

LIMIT OF LIABILITY	ANNUAL PREMIUM
\$25,000	\$20 (Included in Base)
\$50,000	\$30.00
\$100,000	\$50.00

The above premiums include \$500 limit for Coverage F. Coverage F limits are "each person" limits and contemplate the basic limit of \$25,000 each accident. Coverage F can be increased to \$1,000 for an additional premium of \$5.00.

V. CREDITS / SURCHARGES

A.. SENIOR CREDIT

A 10% credit applies to the base premium if a named insured is aged 50 or older.

Renters Policy

AP786

Policy number

Policy effective

Policyholders

Your Allstate agency is



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Renters Policy
Policy number:
Policy effective date:

Definitions Used In This Policy

1. **"You" or "your"**—means the person named on the Policy Declarations as the insured and that person's resident spouse.
2. **"Allstate," "we," "us" or "our"**—means the company named on the Policy Declarations.
3. **"Insured person(s)"**—means **you** and, if a resident of **your** household:
 - a) any relative; and
 - b) any dependent person in **your** care.

Under **Family Liability Protection—Coverage X** and **Guest Medical Protection—Coverage Y**, **insured person** also means:

- c) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **insured person**. **We** do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner.
- d) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.
4. **"Bodily injury"**—means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

Under **Guest Medical Protection—Coverage Y**, **bodily injury** means physical harm to the body, including sickness or disease, except that **bodily injury** does not include:

- a) any venereal disease;
 - b) herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);
- or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.
5. **"Business"**—means:
 - a) any full or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**. However, the mutual exchange of home day care services is not considered a **business**;

- b) any property rented or held for rental by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
 - 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to not more than two roomers or boarders; or
 - 3) a portion is rented as a private garage.

6. **"Insured premises"**—means:
 - a) the **residence premises**; and
 - b) under **Section II** only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
 - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
 - 3) cemetery plots or burial vaults owned by an **insured person**;
 - 4) vacant land, other than farmland, owned by or rented to an **insured person**;
 - 5) land owned by or rented to an **insured person** where a one, two, three or four family dwelling is being built as that person's residence;
 - 6) any premises used by an **insured person** in connection with the **residence premises**;
 - 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
7. **"Occurrence"**—means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the policy period, resulting in **bodily injury** or **property damage**.
8. **"Property damage"**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
9. **"Residence employee"**—means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.
10. **"Residence premises"**—means that portion of any building used by **you** as a private residence, excluding any portion used for **business** purposes, which is described on the Policy Declarations.

Insuring Agreement

In reliance on the information **you** have given **us**, **Allstate** agrees to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform **us** of any change in use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The policy period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

The terms of this policy impose joint obligations on the person named on the Policy Declarations as the insured and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

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

Agreements We Make With You

We make the following agreements with **you**:

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is located, the provisions are amended to conform to such statutes.

Coverage Changes

When **Allstate** broadens coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, **we** may adjust **your** coverage and premium accordingly during the policy period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death;
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

Our Right to Cancel:

Allstate may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason by giving **you** at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) nonpayment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk **we** originally accepted.

If the cancellation is for nonpayment of premium, **we** will give **you** at least 10 days notice. If the cancellation is for any of the other reasons, **we** will give **you** at least 30 days notice.

Our mailing the notice of cancellation to **you** will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

Allstate has the right not to renew or continue the policy beyond the current premium period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the premium period. **Our** mailing the notice of nonrenewal to **you** will be deemed proof of notice.

Concealment Or Fraud

This policy is void if it was obtained by misrepresentation, fraud or concealment of material facts. If it is determined that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or **occurrence** in which any **insured person** has concealed or misrepresented any material fact or circumstance.

Section I—Your Property

Personal Property Protection—Coverage C

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the

Renters Policy
Policy number:
Policy effective date:

residence premises, coverage is limited to 10% of **Personal Property Protection-Coverage C**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.

2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If the personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Personal Property Protection-Coverage C**. The total amount of coverage for each group in any one loss is as follows:

1. \$ 200 — Money, bullion, bank notes, coins and other numismatic property.
2. \$ 200 — Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$ 1,000 — Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
4. \$ 1,000 — Trading cards, subject to a maximum amount of \$250 per card.
5. \$ 1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, and stamps, including philatelic property.
6. \$ 1,000 — Manuscripts, including documents stored on electronic media.
7. \$ 1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts and motors.
8. \$ 1,000 — Trailers not used with watercraft.
9. \$ 1,000 — Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, platinum and furs, including any item containing fur which represents its principal value.
10. \$ 1,000 — Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.

11. \$ 2,000 — Theft of firearms.
12. \$ 2,500 — Theft of silverware, pewterware and goldware.
13. \$ 5,000 — Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a **business**. Recording or storage media will be covered only up to:
 - a) the retail value of the media, if pre-programmed; or
 - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.
14. \$ 10,000 — Theft of rugs, including, but not limited to any handwoven silk or wool rug, carpet, tapestry, wall-hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age; subject to a maximum amount of \$2,500 per item.

Property We Do Not Cover Under Coverage C:

1. Personal property specifically described and insured by this or any other insurance.
2. Animals.
3. Motorized land vehicles, including, but not limited to any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the handicapped or used solely for the service of the **insured premises** and not licensed for use on public roads.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders, tenants not related to an **insured person**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. Any device, cellular communication system, radar signal reception system, accessory or antenna designed for reproducing, detecting, receiving, transmitting, recording or playing back data, sound or picture which may be powered by electricity from a motorized land vehicle or watercraft and while in or upon a motorized land vehicle or watercraft.

Losses We Cover Under Coverage C:

We will cover sudden and accidental direct physical loss to the property described in **Personal Property Protection-Coverage C**, except as limited or excluded in this policy, caused by:

1. Fire or Lightning.
2. Windstorm or Hail.

We do not cover:

- a) loss to covered property inside a building, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
- b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building. However, **we do** cover canoes and rowboats on the **residence premises**.

3. Explosion.
4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicles.
7. Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if **your residence premises** has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief.

A **residence premises** under construction is not considered vacant or unoccupied.

9. Falling objects.

We do not cover loss to personal property inside a building structure unless the falling object first damages the exterior walls or roof of the building.

10. Weight of ice, snow or sleet which causes damage to personal property in a building, but only if the building is damaged due to the weight of ice, snow or sleet.
11. Increase or decrease of artificially generated electrical current to electrical appliances, fixtures and wiring.
12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.
13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

14. Freezing of a plumbing, heating or air conditioning system or a household appliance.

We do not cover loss at the **residence premises** under perils (12), (13), and (14) caused by or resulting from freezing while the **residence premises** is vacant, unoccupied or under construction unless **you** have used reasonable care to:

- a) maintain heat in the **residence premises**; or
- b) shut off the water supply and drain the water from the systems and appliances.

15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the dwelling is completed and occupied;
- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
- e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.

16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any building on the **residence premises**. This does not include damage to the glass.

Losses We Do Not Cover Under Coverage C:

We do not cover loss to the property described in **Personal Property Protection-Coverage C** caused by or consisting of:

1. Flood, including but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
2. Water or any other substance that backs up through sewers or drains.
3. Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
4. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

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5. Earth movement of any type, including, but not limited to earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

6. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any building structure or other structure at the **residence premises**.

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

7. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.
8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
9. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
- may be reasonably expected to result from such acts; or
 - is the intended result of such acts.

This exclusion applies regardless of whether or not the **insured person** is actually charged with or convicted of a crime.

10. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these.

Loss caused by nuclear action is not considered loss by fire, explosion or smoke. **We** do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
12. War or warlike acts, including, but not limited to insurrection, rebellion or revolution.
13. Weather conditions that contribute in any way with a cause of loss excluded in this section to produce a loss.
14. Planning, construction or maintenance, meaning faulty, inadequate or defective:
- planning, zoning, development, surveying, siting;
 - design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - materials used in repair, construction, renovation or remodeling; or
 - maintenance

of property whether on or off the **residence premises** by any person or organization.

15. **We** do not cover loss to covered property described in **Personal Property Protection-Coverage C** when:
- there are two or more causes of loss to the covered property; and
 - the predominant cause(s) of loss is (are) excluded under **Losses We Do Not Cover**, items 1 through 14 above.

Additional Protection

1. Additional Living Expense

- a) **We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover makes **your residence premises** uninhabitable.

Payment for covered additional living expense will be limited to the least of the following:

- the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - if **you** permanently relocate, the shortest time for **your** household to settle elsewhere;
 - 12 months.
- b) **We** will pay **your** lost fair rental income resulting from a covered loss, less charges and expenses which do not continue, when a loss **we** cover makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months.
- c) **We** will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a peril **we** insure against.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. Credit Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money

We will pay for loss:

- that an **insured person** is legally required to pay for the unauthorized use of any credit card or bank fund transfer card issued to or registered in the name of an **insured person**;
- caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
- to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any **business** of an **insured person**;
- b) loss caused by or at the direction of an **insured person** or any other person who has been entrusted with any credit card or bank fund transfer card;
- c) loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give **us** immediate written notice. If the loss involves a credit card, charge plate or bank fund transfer card, the **insured person** must also give immediate written notice to the company or bank that issued the card or plate. Failure to comply with the terms and conditions of the card or plate voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

We will defend any suit brought against an **insured person** for the enforcement of payment covered under paragraph 2 a) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

We have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment covered under paragraph 2 b) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

3. **Debris Removal**

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the limit of liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. **Emergency Removal Of Property**

We will pay for sudden and accidental physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. **Fire Department Charges**

We will pay up to \$500 for service charges made by fire departments called to protect **your** property from a loss **we** cover at the **residence premises**. No deductible applies to this protection.

6. **Temporary Repairs After A Loss**

We will reimburse **you** up to \$2,000 for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage

does not increase the limit of liability applying to the property being repaired.

7. **Building Improvements**

We will pay up to an additional 10% of the amount of insurance shown on the Policy Declarations under **Personal Property Protection-Coverage C** for loss to building additions, alterations, installations or fixtures, made at **your** expense, in that portion of the **residence premises** occupied, but not owned, by **you**. For coverage to apply, the loss must be a sudden and accidental direct physical loss caused by a loss **we** cover under **Section I, Personal Property Protection-Coverage C**.

8. **Temperature Change**

We will pay for loss to covered personal property in a building at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss under **Section I, Personal Property Protection-Coverage C**.

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

9. **Power Interruption**

We will pay for loss to the contents of freezers and refrigerated units on the **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

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

10. **Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

11. **Collapse**

We will cover direct physical loss to covered property caused by the entire or partial collapse of a building structure.

For coverage to apply, the collapse of a building structure must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss **we** cover under **Section I, Personal Property Protection-Coverage C**;
- b) hidden decay of the building structure;
- c) hidden damage to the building structure caused by insects or vermin;
- d) weight of persons, animals, equipment or contents;
- e) weight of rain or snow which collects on a roof;
- f) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

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Collapse does not include settling, cracking, shrinking, bulging or expansion.

This protection does not change the limit of liability that applies to the covered property.

Section I Conditions

1. Deductible

We will pay when a covered loss exceeds the deductible shown on the Policy Declarations. **We** will then pay only the excess amount, unless **we** have indicated otherwise in this policy.

2. Insurable Interest And Our Liability

In the event of a covered loss, **we** will not pay for more than an **insured person's** insurable interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. What You Must Do After A Loss

In the event of a loss to any property that may be covered by this policy, **you** must:

- a) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, charge plate or bank fund transfer card, give written notice to the company or bank that issued the card or plate.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
 - 1) show **us** the damaged property.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the insured's household or others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
 - 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;
 - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
 - 4) any other insurance that may cover the loss;

- 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
- 6) at **our** request, the specifications of any damaged building structure or other structure;
- 7) evidence supporting any claim under the **Credit Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money** protection. State the cause and amount of loss.

4. Our Settlement Options

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5, **How We Pay For A Loss**.

Within 30 days after **we** receive **your** signed, sworn proof of loss **we** will notify **you** of the option or options **we** intend to exercise.

5. How We Pay For A Loss

Under **Personal Property Protection-Coverage C**, payment for covered loss will be by one of the following methods:

- a) **Special Payment.** At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under **Personal Property Protection-Coverage C**, without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.
- b) **Actual Cash Value.** If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the limit of liability shown on the Policy Declarations for the coverage that applies to the damaged, destroyed or stolen property, regardless of the number of items involved in the loss.

You may make claim for any additional payment as described in paragraph c) below, if applicable, and if **you** repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.

- c) **Personal Property Reimbursement.** When the Policy Declarations shows that the Personal Property Reimbursement provision applies under **Personal Property Protection-Coverage C** we will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

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Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the limit of liability shown on the Policy Declarations for **Personal Property Protection-Coverage C**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 2) articles whose age or history contribute substantially to their value. This includes, but is not limited to memorabilia, souvenirs and collector's items; or
- 3) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless another payee is named in the policy. **We** will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

7. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us**, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. **Abandoned Property**

We are not obligated to accept any property or responsibility for any property abandoned by an **insured person**.

9. **Permission Granted To You**

- a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A building under construction is not considered vacant.
- b) **You** may make alterations, additions or repairs, and **you** may complete structures under construction.

10. **Our Rights To Recover Payment**

When **we** pay for any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. **You** may waive **your** rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of loss.

11. **Our Rights To Obtain Salvage**

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by **us** or payment of the agreed or appraised value.

We will notify **you** of **our** intent to exercise this option within 30 days after **we** receive **your** signed, sworn proof of loss.

When **we** settle any loss caused by theft or disappearance **we** have the right to obtain all or part of any property which may be recovered. An **insured person** must protect this right and inform **us** of any property recovered. **We** will inform **you** of **our** intent to exercise this right within 10 days of **your** notice of recovery to **us**.

12. **Suit Against Us**

No suit or action may be brought against **us** unless there has been full compliance with all the policy terms. Any suit or action must be brought within one year after the inception of loss or damage.

13. **Loss To A Pair Or Set**

If there is a covered loss to a pair or set, **we** may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.

14. **Glass Replacement**

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. **No Benefit To Bailee**

This insurance will not benefit any person or organization who may be caring for or handling **your** property for a fee.

16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

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17. **Property Insurance Adjustment**

When the Policy Declarations indicates that the Property Insurance Adjustment condition applies:

The limit of liability shown on the Policy Declarations for **Personal Property Protection–Coverage C** will be revised at each policy anniversary to reflect the rate of change in the Index identified on the Policy Declarations. The limit of liability for **Personal Property Protection–Coverage C** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1,000.

We will not reduce the limit of liability shown on the Policy Declarations without **your** consent.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by **Allstate** at the time a change in limits is made.

Allstate has the right to change to another cost index or to withdraw this condition as of a policy anniversary date by giving **you** at least 30 days notice. This applies only if the change or withdrawal applies to all similar policies issued by **Allstate** in **your** state.

Section II—Family Liability And Guest Medical Protection

Family Liability Protection–Coverage X

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, **Allstate** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising from an **occurrence** to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted **our** limit of liability.

Losses We Do Not Cover Under Coverage X:

1. **We** do not cover any **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her own conduct;
 - b) such **bodily injury** or **property damage** is of a different kind or degree than intended or reasonably expected; or
 - c) such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** whenever any benefit of this coverage would accrue directly or indirectly to an **insured person**.
3. **We** do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any workers' compensation, non-occupational disability or occupational disease law.
4. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
 - c) a motorized wheel chair;
 - d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
 - e) a golf cart owned by an **insured person** when used for golfing purposes;
 - f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
 - g) lawn and garden implements under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:
 - a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

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7. **We do not cover bodily injury or property damage** arising out of:
- the negligent supervision by an **insured person** of any person; or
 - any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motor vehicle or trailer which is not covered under **Section II** of this policy.

8. **We do not cover any bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover bodily injury which results from such discharge if the discharge is sudden and accidental.

9. **We do not cover any property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
10. **We do not cover any bodily injury or property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
11. **We do not cover bodily injury or property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.
12. **We do not cover bodily injury or property damage** arising out of the past or present **business** activities of an **insured person**.
We do cover the occasional or part-time business activities of an **insured person** who is a student under 21 years of age.
13. **We do not cover bodily injury or property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.
14. **We do not cover property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.
15. **We do not cover any liability an insured person** assumes arising out of any contract or agreement.
16. **We do not cover bodily injury or property damage** caused by war or warlike acts, including, but not limited to insurrection, rebellion or revolution.

Guest Medical Protection—Coverage Y

Losses We Cover Under Coverage Y:

Allstate will pay the reasonable expenses incurred for necessary medical, surgical, X-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses, hearing aids, and

pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an **occurrence** causing **bodily injury** to which this policy applies, and is covered by this part of the policy.

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

- on the **insured premises** with the permission of an **insured person**; or
- off the **insured premises**, if the **bodily injury**:
 - arises out of a condition on the **insured premises** or immediately adjoining ways;
 - is caused by the activities of an **insured person** or a **residence employee**;
 - is caused by an animal owned by or in the care of an **insured person**; or
 - is sustained by a **residence employee**.

Losses We Do Not Cover Under Coverage Y:

- We do not cover any bodily injury** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - such **insured person** lacks the mental capacity to govern his or her own conduct;
 - such **bodily injury** is of a different kind or degree than intended or reasonably expected; or
 - such **bodily injury** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

- We do not cover bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
- We do not cover bodily injury** to any person eligible to receive any benefits voluntarily provided, or required to be provided, under any workers' compensation, non-occupational disability or occupational disease law.
- We do not cover bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
- We do not cover bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
 - a motorized wheel chair;

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- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements under 40 horsepower;
- h) **bodily injury** to a **residence employee**.

6. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:
- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We** do not cover **bodily injury** arising out of:
- a) the negligent supervision by any **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover any **bodily injury** which results in any manner from the discharge, dispersal, release, or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render professional services by, an **insured person**.

10. **We** do not cover **bodily injury** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age.

11. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.

12. **We** do not cover **bodily injury** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.
13. **We** do not cover **bodily injury** caused by war or warlike acts, including, but not limited to insurrection, rebellion, or revolution.

Additional Protection

We will pay, in addition to the limits of liability:

1. Claim Expenses

We will pay:

- a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;
- b) interest accruing on damages awarded until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; interest will be paid only on damages which do not exceed **our** limits of liability;
- c) premiums on bonds required in any suit **we** defend; **we** will not pay bond premiums in an amount that is more than **our** limit of liability; **we** have no obligation to apply for or furnish bonds;
- d) up to \$150 per day for loss of wages and salary, when **we** ask **you** to attend trials and hearings;
- e) any other reasonable expenses incurred by an **insured person** at **our** request.

2. Emergency First Aid

We will pay reasonable expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

3. Damage To Property Of Others

At **your** request, **we** will pay up to \$500 each time an **insured person** causes **property damage** to someone else's property. At **our** option, **we** will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

We will not pay for **property damage**:

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in **your** household; or
- d) arising out of:
 - 1) past or present **business** activities;
 - 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft or watercraft.

Section II Conditions

1. What You Must Do After An Accidental Loss

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

- a) Promptly notify **us** or **our** agent stating:
 - 1) **your** name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an **insured person**;
 - 4) the names and addresses of any witnesses.
- b) Promptly send **us** any legal papers relating to the accident.
- c) At **our** request, an **insured person** will:
 - 1) cooperate with **us** and assist **us** in any matter concerning a claim or suit;
 - 2) help **us** enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - 3) attend any hearing or trial.
- d) Under the **Damage To Property Of Others** protection, give **us** a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show **us** any damaged property under that person's control.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

2. What An Injured Person Must Do—Guest Medical Protection—Coverage Y

If someone is injured, that person, or someone acting for that person, must do the following:

- a) promptly give **us** written proof of the loss. If **we** request, this must be done under oath.
- b) give **us** written authorization to obtain copies of all medical records and reports.
- c) permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

3. Our Payment Of Loss—Guest Medical Protection—Coverage Y

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

4. Our Limits Of Liability

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under **Family Liability Protection—Coverage X** for damages resulting from **occurrence** will not exceed the limit shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to the same general conditions is considered the result of one **occurrence**.

Our total liability under **Guest Medical Protection—Coverage Y** for all medical expenses payable for **bodily injury**, to any one person, shall not exceed the "each person" limit shown on the Policy Declarations.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

6. Our Rights To Recover Payment—Family Liability Protection—Coverage X

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them.

7. Suit Against Us

- a) No suit or action can be brought against **us** unless there has been full compliance with all the terms of this policy.
- b) No suit or action can be brought against **us** under **Family Liability Protection—Coverage X** until the obligation of an **insured person** to pay is finally determined either by judgment against the **insured person** after actual trial, or by written agreement of the **insured person**, injured person, and **us**.
- c) No one shall have any right to make **us** a party to a suit to determine the liability of an **insured person**.

8. Other Insurance—Family Liability Protection—Coverage X

This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III—Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

1. Increased Coverage On Business Property—Coverage BP

The \$1,000 limitation on **business** property located on the **residence premises**, under **Personal Property Protection—Coverage C**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is on the **residence premises**.

2. Increased Coverage On Electronic Data Processing Equipment—Coverage DP

The \$5,000 limitation on electronic data processing equipment under **Personal Property Protection—Coverage C**, and the recording or storage media used with that equipment, is increased to the amount shown on the Policy Declarations.

3. Fire Department Charges—Coverage F

The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

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4. **Increased Coverage On Building Improvements–Coverage I**
The limit of liability applying to building improvements covered in this policy is increased to the amount shown on the Policy Declarations.

5. **Extended Coverage On Jewelry, Watches And Furs–Coverage J**
Personal Property Protection–Coverage C is extended to pay for sudden and accidental direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Personal Property Protection–Coverage C**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

- d) war or warlike acts, including, but not limited to insurrection, rebellion or revolution.
- e) failure by any **insured person** to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss **we** cover.

Any deductible shown on the Policy Declarations applicable to **Personal Property Protection–Coverage C**, also applies to a loss under this coverage.

6. **Incidental Office, Private School Or Studio–Coverage K**
a) The \$200 and \$1,000 limits applying to property used or intended for use in a **business** under **Personal Property Protection–Coverage C** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The Coverage K limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The

second limit applies to property while away from the **residence premises**. These limits are not in addition to **Personal Property Protection–Coverage C, Limitations On Certain Personal Property** on property used or intended for use in a **business**. The increased coverage does not include property held for sample, sale or delivery after sale.

b) **Family Liability Protection–Coverage X** and **Guest Medical Protection–Coverage Y** are extended to cover a described office, private school or studio occupied by an **insured person**. The occupancy of the described property shall not be considered a **business**.

We do not cover **bodily injury** to:

- a) any employee other than a **residence employee**; or
- b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

7. **Lock Replacement–Coverage LR**
Personal Property Protection–Coverage C is extended to include reasonable expenses **you** incur to replace or re-key exterior door locks at the **residence premises** with locks or cylinders of like kind and quality. Coverage is provided when a key to a lock is stolen as part of a covered theft loss. The limit of liability under this coverage following any one theft loss is \$250.

8. **Increased Coverage On Money–Coverage M**
The \$200 limitation on money, bullion, bank notes, coins and other numismatic property under **Personal Property Protection–Coverage C** is increased to the amount shown on the Policy Declarations.

9. **Business Pursuits–Coverage P**
Family Liability Protection–Coverage X and **Guest Medical Protection–Coverage Y** are extended to cover specified business pursuits of an **insured person**.

We do not cover:

- a) **bodily injury** or **property damage** arising out of the **business** pursuits of an **insured person** when the **business** is owned or financially controlled by the **insured person**. This also means a partnership or joint venture of which an **insured person** is a partner or member;
- b) **bodily injury** or **property damage** arising out of the rendering or failure to render a professional service of any nature, other than teaching;
- c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
- d) **bodily injury** or **property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury** or **property damage** arises out of the maintenance or use of saddle animals, vehicles used with saddle animals, motorized land vehicles, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or

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- e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction; or

10. **Increased Coverage On Securities—Coverage S**

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, or stamps, including philatelic property, covered under **Personal Property Protection—Coverage C**, is increased to the amount shown on the Policy Declarations.

11. **Portable Cellular Communication Systems—Coverage SE**

Personal Property Protection—Coverage C is extended to portable cellular communication systems in or upon a motorized land vehicle or watercraft. This coverage applies only to portable systems that can be powered by electricity from a motorized land vehicle or watercraft. Coverage applies whether or not the portable cellular communication system is used in a **business**.

The amount of coverage is shown on the Policy Declarations.

12. **Increased Coverage On Theft Of Silverware—Coverage ST**

The \$2,500 limitation on theft of silverware, pewterware and goldware under **Personal Property Protection—Coverage C** is increased to the amount shown on the Policy Declarations.

Document

IMPORTANT NOTICE

The coverages provided by a Renter's Policy can vary greatly according to the forms attached to the basic policy. Please read your policy carefully to be sure it provides the coverage you want.

Renters Insurance Program

AMERICAN SECURITY INSURANCE COMPANY

A Stock Insurance Company
11222 Quail Roost Drive, Miami, FL 33157-6596 • 305.253.2244

Renters Insurance Program

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

1. “Bodily injury” means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. “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 items (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”.
3. “Insured” means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.

If the entity named on the Declarations Page is a “business” entity, “insured” means any person while residing at the “residence premises” with the permission of the named insured.

Under Section II, “insured” also means:

- c. 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 included in 3.a. or 3.b. above. 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 is not an “insured”;
- d. With respect to any vehicle to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or

- (2) Other persons using the vehicle on an “insured location” with your consent.

4. “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 in 4.a. and 4.b. above;
 - d. Any part of a premises:
 - (1) Not owned by an “insured”; and
 - (2) Where an “insured” is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an “insured”;
 - f. Land owned by or rented to an “insured” on which a one or two family dwelling is being built as a residence for an “insured”;
 - g. Individual or family cemetery plots or burial vaults of an “insured”;
 - h. Any part of a premise occasionally rented to an “insured” for other than “business” use.

If the named insured is a “business” entity, the “insured location” is limited to the “residence premises”.
5. “Landlord” means:
The owner or property manager of the “residence premises”.
6. “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”.
7. “Property damage” means physical injury to, destruction of, or loss of use of tangible property.
8. “Residence employee” means:
 - a. An employee of an “insured” 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”.
9. “Residence premises” means:
 - a. The one family dwelling, other structures, and grounds; or
 - b. That part of any other building; where the “insured” resides and which is shown as the “residence premises” in the Declarations.

SECTION I - PROPERTY COVERAGES

COVERAGE C – Personal Property

We cover personal property owned or used by an “insured” while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the “residence premises” occupied by an “insured”;
2. A guest or a “residence employee”, while the property is in any residence occupied by an “insured”.

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 \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

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

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1000 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.

3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2000 for loss by theft of firearms and related equipment.
7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2500 on property, on the “residence premises”, used at any time or in any manner for any “business” purpose.
9. \$250 on property, away from the “residence premises”, used at any time or in any manner for any “business” purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item **10.**

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the “residence premises”; and
 - c. Is used at any time or in any manner for any “business” purpose.

Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item **11.**

Property Not Covered. We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) Accessories or antennas; or
 - (2) Tapes, wires, records, discs or other media;
 for use with any electronic apparatus described in this item **3.b.**

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an “insured’s” residence; or
- b. Designed for assisting the handicapped;
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an “insured”;
6. Property in an apartment regularly rented or held for rental to others by an “insured”;
7. Property rented or held for rental to others off the “residence premises”;
8. “Business” data, including such data stored in:
 - a. Books of account, drawings or other paper records; or

- b. Electronic data processing tapes, wires, records, discs or other software media.

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

- 9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.

COVERAGE D – Loss Of Use

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

- 1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the “residence premises” not fit to live in, we cover the Additional Living Expense, meaning 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. If a loss covered under this Section makes that part of the “residence premises” rented to others or held for rental by you not fit to live in, we cover the:

Fair Rental Value, meaning the fair rental value of that part of the “residence premises” rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

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

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

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

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

ADDITIONAL COVERAGES

- 1. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the “residence premises” of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor’s tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

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

This coverage:

- a. Does not increase the limit of liability that applies to the covered property;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in **SECTION I – CONDITION 2.d.**

- 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: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the “residence premises”, Vandalism or malicious mischief or Theft.

We will pay up to 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for “business” purposes.

This coverage is additional insurance.

- 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, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. 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;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an “insured’s” name;
- c. Loss to an “insured” caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an “insured” through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an “insured” has not complied with all terms and conditions under which the cards are issued.

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

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

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

Defense:

- a. 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.
- b. If a suit is brought against an “insured” for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an “insured” or an “insured’s” bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under **COVERAGE C – PERSONAL PROPERTY**, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the “residence premises”.

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

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under **SECTIONS I AND II – CONDITIONS**, does not apply to this coverage.

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 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 that is standing 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) Perils Insured Against in Coverage C - Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- (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.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items (2), (3), (4), (5) and (6) unless the loss is a direct result of the collapse of a building or any part of a building.

This coverage does not increase the limit of liability applying 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 building, storm door or storm window, and covered as Building Additions and Alterations; and
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a building, storm door or storm

window, and covered as Building Additions and Alterations; and

- (3) The direct physical loss to covered property caused solely by the pieces, fragments, or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the “residence premises” if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this **ADDITIONAL COVERAGE 9**, will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

10. **Building Additions and Alterations.** We cover under Coverage C the building improvements or installations, made or acquired at your expense, to that part of the “residence premises” used exclusively by you. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage C.

This coverage is additional insurance.

11. **Ordinance or Law.**

a. You may use up to 10% of the limit of liability that applies to Building Additions and Alterations 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 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.

SECTION I – PERILS INSURED AGAINST

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

1. **Fire or lightning.**

2. **Windstorm or hail.**

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

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

3. **Explosion.**

4. **Riot or civil commotion.**

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

6. **Vehicles.**

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

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

8. **Vandalism or malicious mischief.**

This peril does not include loss to property on the “residence premises” if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

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

This peril does not include loss caused by theft that occurs off the “residence premises” of:

- a. 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 a student who is an “insured” is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
- c. Trailers and campers.

This peril does not include loss caused by mysterious disappearance, meaning the vanishing of covered property that cannot be explained or that has been lost or misplaced.

10. Falling objects.

This peril does not include loss to the 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 included.

11. Weight of ice, snow or sleet, which causes damage to the property contained in the building.

This peril does not include loss caused by ice damming, meaning the formation of a ridge of ice on a roof which prevents melting snow or water from draining off the roof.

12. Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. On the “residence premises” caused by accidental discharge or overflow which occurs away from the building where the “residence premises” is located.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

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

This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

14. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the “residence premises” while unoccupied, unless you have used reasonable care to:

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

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

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

16. Volcanic eruption other than loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Ordinance or Law, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any resulting debris. This exclusion **1.a.** does not apply to the amount of coverage that may be provided for under **ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;**
- b. The requirements of which results 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.

This exclusion applies whether or not the property has been physically damaged.

2. Earth Movement, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- a. Fire; or
- b. Explosion;

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

This exclusion does not apply to loss by theft.

3. 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 backs up through sewers or drains or which overflows from a sump; or
- c. Water 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.

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

4. Power Failure, meaning the failure of power or other utility service if the failure takes place off the “residence premises”. But, if the failure of power or other utility service results in a loss from a Peril Insured Against on the

“residence premises”, we will pay only for the loss or damage caused by that Peril Insured Against.

5. **Neglect**, meaning neglect of the “insured” to use all reasonable means to save and preserve property at and after the time of a loss.
6. **War**, including the following and any consequence of any of the following:
 - a. Undeclared war, civil war, insurrection, rebellion or revolution;
 - b. Warlike act by a military force or military personnel; or
 - c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
7. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of **SECTION I – CONDITIONS**.
8. **Intentional Loss**, meaning any loss arising out of any act committed:
 - a. By or at the direction of an “insured”; and
 - b. With the intent to cause a loss.

SECTION I – CONDITIONS

1. **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:
 - a. To the “insured” for more than the amount of the “insured’s” interest at the time of loss; or
 - b. For more than the applicable limit of liability.
2. **Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
 - a. Give prompt notice to us or our agent;
 - b. Notify the police in case of loss by theft;
 - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
 - d. Protect the property from further damage. If repairs to the property are required, you must:
 - (1) Make reasonable and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses;
 - e. 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;
 - f. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other “insured”, and sign the same;

- g. 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:
 - (1) The time and cause of loss;
 - (2) The interest of the “insured” and all others in the property involved and all liens on the property;
 - (3) Other insurance which may cover the loss;
 - (4) Changes in title or occupancy of the property during the term of the policy;
 - (5) Specifications of damaged buildings and detailed repair estimates;
 - (6) The inventory of damaged personal property described in **2.e.** above;
 - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss Settlement.** Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace.
4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **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 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:

 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by 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.

8. **Action Against Us.** No action shall apply against us unless:
 - a. There has been full compliance with all the terms of this policy; and
 - b. The action is brought within one year from the date when you discover the loss.
9. **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 like property.
10. **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:
 - a. Reach an agreement with you;
 - b. There is an entry of a final judgment; or
 - c. There is a filing of an appraisal award with us.
11. **Abandonment of Property.** We need not accept any property abandoned by an “insured”.
12. **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.
13. **Nuclear Hazard Clause.**
 - a. “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.
 - b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
 - c. 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.
14. **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.
15. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.
16. **Loss Payee.** If a loss payee is listed in the Declarations, any loss or damage to personal effects insured by the policy will be payable as interests may appear to the loss payee shown.

SECTION II – LIABILITY COVERAGES

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 the “insured” is legally liable. Damages include prejudgment interest awarded against the “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 the amount we pay for damages resulting from the “occurrence” equals our limit of liability.

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

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to “bodily injury” or “property damage”:
 - a. Which is expected or intended by an “insured”; even if the resulting “bodily injury” or “property damage” is of a different kind, degree or quality than initially expected or intended; or is sustained by a different person, entity, real or personal property;
 - b. Arising out of or in connection with a “business” engaged in by an “insured”. This exclusion 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”;
 - c. Arising out of the rental or holding for rental of any part of any premises by an “insured”. This exclusion

does not apply to the rental or holding for rental of an “insured location”:

- (1) On an occasional basis if used only as a residence;
 - (2) 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
 - (3) In part, as an office, school, studio or private garage;
- d. Arising out of the rendering of or failure to render professional services;
- e. Arising out of a premises:
- (1) Owned by an “insured”;
 - (2) Rented to an “insured”; or
 - (3) Rented to others by an “insured”;
- that is not an “insured location”;
- f. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an “insured”;
 - (2) The entrustment by an “insured” of a motor vehicle or any other motorized land conveyance to any person; or
 - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.
 - (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - (a) Not owned by an “insured”; or
 - (b) Owned by an “insured” and on an “insured location”;
 - (3) A motorized golf cart when used to play golf on a golf course;
 - (4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) Used to service an “insured’s” residence;
 - (b) Designed for assisting the handicapped; or
 - (c) In dead storage on an “insured location”;
- g. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
 - (2) The entrustment by an “insured” of an excluded watercraft described below to any person; or

- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an “insured”. This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an “insured”;
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an “insured”;
 - (c) One or more outboard engines or motors with 25 total horsepower or less;
 - (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an “insured”;
 - (e) Outboard engines or motors of more than 25 total horsepower owned by an “insured” if:
 - (i) You acquire them prior to the policy period; and:
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
 - (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an “insured”.
 - (3) That are stored;
- h. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
 - (2) The entrustment by an “insured” of an aircraft to any person; or
 - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

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

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

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

j. Which arises out of the transmission of a communicable disease by an “insured”;

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

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

m. Arising out of **pollution**, meaning loss caused by:

- (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at or from the “insured location”; or
- (2) Any governmental direction or request that any of you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Exclusions **e.**, **f.**, **g.**, and **h.** 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”.

2. Coverage E – Personal Liability, does not apply to:

a. Liability:

- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
 - (a) That directly relate to the ownership, maintenance or use of an “insured location”; or
 - (b) Where the liability of others is assumed by the “insured” prior to an “occurrence”; unless excluded in (1) above or elsewhere in this policy;

b. “Property damage” to property owned by the “insured”;

c. “Property damage” to property rented to, occupied or used by or in the care of the “insured”. This

exclusion does not apply to “property damage” caused by fire, smoke, explosion or water damage;

d. “Bodily injury” to any person eligible to receive any benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided;

by the “insured” under any:

- (1) Workers’ compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law;

e. “Bodily injury” or “property damage” for which an “insured” under this policy:

- (1) Is also an insured under a nuclear energy liability policy; or
- (2) Would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- (1) American Nuclear Insurers;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;
- or any of their successors; or

f. “Bodily injury” to you or an “insured” within the meaning of part **a.** or **b.** of “insured” as defined.

3. Coverage F – Medical Payments to Others, does not apply to “bodily injury”:

a. To a “residence employee” if the “bodily injury”:

- (1) Occurs off the “insured location”; and
- (2) Does not arise out of or in the course of the “residence employee’s” employment by an “insured”;

b. To any person eligible to receive benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided;

under any:

- (1) Workers’ compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law;

c. From any:

- (1) Nuclear reaction;
- (2) Nuclear radiation; or
- (3) Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

- (4) Any consequence of any of these; or

d. 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:

1. **Claim Expenses.** We pay:
 - a. Expenses we incur and costs taxed against an “insured” in any suit we defend;
 - b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
 - c. Reasonable expenses incurred by an “insured” at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and
 - d. 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.
2. **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 you or any other “insured”.
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$500 per “occurrence” for “property damage” to property of others caused by an “insured”.

We will not pay for “property damage”:

- a. To the extent of any amount recoverable under Section I of this policy;
 - 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 an “insured”, 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, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an “insured”.
4. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
 - a. “Bodily injury” or “property damage” not excluded under Section II of this policy; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and

- (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the “residence premises”.

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

Regardless of the number of assessments, the limit of \$1000 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.

The following do not apply to this coverage:

1. Section II – Coverage E – Personal Liability Exclusion 2.a.(1);
2. Condition 1. Policy Period, under **SECTIONS I AND II – CONDITIONS.**

SECTION II – CONDITIONS

1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one “occurrence” will not be more than the limit of liability for Coverage E as shown in the Declarations. 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 limit of liability for Coverage F as shown in the Declarations.
2. **Severability of Insurance.** This insurance applies separately to each “insured”. This condition will not increase our limit of liability for any one “occurrence”.
3. **Duties After Loss.** In case of an accident or “occurrence”, the “insured” will perform the following duties that apply. You will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - (1) The identity of the policy and “insured”;
 - (2) Reasonably available information on the time, place and circumstances of the accident or “occurrence”; and
 - (3) Names and addresses of any claimants and witnesses;
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or “occurrence”;
 - c. At our request, help us:

- (1) To make settlement;
 - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an “insured”;
 - (3) With the conduct of suits and attend hearings and trials; and
 - (4) To secure and give evidence and obtain the attendance of witnesses;
- d. Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the “insured’s” control;
 - e. The “insured” will not, except at the “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”.
4. **Duties of an Injured Person – Coverage F – Medical Payments to Others.**

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.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

5. **Payment of Claim – Coverage F – Medical Payments to Others.** Payment under this coverage is not an admission of liability by an “insured” or us.
6. **Action Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
No one will have the right to join us as a party to any action against an “insured”. Also, no action with respect to Coverage E can be brought against us until the obligation of the “insured” has been determined by final judgment or agreement signed by us.
7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an “insured” will not relieve us of our obligations under this policy.
8. **Other Insurance – Coverage E – Personal Liability.** 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.

SECTIONS I AND II – CONDITIONS

1. **Policy Period.** This policy applies only to loss in Section I or “bodily injury” or “property damage” in Section II, which occurs during the policy period.
2. **Concealment or Fraud.**
 - a. Under **SECTION I – PROPERTY COVERAGES**, with respect to all “insureds” covered under this policy, we provide no coverage for loss under **SECTION I – PROPERTY**

COVERAGES 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.

- b. Under **SECTION II- LIABILITY COVERAGES**, 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.

3. **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 through introduction of a subsequent edition of our policy.

4. **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.

5. **Cancellation.**

- a. 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.
- b. 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.

- (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 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.
- (3) 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:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

- (b) 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.

- (4) 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.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata, less any applicable policy fee. The policy fee is fully earned and is not refundable, except in the case where the policy is flat cancelled.
- d. 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.
- e. When we provide evidence of coverage under this policy to meet the requirements of a lease or rental agreement to the "landlord", we may also provide notice of cancellation or nonrenewal to the "landlord". Failure to mail such notice shall not impose any obligation or liability of any kind upon us.
6. **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.

7. **Assignment.** Assignment of this policy will not be valid unless we give our written consent.

8. **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 under Section II to Medical Payments to Others or Damage to Property of Others.

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

- a. 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;

- b. "Insured" includes:

- (1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and
- (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

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



SECRETARY



PRESIDENT

**IMPORTANT NOTICE
TO REPORT A CLAIM CALL
1-800-358-0600**

**Always Have Your Policy Number Available
When Reporting A Claim**

**ARSON PREVENTION PROGRAM
American Security Insurance Company will pay
\$1,000.00
for information leading to the conviction of any person for
arson to a dwelling or vehicle insured by the Company.**

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

RENTERS INSURANCE PROGRAM

MINNESOTA

RATE CHART

Segment Type: No Lease Insurance Requirement

Dwelling Type: Apartment/Condominium and Dormitory/Student Housing

Annual Base Premium:

Limit of Liability			Annual Rates
5,000	-	5,999	58
6,000	-	6,999	64
7,000	-	7,999	70
8,000	-	8,999	76
9,000	-	9,999	82
10,000	-	10,999	88
11,000	-	11,999	94
12,000	-	12,999	100
13,000	-	13,999	106
14,000	-	14,999	112
15,000	-	15,999	118
16,000	-	16,999	124
17,000	-	17,999	130
18,000	-	18,999	136
19,000	-	19,999	141
20,000	-	20,999	146
21,000	-	21,999	151
22,000	-	22,999	156
23,000	-	23,999	161
24,000	-	24,999	166
25,000	-	25,999	171
26,000	-	26,999	175
27,000	-	27,999	179
28,000	-	28,999	183
29,000	-	29,999	187
30,000	-	30,999	191
31,000	-	31,999	195
32,000	-	32,999	199
33,000	-	33,999	203
34,000	-	34,999	207
35,000	-	35,999	211
36,000	-	36,999	215
37,000	-	37,999	219
38,000	-	38,999	223
39,000	-	39,999	227
40,000	-	40,999	231
41,000	-	41,999	234
42,000	-	42,999	237
43,000	-	43,999	240
44,000	-	44,999	243
45,000	-	45,999	246

46,000	-	46,999	249
47,000	-	47,999	252
48,000	-	48,999	255
49,000	-	49,999	258
50,000	-	50,999	261
51,000	-	51,999	264
52,000	-	52,999	267
53,000	-	53,999	270
54,000	-	54,999	273
55,000	-	55,999	276
56,000	-	56,999	279
57,000	-	57,999	282
58,000	-	58,999	285
59,000	-	59,999	288
60,000	-	60,999	291
61,000	-	61,999	293
62,000	-	62,999	295
63,000	-	63,999	297
64,000	-	64,999	299
65,000	-	65,999	301
66,000	-	66,999	303
67,000	-	67,999	305
68,000	-	68,999	307
69,000	-	69,999	309
70,000	-	70,999	311
71,000	-	71,999	313
72,000	-	72,999	315
73,000	-	73,999	317
74,000	-	74,999	319
75,000	-	75,999	321
76,000	-	76,999	323
77,000	-	77,999	325
78,000	-	78,999	327
79,000	-	79,999	329
80,000	-	80,999	331
81,000	-	81,999	333
82,000	-	82,999	335
83,000	-	83,999	337
84,000	-	84,999	339
85,000	-	85,999	341
86,000	-	86,999	343
87,000	-	87,999	345
88,000	-	88,999	347
89,000	-	89,999	349
90,000	-	90,999	351
91,000	-	91,999	353
92,000	-	92,999	355
93,000	-	93,999	357
94,000	-	94,999	359
95,000	-	95,999	361
96,000	-	96,999	363
97,000	-	97,999	365
98,000	-	98,999	367
99,000	-	99,999	369

American Security Insurance Company (ASIC) is submitting for your consideration a rate filing for our Renters Insurance Program currently filed and approved in Minnesota. Based on experience from 1/1/2014 through 12/31/2018, which indicates a rate decrease of -25.9% we are proposing an overall rate decrease of -26.0%. The details of this rate change are further supported and expanded upon below, along with the accompanying filing exhibits.

Proposal Summary

Currently the program has one territory and does not provide separate rates by type of construction. Currently, our program doesn't rate differently based on whether there is a lease requirement to obtain insurance or not. We compared our experience between tenants whose units are required to obtain insurance as part of their lease/rental agreement and those who have insurance voluntarily. The risk potential for policyholders with no lease requirement is significantly higher than those with the lease requirement. Therefore, we determined to separate rates for these two segments of business. As shown on Exhibit 2A-2B and 3A-3B, indications also differ by dwelling types. Therefore, we are proposing to expand our rate tables by dwelling types as well. In addition, we are proposing additional coverages and endorsements. Please see the state exception pages and following exhibits for the change details.

Exhibit 1 to 3 - Rate Indications

The loss ratio ratemaking methodology is used to calculate rate indications in the accompanied filing. This approach develops a projected loss ratio based on the program's experience in Minnesota, from 2014 through 2018. The detailed calculations for the statewide rate indication are provided in Exhibit 1. The proposed changes are in response to an overall, statewide rate indication of -25.9%. The rate need varies across dwelling types, Non-Lease Insurance Requirement (Non-Mandatory Insurance Requirement-Non-MIRC) and Lease Insurance Requirement policies (Mandatory Insurance Requirement- MIRC). Therefore, the Company has provided a rate analysis for both Non-MIRC and MIRC policies and is proposing rate changes for each dwelling type in order to maintain equitable rates among policyholders. Rate indications by dwelling type are developed in Exhibits 2A through 3B, where 2A-2B show rates for Non-MIRC and 3A-3B show those for MIRC.

Exhibit 4 – Estimated Rate Level Effect of Proposed Rates

The overall proposed rate impact for the Program is -26.0% and is shown in Exhibit 4. Exhibit 4 also lists details of other miscellaneous changes and their corresponding rate impacts which are described later.

Exhibit 5– Rate Change History

Exhibit 5 lists rate change for the state. Since there have been no rate changes in the past 5-year period the on- level factor is 1.00 for all accident years.

Exhibit 6–Premium Trend Factors

Exhibit 6 includes our selection for statewide premium trend based on the historical five-year average premium. Our selected historical premium trend of -0.3%, while the selected projected premium trend of -1.1%.

Exhibit 7 – Projected Catastrophe Losses

Exhibit 7 provides the projected catastrophe losses from AIR V5 as of 6/30/2018. The projected losses are used in Exhibit 1-3B.

Exhibits 8 – 20 use financial information from American Bankers Insurance Company of Florida (ABIC), as the majority of this program is written under ABIC.

Exhibit 8 – Loss Adjustment Expense

Exhibit 8 provides the support for our loss adjustment expense factor which is used in Exhibit 1 through Exhibit 3. The selected factors were based on Line 4.0 in the ABIC Insurance Expense Exhibit.

Exhibit 9 – Loss Development Factor

Exhibit 9 provides the support for our countrywide loss development factors for Renters Program. The Incurred Loss Development method was used to develop losses to ultimate.

Exhibit 10– Loss Trend Factor

Exhibit 10 shows the loss trends on a statewide basis for our Renters program. The loss trend relies on five years of data. Overall, we selected 1.9% for past-to-current and 1.9% for current-to-future loss trends. Both figures are considered reasonable given the year-to-year variability for the program.

Exhibit 11– Credibility

Exhibit 11 provides the support for our credibility selections, which is based on five-year claims count, and utilizes a Classical Credibility approach.

Exhibit 12– Permissible Loss Ratio

Exhibit 12 illustrates the development of the Permissible Loss Ratio, which uses expense information from the Company's Insurance and Expense Exhibits for line 4.0. Selected expense provisions are based on actual Renters Insurance expenses.

Exhibit 13 – Profit Provision

Exhibit 13 provides the derivation of the Profit and Contingencies factor. The Company chose to use a profit target of 7.0%.

Exhibit 14 - Target Rate of Return

Exhibit 14 provides support for the Target After-Tax Rate of Return on Surplus of 14% shown in Exhibit 13 line (1).

Exhibit 15– Surplus Ratio

Support for written premium to surplus ratio is included in Exhibit 15. Based on this information, the five-year countrywide average of 1.75 was selected. This value is used in Exhibit 13, line 2.

Exhibit 16 – Estimated Investment Earnings on Unearned Premium and Loss Reserves

Support for investment earnings used in the derivation of our Underwriting Profit provision is shown in Exhibit 16. The calculations provide that the ratio of Investment Earnings to Earned Premium is 1.3%. This value is used in Exhibit 13 line 3.

Exhibit 17 – Delayed Remission Percentage

Support for the Delayed Remission of Premium Percentage of 14.9% is provided in Exhibit 17. This value is used in Exhibit 16 for Item B to get our Delayed Remission of Premium in calculating the Estimated Investment Earnings on Unearned Premium and Loss Reserves.

Exhibit 18 – Reserve to Incurred Ratio

Support for our selections of the reserve to incurred ratio of 32.0%, is provided in Exhibit 18. Our annual statement data supports our selections which are used in Exhibit 16, Item C2.

Exhibit 19 – Average Rate of Return on Invested Assets

Support for our selection of the rate of return on invested assets of 3.5% is provided in Exhibit 19. Our annual statement data supports our selection which is used in Exhibits 16 Item E.

Exhibit 20 – Average Federal Tax Rate on Investment Income

Support for the federal tax rate on investment income of 18.6% is provided in Exhibit 20. The calculations provide the tax rate that is used in Exhibit 13 Item 7.

Additional Changes

Bedbug Coverage Expansion

Exhibit 21 provides the estimated rate impact for our bedbug coverage expansion. We are proposing to add this coverage expansion.

Food Spoilage Coverage Expansion

Exhibit 22 provides the estimated rate impact for our Food Spoilage coverage expansion. We are proposing to add this coverage expansion

Multi-Line Credit

A 5% credit will be given to insureds who have an automobile policy purchased through our affinity partner. Exhibit 23 provides the estimated rate impact.

Identity Fraud Expense Coverage Endorsement

We are proposing to add this endorsement for a rate of \$20. The proposed rate was selected based on competitive comparisons of rates offered in the marketplace. Exhibit 24 provides additional details and support.

Additional Med pay limits

We are proposing adding two new limits, \$2,000 and \$5,000, for the Medical Payments to Others. The rates are selected based on competitive comparison in Exhibit 25. As we are not selling these limits currently, there is no rate impact for the additional limit.

Pet Damage Endorsement

Exhibit 26 provides rate support for Pet Damage Endorsement; this is a new optional endorsement that we would like to introduce to the program

Flood Endorsement

Exhibit 27 A provides the support for flood endorsement rate. Since this is a new endorsement, the projected frequency and severity is based on other programs with flood endorsement in our company. We will continue to monitor the rate adequacy as the selected rates are below the projected premium required per risk. Exhibit 27 B provide flood rates for Minnesota.

Proposed Deductible Credits & Additional Deductible Option

Exhibits 28A and 28B includes the support for newly introduced deductible limit of \$1,000, as well as the proposed deductible credits.

Cell Phones and Personal Electronics Coverage

Exhibit 29 provides rate support for Cell Phones and Personal Electronics. It is a new coverage we are proposing to offer under our revised Scheduled & Unscheduled Personal Property Endorsement.

Increased Limits Personal Liability Coverage Rate Increase

Exhibit 30A and B provide support and impact calculation for the rate increase to the Increased Limits Personal Liability Coverage Rates.

Exhibit 31 A to E – Current and Proposed Rates

Exhibit 31 A provides our current rates. Exhibit 31 B to E provides our proposed rates for Non MIRC business by dwelling types and Relativities for MIRC business.

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MINNESOTA

TENANT PROGRAM

ANNUAL RATES/PREMIUMS

Territory	Number of Units	Public Protection Classification	Base Premium	Rate per \$1,000 of Insurance Above \$200,000
A	1-4	1	130	1.44
		2	130	1.44
		3	130	1.44
		4	130	1.44
		5	130	1.44
		6	130	1.44
		7	130	1.44
		8	130	1.44
		8B	227	2.50
		9	227	2.50
	10	227	2.50	
	5-9	1	94	1.03
		2	94	1.03
		3	94	1.03
		4	94	1.03
		5	94	1.03
		6	94	1.03
		7	94	1.03
		8	94	1.03
		8B	165	1.81
		9	165	1.81
	10	165	1.81	
	>=10	1	94	1.03
		2	94	1.03
		3	94	1.03
		4	94	1.03
		5	94	1.03
		6	94	1.03
		7	94	1.03
		8	94	1.03
8B		165	1.81	
9		165	1.81	
10	165	1.81		

Territory	Number of Units	Public Protection Classification	Base Premium	Rate per \$1,000 of Insurance Above \$200,000
B	1-4	1	195	2.15
		2	195	2.15
		3	195	2.15
		4	195	2.15
		5	195	2.15
		6	195	2.15
		7	195	2.15
		8	195	2.15
		8B	341	3.76
		9	341	3.76
	10	341	3.76	
	5-9	1	180	1.99
		2	180	1.99
		3	180	1.99
		4	180	1.99
		5	180	1.99
		6	180	1.99
		7	180	1.99
		8	180	1.99
		8B	315	3.47
		9	315	3.47
	10	315	3.47	
	>=10	1	180	1.99
		2	180	1.99
		3	180	1.99
		4	180	1.99
		5	180	1.99
		6	180	1.99
		7	180	1.99
		8	180	1.99
8B		315	3.47	
9		315	3.47	
10	315	3.47		

MINNESOTA

TENANT PROGRAM

ANNUAL RATES/PREMIUMS

Territory	Number of Units	Public Protection Classification	Base Premium	Rate per \$1,000 of Insurance Above \$200,000
A	1-4	1	110	1.22
		2	110	1.22
		3	110	1.22
		4	110	1.22
		5	110	1.22
		6	110	1.22
		7	110	1.22
		8	110	1.22
		8B	192	2.12
		9	192	2.12
	10	192	2.12	
	5-9	1	82	0.91
		2	82	0.91
		3	82	0.91
		4	82	0.91
		5	82	0.91
		6	82	0.91
		7	82	0.91
		8	82	0.91
		8B	143	1.58
		9	143	1.58
	10	143	1.58	
	>=10	1	82	0.91
		2	82	0.91
		3	82	0.91
		4	82	0.91
		5	82	0.91
		6	82	0.91
		7	82	0.91
		8	82	0.91
8B		143	1.58	
9		143	1.58	
10	143	1.58		

Territory	Number of Units	Public Protection Classification	Base Premium	Rate per \$1,000 of Insurance Above \$200,000
B	1-4	1	160	1.77
		2	160	1.77
		3	160	1.77
		4	160	1.77
		5	160	1.77
		6	160	1.77
		7	160	1.77
		8	160	1.77
		8B	280	3.08
		9	280	3.08
	10	280	3.08	
	5-9	1	145	1.60
		2	145	1.60
		3	145	1.60
		4	145	1.60
		5	145	1.60
		6	145	1.60
		7	145	1.60
		8	145	1.60
		8B	254	2.80
		9	254	2.80
	10	254	2.80	
	>=10	1	145	1.60
		2	145	1.60
		3	145	1.60
		4	145	1.60
		5	145	1.60
		6	145	1.60
		7	145	1.60
		8	145	1.60
8B		254	2.80	
9		254	2.80	
10	254	2.80		

GENERAL RULES

1. POLICY AND FORMS

Coverage and limits under the Renters Program will be defined by:

- A. The policy forms, HO 00 04 05 11 Renters Insurance Policy;
- B. The Declarations Page; and
- C. The required endorsements, if any.

2. PREMIUM DETERMINATION AND POLICY TERM

All premiums and rates contained in the Rate Section in this manual are annual. All Renters policies are written for a period of one year.

3. CHANGES OF PREMIUM

All changes requiring adjustments of premium shall be computed pro rata using the rates in effect as of the policy or renewal effective date.

4. CANCELLATION OF POLICIES

If insurance is cancelled or reduced at the request of the Company or the Insured, the earned premium shall be computed on a pro-rata basis.

5. WHOLE DOLLAR PREMIUM

All additional premiums, money endorsements, cancellation refunds and reinstatement premiums shall be rounded to the nearest dollar with \$.50 or more being rounded up.

6. DEDUCTIBLES

Coverages may be subject to the application of deductibles as shown in the Rate Section.

7. PROGRAM DESCRIPTION

Tenant Homeowners insurance

ELIGIBILITY

This program is available for tenants that satisfy one of the following eligibility guidelines:

1. Lease or rental agreement provisions require residents to be financially responsible for their personal property and negligent acts.
2. Are residents of an approved apartment community which meets the following criteria:
 - a. Paid resident manager on site. Facility age should not exceed 20 years without substantial updating.
 - b. Must be well maintained and professionally managed with no special hazards.
 - c. Gated security or other community protection measures may be required in urban areas.
 - d. All residents are given the opportunity to participate in the program.

RATE SECTION

TERRITORY DEFINITION

Unless otherwise indicated, the rates and/or premiums apply to the entire state.

RENTERS PACKAGE PROGRAM:

LIMITS OF LIABILITY

Base limits of liability are: \$20,000 Property Section
 \$100,000 Liability Section
 \$1,000 Medical Payments, per person
 \$25,000 Medical Payments, per accident

PREMIUM COMPUTATION

1. Annual Premium \$219

2. Coverage C Limits of Liability – Property Section

Property Section Limit	Policy Premium
\$5,000	\$158
\$6,000	\$162
\$7,000	\$166
\$8,000	\$169
\$9,000	\$173
\$10,000	\$177
\$11,000	\$181
\$12,000	\$185
\$13,000	\$188
\$14,000	\$192
\$15,000	\$196
\$16,000	\$201
\$17,000	\$205
\$18,000	\$210
\$19,000	\$214
\$20,000	\$219
Each Additional \$1,000 in Coverage (\$100,000 Maximum)	\$5.00

3. Increased Limits of Liability – Liability Section

<u>Liability Section Limit</u>	<u>Annual Policy Premium</u>
\$25,000	\$17 Credit
\$50,000	\$8 Credit
\$100,000	No Charge
\$200,000	\$12 Additional Premium
\$300,000	\$24 Additional Premium

RATE SECTION CONTINUED

4. Deductible Rating Limits

All other Perils:	Property Section Deductible	Credit
	\$250	0%
	\$500	5%
	\$1,000	7%
 Wind/Hail Deductible	 \$1,000	

5. Jewelry and Watches, Increased Theft Sublimit

<u>Sublimit</u>	<u>Annual Policy Premium</u>
\$1,000	No Charge
\$2,500	\$24 Additional Premium
\$5,000	\$60 Additional Premium

6. Limited Fungi, Wet or Dry Rot or Bacteria Coverage

- a. Personal Property Coverage Section – Limited Fungi, Wet or Dry Rot or Bacteria
We will pay up to a maximum aggregate limit of \$5,000 for loss to covered personal property owned by an insured, that is damaged by fungi, wet or dry rot or bacteria on the insured premises.
- b. Personal Liability Section – Limited Fungi, Wet or Dry Rot or Bacteria
We will pay up to a maximum sublimit of \$10,000 for ‘damage’ because of bodily injury or property ‘damage’ involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any “Fungi”, wet or dry rot, or bacteria.

7. Policy Fee

Applies only once to ~~both~~ New Business ~~and Renewals~~
\$15 per policy (fully earned)

The Policy Fee will be refunded if coverage is cancelled within the first 59 days of the policy effective date.

8. Installment Fee

\$2 per installment (2, 4, 12 pay plans)
No installment fee is charged for the initial down payment

Mandatory Endorsements:

The following endorsements will be issued with all renters insurance policies (HO 00 04):

Tenants Mandatory Endorsement	LL HO4-TM 03 18
Personal Property Replacement Cost Loss Settlement	LL HO 04 90 05 11
Animal Liability Limitation Endorsement	LL HO4-ALL 03 18
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage	HO 04 26 05 11
Rental Income Coverage	LL HO4-RI 03 18
Biohazard Clean-up	LL HO4-BIO 03 18

DISCOUNTS

Paid in Full Discount

A 4% credit will apply when the policy premium is paid in full.

OTHER COVERAGES FOR RENTERS PACKAGE POLICIES

1. Tenants Plus Package
\$12.00 per year

2. Water Backup of Sewers and Drains
\$12.00 per year

3. Scheduled Personal Property

	<u>Rate per \$100</u>	<u>Maximum Limit</u>
Cameras	\$1.85	\$1,000
Silverware	\$0.35	\$3,000
Women's Jewelry	\$1.50	\$20,000
Men's Jewelry	\$1.50	\$5,000
Musical Instruments	\$0.55	\$3,000
Golfer's Equipment	\$1.00	\$1,000
Furs	\$0.50	\$7,500

Property used in the business or profession of the insured is not to be bound. Scheduled item(s) in excess of \$1,000 will require current (**two years or less**) appraisals or recent sales receipt with a complete description of the item(s) and their costs. Cameras or musical instruments will require the make, model number, serial number and age of the item where appropriate.

4. Identity Fraud Expense Coverage Endorsement
\$12.00 per year

5. Pet Damage Endorsement

When this endorsement is added the insured is covered up to \$500 (in excess of security deposit or special pet deposit) for damage caused to the landlord's property by a pet.

An annual premium of \$18.00 will be charged for this endorsement.

6. Tenant Additional Protection Endorsement
10% of the adjusted base premium

7. Limited Bed Bug Remediation Coverage

<u>Limit:</u>	<u>Premium:</u>
\$500	\$12
\$750	\$18
\$1,000	\$24

8. Forcible Entry Theft Endorsement
10% discount to the adjusted base premium

Optional Endorsements:

Pet Damage Endorsement	LL HO4-PD 03 18
Scheduled Personal Property Endorsement	HO 04 61 10 00
Coverage C Increased Special Limits of Liability	HO 04 65 10 00
Limited Water Back-Up and Sump Discharge or Overflow	HO 23 22 04 91
Tenants Plus Package Endorsement	LL HO4-TP 03 18
Tenant – Additional Interest Endorsement	LL HO4-TAI 03 18
Identity Fraud Expense Coverage	LL HO 04 55 03 18
Tenant Additional Protection Endorsement	LL HO4-TAP 03 18
Limited Bed Bug Remediation Coverage	LL HO4-BB 03 18
Forcible Entry Theft Endorsement	LL HO4-FE 03 18

RATING SEQUENCE FOR RENTERS PACKAGE PROGRAM

1. The basic policy premium is determined by selecting the rate corresponding to the selected Coverage C Limit from the Coverage C Limits of Liability - Property Section table;
2. Modify the amount in Step 1 for the selection of a Coverage C limit option above \$20,000, if applicable;
3. Modify the amount in Step 2 by applying the Paid in Full credit, if applicable;
4. Modify the amount in Step 3 for the selection of a deductible option other than the basic \$250 deductible;
5. Modify the amount in Step 4 for the selection of the Tenant Additional Protection Endorsement and/or the Forcible Entry Theft Endorsement options, if applicable;
 - a. Determine the additional premium for the selection of the Tenant Additional Protection endorsement by using the amount determined in step 4 above.
 - b. Determine the premium discount for the selection of the Forcible Entry Theft Endorsement by using the amount determined in step 4 above.
6. Add to the premium amount determined in Step 5 all additional premiums for any other optional endorsements or other increases in limits that are added.
7. Add the policy fee to the premium amount determined in Step 6, if applicable.

Basic Policy Premium			_____
Increased Coverage C	+		_____
			Dollar Rounded
Paid in Full Discount	-		_____
			Dollar Rounded
Deductible Credit	-		_____
Adjusted Base Premium			Dollar Rounded
Additional Protection and/or Forcible Entry Theft Endorsement	+/-		_____
			Dollar Rounded
Other Endorsements or Other Increases in Limits	+		_____
			Dollar Rounded
Policy Fee	+		_____
(New Business & Renewal)			Dollar Rounded
Total Policy Premium	=		_____

RENTERS POLICY

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AGREEMENT

In reliance on the information you have given us, we will pay claims and provide coverage as described in this policy if you pay your premiums when due, comply with all applicable provisions outlined in this policy and inform us of any change in title, use or occupancy of the **residence premises**.

This policy applies only to losses occurring during the policy period.

POLICY DEFINITIONS

1. Throughout this policy, "you" and "your" refer to:
 - a. the "named insured" shown in your Policy Declarations; and
if a resident of the same household:
 - b. the spouse;
 - c. the civil partner by civil union licensed and certified by the state; or
 - d. the **domestic partner**.
2. "We", "us" and "our" refer to the underwriting company providing this insurance as shown in your Policy Declarations.
3. In addition, certain words and phrases are defined as follows:
 - a. "**Actual cash value**"
 - (1) When damage to property is economically repairable, **actual cash value** means the cost of materials and labor needed to repair the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
 - (2) When damage to property is not economically repairable or loss prevents repair, **actual cash value** means the market value of property in a used condition equal to that of the lost or damaged property, if reasonably available on the used market.
 - (3) Otherwise, **actual cash value** means the market value of new, identical or nearly identical property, less reasonable deduction for wear and tear, deterioration and obsolescence.
 - b. "**Bodily injury**" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 - c. "**Business**" includes:
 - (1) a trade, profession or occupation engaged in on a full-time, part-time or occasional basis, or
 - (2) any other activity engaged in for money or other compensation, except the following:
 - (a) One or more activities, not described in (b) below, for which no **insured** receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period; or
 - (b) a **short term rental**.
 - d. "**Domestic partner**" means a person living as a continuing partner with you and:
 - (1) is at least 18 years of age and competent to contract;
 - (2) is not a relative; and
 - (3) shares with you the responsibility for each other's welfare, evidence of which includes:
 - (a) the sharing in domestic responsibilities for the maintenance of the household;
 - (b) having joint financial obligations, resources or assets; or
 - (c) one with whom you have made a declaration of domestic partnership or similar declaration with an employer or government entity.

Domestic partner does not include more than one person, a roommate whether sharing expenses equally or not, or one who pays rent to the named **insured**.

- e. **"Earthquake"** means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other cause.
- f. **"Fungi"** means any type or form of fungus, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spore, scents or other substances, products or by-products produced, released by or arising out of **fungi**, including growth, proliferation or spread of **fungi** or the current or past presence of **fungi**. However, this definition does not include any **fungi** intended by the **insured** for consumption.
- g. **"Insured"** means:
 - (1) you; and
 - (2) so long as you remain a resident of the **residence premises**, the following residents of the **residence premises**:
 - (a) your relatives;
 - (b) any other person under the age of 24 who is in the care of any person described in (1) or (2)(a) above.Anyone described above who is a student temporarily residing away from your **residence premises** while attending school shall be considered a resident of your **residence premises**.
Under Section II - Liability Coverage, **"insured"** also means:
 - (3) 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 included in g.(2)(a) or (b). A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner is not an **insured**;
 - (4) with respect to any vehicle to which this policy applies:
 - (a) any person while engaged in your employment or the employment of any person included in g.(2)(a) or (b); or
 - (b) any other person using the vehicle on an **insured location** with any **insured's** permission.
- h. **"Insured location"** means:
 - (1) the **residence premises**;
 - (2) that part of any other premises, other structures and grounds, used by you as a residence and which is shown in your Policy Declarations. This includes any premises, structures and grounds you acquire during the policy period for your use as a residence;
 - (3) any premises not owned by you which you have the right or privilege to use arising out of h.(1) or h.(2) above;
 - (4) any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
 - (5) vacant land, including that which is vacant except for a fence, owned by or rented to any **insured** other than farmland;
 - (6) land owned by or rented to any **insured** on which a one, two, three or four family dwelling is being constructed as a residence for any **insured**;
 - (7) individual or family cemetery plots or burial vaults of any **insured**; or
 - (8) any part of a premises occasionally rented to any **insured** for other than **business** purposes.
- i. **"Occurrence"** means an accident, including exposure to conditions which results in:
 - (1) **bodily injury**; or
 - (2) **property damage**;during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one **occurrence**.
- j. **"Personal watercraft"** means jet skis, wet bikes or other craft, using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

- k. **"Pollutants or contaminants"** means any of the following:
- (1) liquid fuels;
 - (2) lead or any materials containing lead;
 - (3) asbestos or any materials containing asbestos;
 - (4) radon;
 - (5) formaldehyde or any materials containing formaldehyde;
 - (6) electric fields, magnetic fields, electromagnetic fields, power frequency fields, electromagnetic radiation or any other electric or magnetic energy of any frequency;
 - (7) carbon monoxide;
 - (8) pathogenic or poisonous biological materials;
 - (9) acids, alkalis or chemicals;
 - (10) radioactive substances; or
 - (11) any other irritant or contaminant, including waste, vapor, fumes or odors.
- l. **"Property damage"** means physical damage to or destruction of tangible property, including loss of use of this property.
- m. **"Replacement cost"**
- (1) In case of loss or damage to condominium building items, **replacement cost** means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
 - (2) In case of loss to personal property, **replacement cost** means the cost, at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is unavailable, **replacement cost** means the cost of a new article similar to the one damaged or destroyed and is of comparable quality and usefulness, without deduction for depreciation.
- n. **"Residence employee"** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
- o. **"Residence premises"** means:
- (1) the one, two, three or four family dwelling, used principally as a private residence;
 - (2) other structures and grounds; or
 - (3) that part of any other building;
- where you reside and which is shown in your Policy Declarations.
- p. **"Salvage"** means property having value and included in a covered loss.
- q. **"Short term rental"** means one or more rentals, in whole or in part on the **residence premises** for up to a combined total of 31 days during the policy period.

SECTION I - PROPERTY COVERAGES

PERSONAL PROPERTY WE COVER

COVERAGE C - PERSONAL PROPERTY

1. Personal property owned or used by any **insured** is covered while it is anywhere in the world. When personal property is usually located at an **insured's** residence, other than the **residence premises**, coverage is limited to 10% of the Coverage C limit. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days immediately after you begin to move the property there.

During the time the **residence premises** is under construction by or for the **insured**, our limit of liability for personal property other than on the **residence premises** shall be equal to the amount specified for Coverage C. Our total limit shall not exceed the policy limit for Coverage C in any one loss.

2. At your request we cover:

- a. personal property owned by others while the property is on that part of the **residence premises** occupied exclusively by any **insured**;
- b. personal property owned by a guest or a **residence employee**, while the property is at any residence occupied by any **insured**.

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the **insured** for use of the **residence premises**.

3. SPECIAL LIMITS FOR PERSONAL PROPERTY

The following groups of personal property are covered only up to the special limit shown in on your Policy Declarations. The special limit is the total amount available for each group for any one loss and does not increase the Coverage C limit. The loss of, or damage to, more than one item in a group arising from the same cause or event is considered one loss.

- a. \$200 on money, pre-paid cards or passes, monetary value carried on electronic chip or magnetic cards, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- b. \$1,000 on securities, debit cards, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, stamps, personal documents, and records or data.

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

The limit includes the cost to research, replace or restore the material from the lost or damaged medium.

- c. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
- d. \$1,000 on trailers not used with watercraft.
- e. \$1,000 on for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 on for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. Silverware, goldware and pewterware include:
 - (1) plateware, flatware, hollowware, tea sets, trays, trophies and the like;
 - (2) other utilitarian items made of or including silver or gold; and
 - (3) all items of pewterware.
- g. \$2,500 for **business** property, while located on the **residence premises**.
- h. \$250 for **business** property, while located away from the **residence premises**.
- i. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - (1) accessories or antennas; or
 - (2) discs or other media;for use with any electronic apparatus described in this item i.
- j. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - (1) is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

- (2) is away from the **residence premises**; and
- (3) is used at any time or in any manner for any **business** purpose.

Electronic apparatus includes:

- (4) accessories or antennas; or
- (5) discs or other media;

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

- k. \$2,000 for theft of firearms.

PERSONAL PROPERTY WE DO NOT COVER

1. Articles separately described and specifically insured, regardless of insured limit, in this or any other insurance.
2. Animals, birds or fish.
3. Motorized land vehicles including their equipment, parts and accessories while in or upon the vehicle.

However, we do cover:

- a. motorized land vehicles used solely to service a residence and not subject to motor vehicle registration or licensed for road use;
 - b. vehicles designed for the disabled and not licensed for road use; or
 - c. up to \$500 for electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour.
4. Electronic devices, including their accessories and antennas, designed to be operated solely by power from the electrical system of a motor vehicle. This exclusion applies only while such property is in or upon a motor vehicle.
 5. Aircraft, including disassembled parts of aircraft. This exclusion does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.
 6. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.
 7. Property of roomers, boarders, tenants and other residents not related to any **insured**.
 8. Property in a location on the **residence premises**, when the location is rented to others by any **insured**.

However, property of any **insured**:

- a. located on the **residence premises** when the **residence premises** is rented in whole or in part as a **short term rental**; or
 - b. located in a sleeping room rented to others by any **insured** on the **residence premises**; is covered.
9. Property, away from the **residence premises**, rented or held for rental to others.
 10. **Business** merchandise:
 - a. in storage;
 - b. held as a sample; or
 - c. held for sale or delivery after sale.
 11. **Business** documents, records or data regardless of the medium on which they exist. However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market.

PERSONAL PROPERTY LOSSES WE COVER

We cover accidental direct physical loss to property described in Coverage C - Personal Property caused by a peril listed below except as limited or excluded.

1. FIRE OR LIGHTNING.

2. WINDSTORM OR HAIL.

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

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a building with:

- a. continuous walls on all sides extending from ground level to the roof;
- b. doors and windows in the walls at various locations; and
- c. a continuous roof sheltering all areas within the wall perimeter.

3. EXPLOSION.

4. RIOT OR CIVIL COMMOTION.

5. AIRCRAFT, including self-propelled missiles and spacecraft.

6. VEHICLES, meaning impact by, or with, or upset of, a vehicle.

7. SMOKE, meaning 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, including slash burns.

8. VANDALISM OR MALICIOUS MISCHIEF.

9. THEFT, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. committed by any **insured** or by any other person regularly residing on the **insured location**;
- b. in, to or from a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied;
- c. from that part of a **residence premises** rented by any **insured** to other than an **insured**; or
- d. from any part of the **residence premises** by any person using the premises as part of a **short term rental**.

This peril does not include loss caused by theft that occurs away from the **residence premises** of property while at any other residence owned, rented to, or occupied by any **insured**, except while an **insured** is temporarily residing there.

Property of a student who is an **insured** is covered while at a residence away from home.

10. FALLING OBJECTS.

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

11. WEIGHT OF ICE, SNOW OR SLEET which causes damage to property contained in a building.

12. ACCIDENTAL DISCHARGE OR OVERFLOW OF WATER OR STEAM from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

- a. to the appliance or system from which the water or steam escaped;
- b. caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

For purposes of coverage under 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.

13. SUDDEN AND ACCIDENTAL TEARING APART, CRACKING, BURNING OR BULGING of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

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

14. FREEZING of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or under construction, including being newly built, remodeled, reconstructed, renovated or repaired, unless you have used reasonable care to:

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

For purposes of coverage under 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.

16. VOLCANIC ERUPTION.

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

17. BREAKAGE OF GLASS, meaning damage to personal property caused by breakage of glass which is a part of a building on the **residence premises**. There is no coverage if breakage of glass is caused by **earthquake**. There is no coverage for loss or damage to the glass.

PERSONAL PROPERTY LOSSES WE DO NOT COVER

We do not cover loss caused directly or indirectly by any of the following excluded perils. 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. EARTH MOVEMENT, meaning:

- a. the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to **earthquake**, landslide, mudflow, mudslide, sinkhole, subsidence, movement resulting from improper compaction, site selection, drilling, fluid injection, hydraulic fracturing or any other external forces, erosion including collapse or subsidence of land along a body of water as a result of erosion or undermining resulting from the action of water. This includes the channeling of a river or stream;
- b. erosion, shifting or displacement of materials supporting the foundation; and
- c. volcanic blast, volcanic explosion, shockwave, lava flow, lahars and fallout of volcanic particulate matter.

This exclusion applies whether the earth movement is caused by or resulting from human or animal forces or any act of nature.

We do cover direct loss by fire, explosion or theft.

2. WATER DAMAGE, meaning:

- a. (1) flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or
(2) release of water held by a dam, levee, dike or by a water or flood control device or structure;
- b. water below the surface of the ground, including that which exerts pressure on, or seeps or leaks through a building, wall, bulkhead, sidewalk, driveway, foundation, swimming pool, hot tub or spa, including their filtration and circulation systems, or other structure;
- c. water which escapes or overflows from sewers or drains located off the **residence premises**;

- d. water which escapes or overflows from drains or related plumbing appliances on the **residence premises**. However, this exclusion does not apply to overflow and escape caused by malfunction on the **residence premises**, or obstruction on the **residence premises**, of a drain or plumbing appliance on the **residence premises**; or
- e. water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is 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.

- 3. **POWER INTERRUPTION**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**. If any Building Property Losses We Cover ensues on the **residence premises**, we will pay only for the ensuing loss.
- 4. **NEGLECT**, meaning your failure to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.
- 5. Loss 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 or seizure or use for a military purpose.

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

- 6. **NUCLEAR HAZARD**, meaning nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether or not one of the forces initiating or contributing to these nuclear hazards is covered within the losses we cover in Section I except direct loss by fire resulting from the nuclear hazard is covered.
- 7. **INTENTIONAL LOSS**, meaning any loss arising out of any act committed:
 - a. by or at the direction of any **insured**;
 - b. with the intent to cause a loss.

This exclusion does not apply to an otherwise covered property loss if the property loss is caused by an act of domestic abuse by another **insured** under the policy provided:

- c. the **insured** claiming a property loss files a police report and cooperates with any law enforcement investigation relating to the act of domestic abuse; and
- d. the **insured** claiming a property loss did not cooperate in or contribute to the creation of the property loss.

Payment pursuant to this provision shall be limited to the insurable interest in the property of the **insured** claiming a property loss.

- e. For purposes of this provision, "domestic abuse" means:
 - (1) physical harm, **bodily injury**, assault, or the infliction of fear of imminent physical harm, bodily injury, or assault between family or household members;
 - (2) sexual assault of one family or household member by another;
 - (3) stalking of one family or household member by another family or household member; or
 - (4) intentionally, knowingly, or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.

- 8. **ACTS OR DECISIONS**, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss not excluded is covered.

9. WEATHER that contributes in any way with a cause or event not covered in this section to produce a loss. However, any ensuing loss caused by a covered peril and not otherwise excluded is covered.
10. PLANNING, CONSTRUCTION OR MAINTENANCE, meaning 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 property whether on or off the **insured location** by any person or organization. However, any ensuing loss not excluded is covered.
11. FUNGI, WET OR DRY ROT, OR BACTERIA meaning the presence, growth, proliferation or spread of **fungi**, wet or dry rot, or bacteria. This exclusion does not apply to the extent coverage is provided for under Additional Property Coverages - Fungi, Wet or Dry Rot, or Bacteria in Section I - Property Coverages.
12. COLLAPSE, except as provided under Additional Property Coverages - Collapse in Section I - Property Coverages. However, any ensuing loss caused by a covered peril and not otherwise excluded is covered.

COVERAGE D - ADDITIONAL LIVING EXPENSE AND LOSS OF RENT

1. If a loss covered under this section makes that part of the **residence premises** where you reside uninhabitable, we cover Additional Living Expense, meaning the necessary increase in living expenses you incur so that your household can maintain its normal standard of living.
- Payment shall be for the shortest time required, not exceeding 12 months, to repair or replace the damage or to permanently relocate.
2. If a loss covered under this section makes that part of the **residence premises** you rent to others or hold for rental uninhabitable, we cover your loss of rent, meaning the rental income to you from that part of the **residence premises** you rent to others at the time of the loss, less any expenses that do not continue while the premises is uninhabitable.
- This coverage does not apply to:
- a. the **residence premises** or that part of the **insured location** that is not rented or leased to a tenant at the time of the loss; or
 - b. to any increase in rent or lease payment that occurs after the time of the loss.
- Payment shall be for the shortest time required to repair or replace the damage, but not to exceed 12 months.
3. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a cause of loss we cover in this policy, we cover the Additional Living Expense as provided under 1., above, for no more than two weeks during which use is prohibited.

The total limit of liability available for Additional Living Expense and Loss of Rent is shown in your Policy Declarations and is the most we will pay for all loss or costs under 1., 2. and 3., above.

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

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

No deductible applies to this coverage.

ADDITIONAL PROPERTY COVERAGES

The following Additional Property Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. DEBRIS REMOVAL. We will pay the reasonable expense you incur in the removal of:
- a. debris of covered property provided coverage is afforded for the peril causing 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.

Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

We will also pay the reasonable expenses you incur, up to \$500, for the removal of trees from the **residence premises**, provided the trees damage Personal Property We Cover. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **REASONABLE REPAIRS.** We will pay for the reasonable cost you incur for necessary measures taken solely to protect covered property from further damage, following a covered loss. This coverage does not increase the limit of liability applying to the property being repaired.
3. **TREES, SHRUBS AND OTHER PLANTS.** We cover, as an additional amount of insurance, trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following perils: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief, and Theft.

We will pay up to 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants and lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant.

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

4. **FIRE DEPARTMENT SERVICE CHARGE.** We will pay, up to \$500, as an additional amount of insurance, 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 loss we cover.

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.

5. **PROPERTY REMOVED.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a loss we cover. We will cover this property for a maximum of 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.
6. **BUILDING ADDITIONS AND ALTERATIONS.** We cover, as an additional amount of insurance under Coverage C, the building additions, alterations, fixtures, improvement or installations, made or acquired at your expense, to that part of the **residence premises** used exclusively by you. The limit of liability for this coverage shall not exceed 10% of the limit of liability that applies to Coverage C.
7. **FUNGI, WET OR DRY ROT, OR BACTERIA.** We will pay up to \$5,000 for:
 - a. the direct physical loss to covered property caused by **fungi**, wet or dry rot, or bacteria;
 - b. the cost to remove **fungi**, wet or dry rot, or bacteria from covered property;
 - c. 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;
 - d. the cost of any testing of air or property to confirm the absence, presence or level of **fungi**, wet or dry rot, or bacteria, whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is the presence of **fungi**, wet or dry rot, or bacteria; and
 - e. Coverage D - Additional Living Expense and Loss of Rent.

This coverage, Fungi, Wet or Dry Rot, or Bacteria, only applies when such loss or costs:

- f. are a result of a loss we cover that occurs during the policy period;
- g. are not excluded under Personal Property Losses We Do Not Cover; and
- h. only if all reasonable means are used to save and preserve the property from further damage.

This coverage does not apply to loss to trees, shrubs, or other plants.

The \$5,000 limit of liability is the most we will pay for the total of all loss or costs for Coverages C and D, and does not increase the limit of liability for these coverages, regardless of the number of locations or number of claims made.

8. COLLAPSE.

- a. With respect to this coverage 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:
- (1) 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.
 - (2) 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.
 - (3) 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 the dwelling or any part of the dwelling if the collapse was caused by one or more of the following:
- (1) The perils under Personal Property Losses We Cover;
 - (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse or there are visible signs of water damage and the **insured** has not taken prompt action to prevent further damage;
 - (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, hot tub or spa, including their filtration and circulation systems, landscape sprinkler system, 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 the dwelling or any part of the dwelling to which it is attached.

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

SECTION I - PROPERTY CONDITIONS

1. SECTION I - DEDUCTIBLE. Unless otherwise stated in this policy, we cover only that part of the loss over the applicable deductible shown in your Policy Declarations.
The deductible does not apply to Coverage D - Additional Living Expense and Loss of Rent or Fire Department Service Charge.
2. YOUR DUTIES TO SELECT AND MAINTAIN POLICY LIMITS. It is your responsibility to select and maintain adequate amounts of insurance on your personal property and building additions and alterations. To assist you with this responsibility, we will suggest annual changes to your policy limits. These suggestions will be made effective on the renewal of your policy and will be based upon average factors for your area supplied to us by recognized appraisal agencies. Payment of your renewal is all that is necessary to indicate your acceptance of the new amount.
3. AN INSURED'S DUTIES AFTER LOSS. In case of a loss to which this insurance may apply, you must perform the following duties:
 - a. cooperate with us in the investigation, settlement or defense of any claim or suit;
 - b. give immediate notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss;

- c. notify the police in case of loss by theft;
 - d. protect the property from further damage, make reasonable and necessary repairs required to protect the property and keep an accurate record of repair expenses;
 - e. prepare an inventory of the loss to the building and damaged personal property showing in detail the quantity, description, purchase price and age. Attach all bills, receipts and related documents that justify the figures in the inventory;
 - f. as often as we reasonably require:
 - (1) exhibit the damaged and undamaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examinations under oath and subscribe the same. We may examine you separately and apart from your spouse, civil or **domestic partner**, or any other **insured**. You shall not interfere with us examining any other **insured**.
 - g. submit to us, within 60 days after we request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of any damaged building and detailed repair estimates;
 - (6) an inventory of damaged personal property described in 3.e.;
 - (7) receipts for additional living expenses incurred or records supporting the loss of rent.
4. **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:
- a. for more than the amount of the **insured's** interest at the time of loss; or
 - b. for more than the applicable limit of liability,
- whichever is less.
5. **LOSS SETTLEMENT.** Covered property losses are settled at **actual cash value** at the time of loss but not exceeding the smallest of the following amounts:
- a. the applicable limit of liability;
 - b. the direct financial loss you incur; or
 - c. our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.
6. **LOSS TO A PAIR OR SET.** In case of loss to a pair or set we may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between **actual cash value** of the pair or set before and after the loss.
7. **APPRAISAL.** If you and we do not agree on the amount of **actual cash value** or the amount of the loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company and after notice of hearing to the non-requesting party by certified mail, such umpire shall be selected by a judge of a court of record in the county in which the property covered is located. The appraisers shall then appraise the loss, stating separately the **actual cash value** of each item, and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

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

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is covered under this policy. If there is an appraisal, we still retain the right to deny the claim.

8. **SUIT AGAINST US.** No action shall be brought against us unless there has been compliance with the policy provisions and the action is started within one year after the inception of the loss or damage.
9. **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 property damaged with equivalent property.
10. **LOSS PAYMENT.** We will adjust all losses with you. We will pay you unless some other person is named in the policy to receive payment. Loss will be payable 60 days after:
 - a. we reach agreement with you;
 - b. there is an entry of a final judgment; or
 - c. there is a filing of an appraisal award with us.
11. **ABANDONMENT OF PROPERTY.** We need not accept any property abandoned by any **insured**.
12. **NO BENEFIT TO BAILEE.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
13. **OTHER INSURANCE AND SERVICE AGREEMENTS.** If a loss covered by this policy is also covered by:
 - a. other insurance, we will pay only the proportion of the loss caused by a peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of insurance covering the loss; or
 - b. a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement includes a service plan, property restoration plan or warranty, even if it is characterized as insurance.
14. **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.
15. **SALVAGE VALUE.** Any value that may be realized from **salvage** will not diminish the amount of your deductible. We need not accept, but have all rights to **salvage**.
16. **VOLCANIC ERUPTION PERIOD.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

SECTION II - LIABILITY COVERAGES

LIABILITY LOSSES WE COVER

COVERAGE E - PERSONAL LIABILITY

If a claim is made or a suit is brought against any **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 the **insured** is legally liable; and
2. provide a defense at our expense by counsel of our choice even if the allegations are 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 the amount we pay for damages resulting from the **occurrence** equals our limit of liability.

COVERAGE F - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses 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 other than **residence employees**. As to others, this coverage applies only:

1. to a person on the **insured location** with the permission of any **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 any **insured**;
 - c. is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or
 - d. is caused by an animal owned by or in the care of any **insured**.

LIABILITY LOSSES WE DO NOT COVER

1. COVERAGE E - PERSONAL LIABILITY and COVERAGE F - MEDICAL PAYMENTS TO OTHERS do not apply to **bodily injury** or **property damage**:
 - a. which is expected or intended by any **insured** or which is the foreseeable result of an act or omission intended by any **insured**;
This exclusion applies even if:
 - (1) such **bodily injury** or **property damage** is of a different kind or degree than expected or intended; or
 - (2) such **bodily injury** or **property damage** is sustained by a different person, or persons, entity, real or personal property than expected or intended.
This exclusion does not apply to **bodily injury** resulting from the use of reasonable force by any **insured** to protect persons or property.
 - b. which results from violation of criminal law committed by, or with the knowledge or consent of any **insured**.
This exclusion applies whether or not any **insured** is charged or convicted of a violation of criminal law, or local or municipal ordinance.
 - c. arising out of **business** pursuits of any **insured**.
This exclusion does not apply to:
 - (1) activities which are ordinarily incidental to non-**business** pursuits;
 - (2) the occasional or part-time **business** pursuits of any **insured** who is under 23 years of age;
 - (3) the rental or holding for rental of any part of the **residence premises**:
 - (a) as a **short term rental** for the exclusive use as a residence;
 - (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
 - (c) in part, as an office, school, studio or private garage;
 - d. arising out of the rendering or failing to render professional services;
 - e. arising out of any premises owned or rented to any **insured** which is not an **insured location**;
 - f. arising out of the ownership, maintenance, use, loading or unloading of:
 - (1) aircraft.
This does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.
 - (2) motorized land vehicles, including any trailers, owned or operated by or rented or loaned to any **insured**.

This exclusion does not apply to:

- (a) a trailer not towed by or carried on a motorized land vehicle;
 - (b) a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing or permits and:
 - i. not owned by any **insured**; or
 - ii. owned by any **insured**, while on an **insured location**;
 - (c) a motorized golf cart which is owned by any **insured** when used to play golf on a golf course;
 - (d) a motorized land vehicle used solely for assisting the disabled or solely for the maintenance of a residence, which is:
 - i. not designed for travel on public roads; and
 - ii. not subject to motor vehicle registration, licensing or permits;
 - (e) electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour; or
 - (f) a motorized land vehicle in dead storage on an **insured location**.
- (3) watercraft:
- (a) owned by or rented to any **insured** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
 - (b) owned by or rented to any **insured** if it is a sailing vessel 26 feet or more in overall length, with or without auxiliary power;
 - (c) powered by one or more outboard motors with 50 or more total horsepower if the outboard motors are owned by any **insured**.
However, outboard motors of 50 or more total horsepower are covered for the policy period if:
 - i. you acquired them prior to the policy inception, and:
 - (i) declared them at policy inception; or
 - (ii) you ask us in writing to insure them within 45 days after you become the owner;
 - ii. you acquire them during the policy period, provided you ask us to insure them:
 - (i) during the policy period in which you become the owner; or
 - (ii) within 45 days after you become the owner;whichever is greater, and pay any resulting additional premium from the date acquired.
 - (d) designed as an air boat, air cushion, or similar type of craft; or
 - (e) owned by any **insured** which is a **personal watercraft**.

This exclusion does not apply while the watercraft is stored.

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

Exclusions e. and f. do not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**;

- g. arising out of:
 - (1) the entrustment by any **insured** to any person;
 - (2) the supervision by any **insured** of any person;
 - (3) any act, decision or omission by any **insured**;

(4) any liability statutorily imposed on any **insured**; or

(5) any liability assumed through an unwritten or written agreement by any **insured**;

with regard to any aircraft, motorized land vehicle or watercraft which is not covered under Section II of this policy;

h. caused directly or indirectly by war, including the following and any consequences of the following:

(1) undeclared war, civil war, insurrection, rebellion, or revolution;

(2) warlike act by a military force or military personnel; or

(3) destruction or seizure or use for a military purpose.

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

i. which results from the legal liability of any **insured** because of home care services, day care or any hospice related activity provided to any person by or at the direction of:

(1) any **insured**;

(2) any employee of any **insured**;

(3) any other person actually or apparently acting on behalf of any **insured**.

This exclusion does not apply to:

(4) home care services provided to the relatives of any **insured**;

(5) occasional or part-time home care services provided by any **insured** under 23 years of age;

j. which arises out of the transmission of a communicable disease by any **insured**;

k. arising out of physical or mental abuse, sexual molestation or sexual harassment;

l. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional;

m. arising out of any **insured's** participation in, or preparation or practice for any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft regardless of whether such contest is spontaneous, prearranged or organized. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power.

2. COVERAGE E - PERSONAL LIABILITY does not apply to:

a. Liability:

(1) for any assessment charged against you as a member of an association of property owners, except as provided under Additional Liability Coverages - Loss Assessment Coverage in Section II - Liability Coverages;

(2) under any contract or agreement. However, this does not apply to written contracts:

(a) that directly relate to the ownership, maintenance or use of an **insured location**; or

(b) where the liability of others is assumed by the **insured** prior to an **occurrence**;

unless excluded in 2.a.(1) above or elsewhere in this policy;

(3) liability arising out of any written or oral agreement for the sale or transfer of real property, including but not limited to liability for:

(a) known or unknown property or structural defects;

(b) known or hidden defects in the plumbing, heating, air conditioning or electrical systems;

(c) known or unknown soil conditions or drainage problems; or

(d) concealment or misrepresentation of any known defects;

- b. **property damage** to property owned by any **insured**;
- c. **property damage** to property rented to, occupied or used by or in the care of any **insured**. This exclusion does not apply to **property damage** caused by fire, smoke, explosion or water;
- d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under:
 - (1) any workers' compensation;
 - (2) non-occupational disability; or
 - (3) occupational disease law;
- e. **bodily injury** or **property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;
- f. **bodily injury** to an **insured** within the meaning of parts (1) or (2) of Policy Definitions, 3.g. **Insured**;
- g. **bodily injury** or **property damage** arising, in whole or part, out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, emission, transmission, absorption, ingestion or inhalation of **pollutants or contaminants** at any time. This includes any loss, cost or expense arising out of any:
 - (1) request, demand or order that any **insured** or others test for, monitor, abate, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess, the effects of **pollutants or contaminants**;
 - (2) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing, the effects of **pollutants or contaminants**;

This exclusion does not apply to **bodily injury** sustained within a building on the **residence premises** and caused by, smoke, fumes, including carbon monoxide, vapor or soot from equipment used to heat that building;
- h. liability arising from any transmission, upload or download, whether intentional or not, of computer code, programs or data;
- i. liability arising out of any animal that any **insured** acquires, owns or keeps that:
 - (1) is of a breed or kind named by or controlled by any local, state, or federal ordinance or law because of public safety concerns;
 - (2) has previously inflicted injury upon any person resulting in:
 - (a) maiming, disfigurement, mutilation, impairment, disability or death; or
 - (b) loss of work, schooling, or a loss of ability to carry on with a normal routine;
 - (3) has been trained to fight or attack;
 - (4) has been trained to kill;
 - (5) is a wild canine or feral dog or an offspring from breeding with a wild canine;
 - (6) is illegal to acquire, own or keep;
 - (7) is wild by birth or by nature and the species is not customarily domesticated;
 - (8) is a bird of prey;
 - (9) is venomous; or
 - (10) is a primate.

Item (3) above does not apply in the event the animal is reacting to protect people or property from imminent harm.

This exclusion does not apply to any person or organization described as an **insured** in Policy Definitions, item g.(3).

3. COVERAGE F - MEDICAL PAYMENTS TO OTHERS does not apply to **bodily injury**:
- to a **residence employee** if the **bodily injury** occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by an insured;
 - to any person, eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability, or occupational disease law;
 - from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
 - to any person, other than a **residence employee** of any **insured**, regularly residing on any part of the **insured location**.
-

ADDITIONAL LIABILITY COVERAGES

We cover the following in addition to the limits of liability:

- CLAIM EXPENSES. We pay:
 - expenses we incur and costs taxed against any **insured** in any suit we defend;
 - premiums on bonds required in a suit we defend, but not for bond amounts greater than the limit of liability for Coverage E - Personal Liability. We are not obligated to apply for or furnish any bond; and
 - reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$200 per day, for assisting us in the investigation or defense of any claim or suit.
- FIRST AID EXPENSES. We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.
- DAMAGE TO PROPERTY OF OTHERS. We will pay on a **replacement cost** basis up to \$500 per **occurrence** for **property damage** to property of others caused by any **insured**.

We will not pay for **property damage**:

- if insurance is otherwise provided in this policy;
 - caused intentionally by any **insured** who is 13 years of age or older;
 - to property owned by any **insured**;
 - to property owned by or rented to a tenant of any **insured** or a resident in your household. This does not apply to **short term rentals**; or
 - arising out of:
 - business** pursuits;
 - any act or omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**; or
 - the ownership, maintenance, or use of aircraft, watercraft or motorized land vehicles. This does not apply to a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing or permits and not owned by any **insured**.
4. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY.

We will pay up \$1,000 for:

- the legal obligation of an **insured** to pay because of theft or unauthorized use of credit cards issued to or registered in any **insured's** name;
- loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in any **insured's** name.

We do not cover use by a resident of your household, a person who has been entrusted with the credit card or fund transfer card or any person if any **insured** has not complied with all terms and conditions under which the credit card or fund transfer card is issued.

- c. loss to any **insured** caused by forgery or alteration of any check or negotiable instrument; and
- d. loss to any **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.

We do not cover loss arising out of **business** pursuits or dishonesty of any **insured**.

Defense:

- e. We may make any investigation and settle any claim or suit that we decide is appropriate.
- f. If a suit is brought against any **insured** for liability covered under this Credit Card or Fund Transfer Card Coverage, we will provide a defense at our expense by counsel of our choice.
- g. We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the forgery coverage.

5. LOSS ASSESSMENT.

- a. we will pay loss assessments charged during the policy period against you by the association of property owners up to \$2,000, when the assessment is made as a result of:

- (1) each direct loss to property, caused by a peril that would be covered under Section I - Property Coverages of this policy;

SPECIAL EXCLUSION: There is no coverage for any loss assessment resulting from the peril of **earthquake**. However, loss assessment for ensuing direct loss by fire, explosion or theft is covered.

- (2) each **occurrence** to which Section II - Liability Coverages of this policy would apply; and

- (3) liability for each act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:

- (a) the director, officer or trustee is elected by the members of the association of property owners; and

- (b) the director, officer or trustee serves without deriving any income from the exercise of his/her duties, which are solely on behalf of the association of property owners.

- b. DEDUCTIBLE. We will pay only that part of your assessment per unit for property insured under Section I that exceeds \$500. No other deductible applies to this coverage. If our liability for a loss results from Section I and coverage under this option, only the larger deductible will apply.

SECTION II - LIABILITY CONDITIONS

- 1. LIMIT OF LIABILITY. Our total liability under Coverage E for all damages resulting from any one **occurrence** will not exceed the limit of liability for Coverage E shown in your Policy Declarations. This limit is the same regardless of the number of **insureds**, claims made or persons injured.

Our total liability under Coverage F for all medical expense payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage F shown in your Policy Declarations.

- 2. SEVERABILITY OF INSURANCE. This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one **occurrence**.

- 3. YOUR DUTIES AFTER LOSS. In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply:

- a. give written notice to us or our agent as soon as practicable, which sets forth:

- (1) the identity of the policy and **insured**;

- (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**;
 - (3) names and addresses of any claimants and witnesses; and
 - (4) in case of loss under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money, also notify the credit card or fund transfer card company;
 - b. promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
 - c. at our request, help us:
 - (1) to make a settlement;
 - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
 - (3) with the conduct of suits and attend hearings and trials;
 - (4) to secure and give evidence and obtain the attendance of witnesses;
 - d. under the Additional Liability Coverages - Damage to the Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
 - e. submit within 60 days after the loss, evidence or affidavit supporting a claim under the Additional Liability Coverages, Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Coverage, stating the amount and cause of loss;
 - f. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.
4. DUTIES OF AN INJURED PERSON - COVERAGE F - MEDICAL PAYMENTS TO OTHERS. 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 practical;
 - b. authorize us to obtain copies of medical reports and records.
- The injured person shall submit to physical examination by a doctor selected by us when and as often as we reasonably require.
5. PAYMENT OF CLAIM - COVERAGE F - MEDICAL PAYMENTS TO OTHERS. Payment under this coverage is not an admission of liability by any **insured** or us.
6. PAYMENT OF INTEREST - COVERAGE E - PERSONAL LIABILITY.
- If a notice, demand, summons, judgment, or other process is promptly forwarded to us as required by Liability Condition 3.b. under Your Duties After Loss and we accept the defense or agree to the judgment, we will pay interest on the judgment, subject to all of the following:
- a. We will pay the interest on that part of the judgment that is covered by this policy and that does not exceed our applicable limit of liability.
 - b. We will pay interest that accrues on the judgment until we pay, tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
 - c. If we appeal the judgment, we will pay interest on the entire judgment.
 - d. Post-judgment interest is in addition to the applicable limit of liability.
 - e. Where we are required to cover prejudgment interest, it shall be included in the limit of liability and is not an additional amount of insurance.
7. SUIT AGAINST US. No action shall be brought against us unless there has been compliance with the policy provisions.
- No one shall have any right to join us as a party to any action against any **insured**. Further, no action with respect to Coverage E shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

8. **BANKRUPTCY OF AN INSURED.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.
9. **OTHER INSURANCE - COVERAGE E - PERSONAL LIABILITY.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTIONS I AND II - PROPERTY AND LIABILITY CONDITIONS

1. POLICY PERIOD AND CHANGES.

- a. The effective time of this policy is 12:01 A.M. at the **residence premises**. This policy applies only to loss under Section I, or **bodily injury** or **property damage** under Section II, which occurs during the policy period. This policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- b. Changes:
 - (1) Before the end of any policy period, we may offer to change the coverage provided in this policy. Payment of the premium billed by us for the next policy period will be your acceptance of our offer.
 - (2) This policy contains all agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change. Additional or return premium of \$3.00 or less will be waived.

2. CONCEALMENT OR FRAUD.

This policy was issued in reliance upon the information provided on your application. We may void this policy if you or an **insured** have intentionally concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period.

We may void this policy or deny coverage for a loss or **occurrence** if you or an **insured** have intentionally concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

We may void this policy or deny coverage because of fraud or material misrepresentation even after a loss or **occurrence**. This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us. If so, you must reimburse us for any payments we may have already made.

3. 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.

This liberalization clause does not apply to changes implemented that involve a broadening and a restriction of coverage or an increase in premium.

4. CANCELLATION.

- a. 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. We may waive the requirement the notice be in writing by confirming the date and time of cancellation to you in writing.
- b. We may cancel this policy only for the reasons stated below by notifying you 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 your Policy Declarations. Proof of mailing shall be sufficient proof of notice.
 - (1) When you have not paid the premium we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
 - (2) 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 notifying you at least 10 days before the date cancellation takes effect.

- (3) 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 if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued.

This can be done by notifying you at least 30 days before the date cancellation takes effect.

- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us for cancellation, we will refund it within a reasonable time after the date cancellation takes effect.
5. **NON-RENEWAL.** 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 your Policy Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.
6. **ASSIGNMENT.** Assignment of this policy shall not be valid unless and until we give our written consent.
7. **OUR RIGHT TO RECOVER PAYMENT.** 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. 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, the **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner.

Subrogation does not apply under Section II to Coverage F - Medical Payments to Others or Additional Liability Coverages, Damage to Property of Others.

8. **DEATH.** If you die:
- a. we insure your legal representative, but only with respect to the premises and property of the deceased covered under the policy at the time of death.
- b. **insured** shall include:
- (1) any member of the household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
- (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

The First Year and Renewal Premiums for all Liability and Contents policies shall be adjusted pro rata upon termination.

A Reinstatement Fee of \$7.50 shall apply to all policies cancelled for non payment of premium which are subsequently reinstated.

**Liability Limit = \$100,000
Contents Deductible = \$250**

Contents Limit	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$40,000</u>
Annual Premium	\$177	\$196	\$219	\$270	\$315

**Liability Limit = \$50,000
Contents Deductible = \$250**

Contents Limit	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$40,000</u>
Annual Premium	\$173	\$187	\$197	\$250	\$280

Liability Only Policy Limit = \$100,000

Annual Premium	\$120
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**Contents Only Policy
Contents Deductible = \$250**

Contents Limit	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$40,000</u>
Annual Premium	\$57	\$76	\$99	\$150	\$195

RLI INSURANCE COMPANY
RENTERS PROGRAM
RATE EXPLANATORY MEMORANDUM
MINNESOTA

RLI Insurance Company is making two revisions to our Renters Program. The first revision is the addition of Premises Water Property Damage coverage to our Liability only form and our Contents and Liability form, with no additional rate change. Our current forms excluded property damage caused by water. We are making this change to better meet the needs of our policyholders. While a claim for this type of coverage does not happen often, we have had several instances where the coverage was needed by a policyholder. Adding this coverage will also help us in marketing our policy, as we will be providing more coverage than our previous policy at the same rate level.

The second change is the addition of a contents coverage only form and corresponding declaration page. We currently offer a combined contents and liability policy and a liability only policy. A contents only policy is needed for policyholders who are covered under their landlord's blanket liability policy, but desire additional coverage for their personal property. The coverage in this new form is identical to the contents coverage in our approved contents and liability policy. The proposed rates and limits are equal to the currently approved rates and limits for the contents coverage in our contents and liability policy. The rate development for this new coverage is illustrated on Exhibit 6 of the attached filing support exhibits. The current manual page has been revised to include the proposed new rates.

We are requesting an effective date of October 1, 2017 for this filing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA TENANTS – MANDATORY ENDORSEMENT

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DEFINITIONS

The following has been added:

12. "Personal Injury" means injury, other than "bodily injury", arising out of one or more of the following acts:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Wrongful eviction of a person from premises that the person occupies;
- d. Oral or written publication of material that slanders or libels a person or organization;
- e. Oral or written publication of material that violates a person's right of privacy.

- 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.

2. Liability For Property At Other Residences under **SECTION 1 – PROPERTY COVERAGES, A. Coverage C – Personal Property** is replaced by the following:

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 \$2,000, 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 under **SECTION 1 – PROPERTY COVERAGES, A. Coverage C – Personal Property** is replaced by the following:

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, unless specifically noted in the description.

- 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- 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, silverplated 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

- I. \$1,000 or 10% of Coverage C, whichever is greater for loss from items in a "motor vehicle", excluding those items that would be covered in Categories j. and k. above.

B. Coverage D – Loss of Use under **SECTION I – PROPERTY COVERAGES** is replaced by the following:

B. 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. In total the limit of liability under Coverage D is limited to 20% of Coverage C or \$2,000, whichever is greater.

1. Additional Living Expense

If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the "residence premises" 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.

9. Theft under **SECTION I – PERILS INSURED AGAINST** is replaced by the following:

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, provided that a police report has been filed by the "insured".
- 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following is added under SECTION I – CONDITIONS:

B. Duties After Loss

Paragraph 2. is deleted and replaced with the following:

2. Notify the police in case of loss by theft or vandalism or malicious mischief.

R. Coverage C – Annual Changes

We have the right to increase the Coverage C amount of insurance at renewal based on changes in the Consumer Price Index (CPI). When we elect to make such changes the increase in the Coverage C amount of insurance will be proportional to the annual change in the CPI from the prior renewal period, or when the policy was originally written. The Coverage C amount of insurance will be rounded to the nearest \$100 of coverage.

F. Coverage E – Personal Liability, Exclusion 3. "Property damage" under SECTION II – EXCLUSIONS, is replaced by the following:

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, explosion or water;

The following restriction (f.) is added under SECTION II – ADDITIONAL COVERAGES

C. Damage To Property Of Others

2. We will not pay for "property damage":
 - f. in the residence premises caused by a pet or animal owned by you or intended to be in the care, custody or control of you, an "insured", a tenant of an "insured", or a resident of your household.

This exclusion does not apply in the case of animals trained to assist the physically challenged.

The following has been added:

E. Tenant Damage Protection Coverage:

1. We will pay, at the lesser of repair or replacement cost, up to \$1,000 for "property damage" for sudden and accidental damage to property rented to, occupied or used by or in the care of an "insured".
2. The lessor or landlord designated on the lease for the "residence premises" shall

have the right to submit a claim within the lesser of (30) days of the property being vacated or the date the premises is occupied by another tenant.

- a. A copy of an inspection conducted at the time of occupancy and within (7) days of the named insured vacating the premises is required if the named insured is unavailable.

3. This coverage is excess over any amount of an applicable security deposit that is retained by the landlord or lessor for the same damage or is returned to the "insured".

4. \$1,000 is the most we will pay under this coverage regardless of the number of "occurrences" during the policy period.

5. This coverage does not apply to damage caused by a pet or animal owned by you or intended to be in the care, custody or control of you, an "insured", a tenant or an "insured", or a resident of your household.

SECTIONS I AND II – CONDITIONS

The following has been added.

F. Subrogation

If "we" pay an "insured", who is the victim of domestic violence, for a loss caused by an act of domestic violence, the rights of that "insured" to recover damages from the perpetrator of the violence are transferred to "us" to the extent of our payment. Following the loss, that "insured" may not waive such rights to recover against the perpetrator of the domestic violence. The attestation clause is deleted and replaced by the following: In Witness Whereof, "we" have caused this policy to be executed and attested.

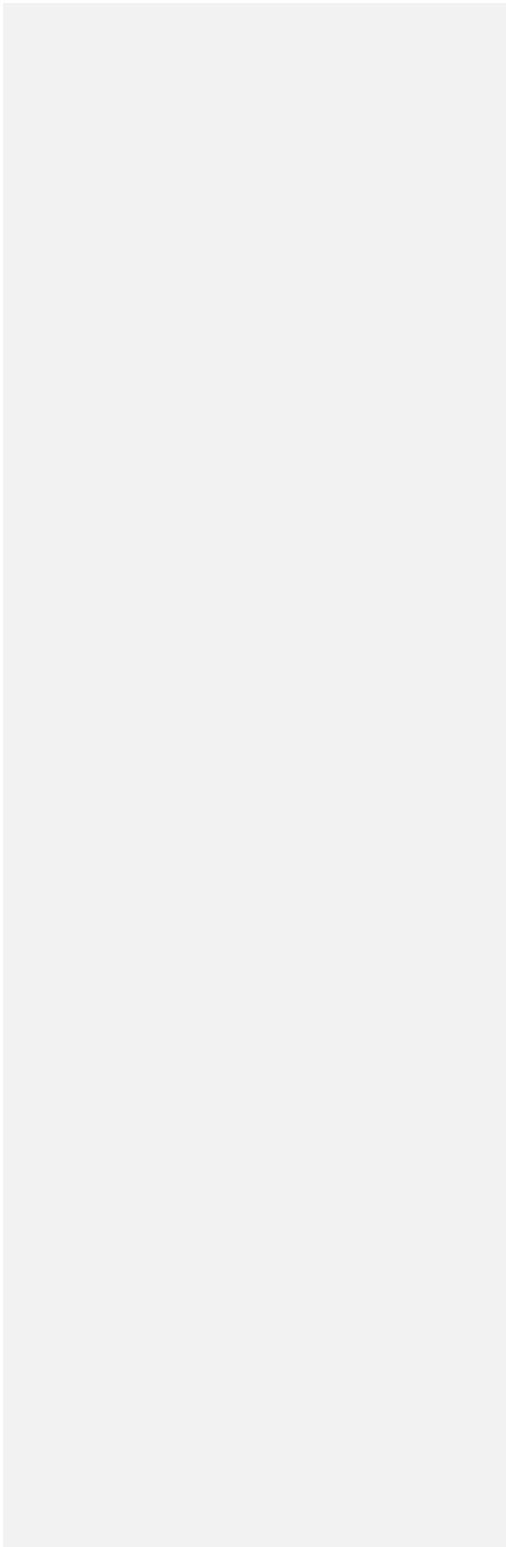
Paragraph C. Cancellation the following has been added:

5. When "we" provide evidence of coverage under this policy to meet requirements of a lease or rental agreement to the "landlord" or "interested party", "we" may also provide notice of cancellation or nonrenewal to the "landlord" or "interested party". Failure to mail such notice shall not impose any obligation or liability of any kind

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

upon "us"

All other provisions of this policy apply.



EXPLANATORY MEMORANDUM

We are proposing the following changes to our tenants program to better align with competitors with similar renters programs within the marketplace. We have reviewed several filings in Minnesota and other states as well. Please refer to the tracking numbers below for reference purposes.

- Added a new rule: "Owners of aggressive dogs must purchase Liability limits of at least \$100,000." (Praetorian Insurance / AL SERFF Tracking #QBEC-130619280)
- Increased liability limits premium changes:

\$300,000 / \$500	\$ 5.00 to \$16.00
\$300,000 / \$1,000	\$ 8.00 to \$19.00
\$300,000 / \$2,000	\$12.00 to \$21.00

(Praetorian Insurance / AL SERFF Tracking #QBEC-130619280)

- Added a \$10 NSF fee. American Modern’s fee is \$25; however, we have changed this to \$10 in order to support the fee structure for our payment vendor. (American Modern / AL SERFF Tracking # AMMH-130588899)
- Added a \$5 Lapse / Reinstatement fee. American Modern’s fee is \$10 ; however, we have changed this to \$5 in order to support the fee structure for our payment vendor. (American Modern / AL SERFF Tracking # AMMH-130588899)

Fee Type	American Modern	Spinnaker	Assurant	Praetorian	American National
NSF	\$25.00	\$10.00	N/A	N/A	N/A
Reinstatement	\$10.00	\$5.00	N/A	N/A	N/A

- Added a new bio hazard clean up mandatory endorsement (American Modern / AL SERFF Tracking # o AMMH-129507317)
- Introduction of a new optional \$1,000 Theft Deductible. The corresponding credit factors are the same as QBE. (Praetorian Insurance / MI SERFF Tracking # o QBEC-130294694)
- Added to the Pet Damage rule: "This coverage can only be purchased at the time of new business." (American Bankers "Assurant" / MI SERFF Tracking # ASPX-G128758008)
- Pet Damage endorsements language revised to pay only up to the limit of liability per policy period. A new form number has been assigned of PET EN2 06 17, which replaces our prior version of MN EN2 01 15. An updated forms list is included along with a redline version of the revisions. (American Bankers "Assurant" / MI SERFF Tracking # ASPX-G128758008)
- Added language to the mandatory endorsement MN EN 06 17, which replaces our prior version of MN EN 01 15. An updated forms list is included along with a redline version of the revisions. This verbiage was pulled from several different Praetorian and Assurant filings in AL, MI or TN.

Our initial tenants program filing was approved under SERFF filing number WOOD-130246480.

We have no credible data and are relying on the above competitor’s data to support our changes.

RENTERS – LIABILITY

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with 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" because of or originating from 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 your care or the care of a resident of your household who is your relative;
 - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1)** 24 and your relative; or
 - (2)** 21 and in your care or the care of a resident of your household who is your relative; or
 - c.** Under Liability Coverage:
 - (1)** With respect to animals or watercraft to which this policy

- applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in **5.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 described in **5.a.** or **b.** above; or
- (b) Other persons using the vehicle on an "insured location" with your consent.
- 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 **6.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.
12. "Personal Watercraft" means Watercraft designed to carry one to three people, propelled by engine power, and capable of speeds greater than 25 MPH. Personal watercraft include but are not limited to watercraft often referred to as jet skis, wave runners and similar aircraft.
13. "Vacant" means the dwelling will be considered "vacant" if:
- a. the "insured" or a tenant moves from the dwelling and a substantial part of the personal property is removed from that dwelling; or
- b. The dwelling is unoccupied by the "insured" or a tenant; or
- c. The dwelling lacks the necessary amenities, adequate furnishings or

utilities and services to permit occupancy of the dwelling as a residence.

14. "Unoccupied" means neither you nor someone authorized by you is currently residing in the dwelling/apartment as a principal place of residence. A dwelling we have agreed to insure as a seasonally and/or secondary occupied dwelling is not considered unoccupied.
15. "Occupied" means that the dwelling is the primary residence of the insured.
16. "Unmanned aircraft" means a device flown by a ground control system or through the use of an on-board computer and not designed, manufactured, or modified after manufacture, to be controlled directly by a person from on or within the device. "Unmanned aircraft" includes communication links and any additional equipment necessary for the device to operate safely.
17. "Insured contract" means a written contract under which you assume the tort liability to pay damages because of "bodily injury" or "property damage" arising out of the maintenance services of a person or persons retained by you to perform maintenance services at the "residence premises". The contract or agreement must be made and be effective prior to the "bodily injury" or "property damage".
18. "Statutory" means requirements which are applicable by virtue of law enacted by the government.
19. "Regulatory" means administrative legislation that constitutes or constrains rights and allocates responsibilities.

SECTION I - PROPERTY COVERAGES

This policy does not include coverage for your personal property, belongings, or any additional coverages.

SECTION II - LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

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

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

SECTION II - EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;

- (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
- a. In dead storage on an "insured location";
 - b. Used solely to service 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:
 - (a) On an "insured location" as defined in Definition B.6.a., b., d., e. or h.; or
 - (b) Off an "insured location" and the "motor vehicle" is:
 - (i) Designed as a toy vehicle for use by children under seven years of age;
 - (ii) Powered by one or more batteries; and
 - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.
- B. "Watercraft Liability"**
- 1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
 - 2. Coverages E and F do not apply to any watercraft designated as an airboat, air cushion or any "personal watercraft" which includes but is not limited to jet skis, wave runners and similar watercraft that use a water jet pump powered by an internal combustion as its primary source of propulsion, regardless of the horsepower and regardless of whether they are owned or not owned by any "insured".
 - 3. If Exclusion **B.1.** or **B.2.** 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 or property than initially expected or intended.

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

2. "Business"

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

an "insured".

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

- b. 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" because of or originating from the rendering of or failure to render professional services;

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

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

- a. Owned by an "insured";
- b. Rented to an "insured"; or
- c. Rented to others by an "insured"; that is not an "insured location";

5. War

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

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

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

6. Communicable Disease

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

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

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

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined 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 lawful orders of a licensed health care professional;

9. Trampoline Ownership or Use

"Bodily injury" or "property damage" arising out of the ownership or use of a trampoline owned by, rented by or loaned to an "insured", whether on the "residence premises" or elsewhere;

10. Toxic Mold Spores

"Bodily injury" or "property damage" arising out of the actual or alleged ingestion, inhalation, absorption, or exposure in any way to toxic mold spores.

Further, we shall not defend or indemnify for any loss, demand, suit, or order, including any claim or suit by or on behalf of a government authority or agency relating to testing, monitoring, cleaning up, removing, containing, treating, detoxifying, abating, neutralizing, or in any way responding to, or assessing the effects of toxic mold;

11. Insured Contract

"Bodily injury" or "property damage" arising out of any contract or agreement except an insured contract;

12. Unmanned Aircraft

We do not cover any loss or damage arising out of ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and loading or unloading.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of other by the insured, if the "occurrence" which caused the loss involved the ownership, maintenance, use or entrustment to others of any aircraft that is "unmanned aircraft";

13. Pollutants

"Bodily injury" or "property damage" caused by discharge, dispersal, seepage, migration, release or escape of pollutants from any source including construction materials.

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;

Loss, costs or expenses related to pollutants are excluded. This includes:

- a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants."

14. Assault and/or Battery

"Bodily injury" or "property damage" arising out of an assault and/or battery committed by any "insured";

15. Cyber Liability

We will not provide coverage or payments for indemnity or defense or expense costs under any part of this policy for any occurrence arising wholly or in part out of or in connection with the following activities:

Arising out of social media including but not limited to the use of:

- a. Chat Rooms, Bulletin Boards, Gripe Sites, Blogs, Email or Social Networking Sites; or
- b. Any other Internet forums not mentioned in a. above:
 - (1) That an "insured" hosts or owns; or
 - (2) Over which an "insured" has the control or operating authority of the operations of such Internet forums;
- c. Texting using a cellular device.

However, this exclusion does not apply to content posted or provided by an "insured" for posting by others to any of these Internet forums not under their direct authority or control;

16. Pool Slides and Diving Boards

"Bodily injury" or "property damage" because of or originating from the ownership, maintenance, supervision or use of any diving board or pool slide owned by, rented by, or loaned to, or otherwise under the care, custody and control of any insured, or that of your employee, agent, visitor or tenant, whether on the residence premises or any other location; or

17. Recreational Vehicles

"Bodily injury" or "property damage" because of or originating from the use, supervision, care, custody or control of any "insured", or that of your employee, agent, visitor or tenant, of a recreational off road or unlicensed vehicle, including but not limited to ATV's 3-wheelers, 4-wheelers, dune buggies, rock climbers, go-carts, minibikes, dirt bikes, snowmobiles, motorized skateboards and motorized scooters, whether owned or not owned by any "insured" and whether or not the injury or damage occurs on the "insured location" or any other location.

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" because of and in the course of the "residence employee's" employment by an "insured".

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions during the term of this policy or any renewal thereof, shall be considered to be the result of one "occurrence" regardless of the number of persons injured, or the number of claims made.

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 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" to:
 - a. Repay; or
 - b. Share damages with; another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage **F** does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination; all whether controlled or uncontrolled or however caused;
 - 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"; or
5. To any person whom the insured is obligated to pay damages by reason of the assumptions of liability in a contract or agreement other than an insured contract;

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 \$1000 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 Contents Coverage;
 - 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 Liability 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 Liability 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".

Special limits of liability apply to "bodily injury" and "property damage" caused by any animal or animals otherwise covered by **LIABILITY COVERAGES**.

Special limits of liability that apply to animals are as follows:

Coverage E – Personal Liability: \$25,000

The special limits of liability shown above are the same regardless of the number of: "insureds", claims made, "occurrences", persons injured, or animals.

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";
 - c. Names and addresses of any claimants and witnesses; and
 - d. Allow us to inspect the property wherein the "bodily injury" or "property damage" occurred.
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 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 policy.
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. Made false statements; or
3. Engaged in fraudulent conduct.

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 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 this policy; or
 - (2) If the risk has changed substantially since the policy was issued; or

This can be done 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.

Subrogation does not apply to Paragraph C. Damage To Property Of Others under 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.

H. Our Right To Recompute Premium

We established the premium for this policy based on the statements you made in the application for insurance. We have the right to recompute the premium if we later obtain information which affects the premium we charged.

I. Vacancy

During the policy term if the insured location is vacant for 60 consecutive days immediately before a loss, we will not be liable for losses related to or resulting from the use of a swimming pool or trampoline at the insured location.

State National Insurance Company
Minnesota
Filing Memorandum

State National Insurance Company is proposing additional endorsements and coverage options to the current approved filing SERFF # STNA-131019681. Additional endorsements include an optional Pet Damage Endorsement and Tenant Water Liability Endorsement. A Liability Only Tenant Coverage is also proposed as a coverage option. We are also correcting typos and omissions in which support was previously provided and approved but mistakenly omitted on the rate pages.

Proposed Enhancements

Proposed Pet Damage coverage is based on Praetorian Insurance Company's (SERFF #: QBEC-127637014) tenant pet damage rates and coverage. For an additional premium, coverage will be provided up to a defined limit for damage caused by a pet to property of the landlord. This coverage will be in excess of any applicable security deposit or special pet deposit that is part of the lease or rental agreement.

Proposed Tenant Water Liability rate coverage was derived based on American Family Home Insurance Company (SERFF#: AMMH-127314159). For an additional premium, coverage will be provided up to a defined limit for damage caused by water to property of the landlord within the residence premises. This coverage will be in excess of any applicable deductible that is part of the policy.

Proposed Liability Only Tenant Coverage rate is based on United Services Automobile Association (SERFF#: USAA-126466185) filed and approved liability rates. We intend the Liability Only Tenant Coverage to be primarily for customers needing to meet a landlord's minimum requirement to obtain liability insurance. Since this product addresses landlord-based need, we have included certain coverages and endorsements that address typical landlord expectations. At all times, customers have the option and are encouraged to choose our traditional HO4 product which offers greater choice and flexibility.

Enclosures

The following are included with this filing:

- Pages from approved filing: Minnesota Praetorian Insurance Company (SERFF #: QBEC-127637014) for proposed Pet Damage Rate
- Pages from approved filing: North Dakota American Family Home Insurance Company (SERFF#: AMMH-127314159) for Proposed Water Liability Rate
- Pages from approved filing: Minnesota United Services Automobile Association (SERFF#: USAA-126466185) for Proposed Liability Only Tenant Coverage
- Exhibit 1 – Water Damage Liability Rate derivation

Rule 102.

Description of Coverages

Section I - Property Coverage

Fire or Lightning

Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke

Vandalism or malicious mischief

Theft

Volcanic eruption

Falling objects, Weight of ice, snow or sleet, Accidental discharge or overflow of water or steam, Sudden and accidental tearing apart of a heating system or appliance for heating water, Freezing, Sudden and accidental damage from artificially generated electrical current.

Section II - Liability

Coverage E – Personal Liability

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

Coverage F – Medical Payments To Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

RULE 103.

Mandatory Coverages

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Policy.

RULE 104.

Eligibility

A Renters Policy may be issued to:

1 The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or

2 The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy.

Provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraphs F. and I.). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers, who are not listed as named insureds on the policy

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RULE 107.

Construction Definitions

- A. **Frame**
Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.
- B. **Masonry Veneer**
Exterior walls of combustible construction veneered with brick or stone.
- C. **Masonry**
Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).
- D. **Superior Construction**
 1 Non-Combustible
 Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
 2 Masonry Non-Combustible
 Exterior walls constructed of masonry materials (as described in Paragraph C.) and floors and roof of metal or other non-combustible materials.
 3 Fire Resistive
 Exterior walls and floors and roof constructed of masonry or other fire resistive materials.
- E. **Mixed (Masonry/Frame)**
A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

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Rule 201.

Policy Period

It is required that a new policy be issued at least once every five years.

Rule 202.

Changes or Cancellations

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is cancelled or reduced at the request of either the insured or insurer, the earned premium shall be computed on a pro rata basis.

Rule 203.

Manual Premium Revision

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 - 1 In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2 In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

Rule 205.

Minimum Premium

- A. Prepaid Policies - \$60
- B. Annual Premium Payment Plan Policies or Continuous Policies - \$60

Rule 207.

Waiver of Premium

When a policy is endorsed after the inception date, an amount of additional or return premium less than \$5 may be waived. Refund of premium will be returned to the insured upon request.

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Rule 208.

Whole Dollar Premium Rule

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

Rule 211.

Additional Interest

- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations under Additional Insured Endorsement HO 04 41, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph D.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C. No additional charge is made for use of this endorsement
- D. Use Additional Interest Residence Premises Endorsement HO 04 10

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Limits of Liability

Base Limits: \$20,000 Property Section
 \$100,000 Liability Section
 \$1,000 Medical Payments, per person
 \$25,000 Medical Payments, per accident
 \$500 Deductible

Premium Computation:

A. Annual Base Rate \$ 30.97

B. Territory Factor

Territory	Factor
30	1.000
31	1.038
32	1.237
33	1.116
34	1.255
35	1.291
36	1.243
37	0.870

C. Optional Limits of Liability - Property Section

<u>Property</u>	<u>Factor</u>	<u>Property</u>	<u>Factor</u>
<u>Section Limit</u>		<u>Section Limit</u>	
\$6,000	0.356	\$48,000	2.064
\$7,000	0.402	\$49,000	2.102
\$8,000	0.448	\$50,000	2.140
\$9,000	0.494	\$51,000	2.178
\$10,000	0.540	\$52,000	2.216
\$11,000	0.584	\$53,000	2.254
\$12,000	0.628	\$54,000	2.292
\$13,000	0.672	\$55,000	2.330
\$14,000	0.716	\$56,000	2.358
\$15,000	0.760	\$57,000	2.386
\$16,000	0.808	\$58,000	2.414
\$17,000	0.856	\$59,000	2.442
\$18,000	0.904	\$60,000	2.470
\$19,000	0.952	\$61,000	2.498
\$20,000	1.000	\$62,000	2.526
\$21,000	1.038	\$63,000	2.554
\$22,000	1.076	\$64,000	2.582
\$23,000	1.114	\$65,000	2.610

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C. Optional Limits of Liability - Property Section

<u>Property Section Limit</u>	<u>Factor</u>	<u>Property Section Limit</u>	<u>Factor</u>
\$24,000	1.152	\$66,000	2.638
\$25,000	1.190	\$67,000	2.666
\$26,000	1.228	\$68,000	2.694
\$27,000	1.266	\$69,000	2.722
\$28,000	1.304	\$70,000	2.750
\$29,000	1.342	\$71,000	2.778
\$30,000	1.380	\$72,000	2.806
\$31,000	1.418	\$73,000	2.834
\$32,000	1.456	\$74,000	2.862
\$33,000	1.494	\$75,000	2.890
\$34,000	1.532	\$76,000	2.918
\$35,000	1.570	\$77,000	2.946
\$36,000	1.608	\$78,000	2.974
\$37,000	1.646	\$79,000	3.002
\$38,000	1.684	\$80,000	3.030
\$39,000	1.722	\$81,000	3.058
\$40,000	1.760	\$82,000	3.086
\$41,000	1.798	\$83,000	3.114
\$42,000	1.836	\$84,000	3.142
\$43,000	1.874	\$85,000	3.170
\$44,000	1.912	\$86,000	3.198
\$45,000	1.950	\$87,000	3.226
\$46,000	1.988	\$88,000	3.254
\$47,000	2.026	\$89,000	3.282
		Each additional	
		\$1,000	0.028

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D. Protection - Construction Factors

Territories 30, 31, 33, 35-37				Territories 32,34		
Protection Class	Frame	Protection Class	Masonry	Protection Class	Frame	Masonry
1	0.930	1	0.810	All	1.000	0.860
2	0.960	2	0.830			
3	0.990	3	0.840			
4	0.990	4	0.850			
5	1.000	5	0.850			
6	1.070	6	0.910			
7	1.260	7	0.980			
8	1.270	8	0.990			
8B	1.280	8B	0.990			
9	1.280	9	1.000			
10	1.490	10	1.130			
1X-5X, 1Y-5Y	1.160	1X-4X, 1Y-4Y	0.920			
6X, 6Y	1.250	5X, 5Y	0.920			
7X, 7Y, 8Y	1.280	6X, 6Y	0.980			
8X	1.280	7X, 7Y, 8Y	0.990			
10W	1.450	8X	1.000			
		10W	1.100			

E. Rule 513 - Ordinance or Law

Ordinance or Law	Factor
Each Additional \$1,000 of insurance	0.300

Attach HO 04 77

F. Rule 304 - Special Personal Property Coverage Factor

Special Personal Property 1.400
 Attach HO 05 24

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LOSS COST MULTIPLIER

The following loss cost multiplier applies to the loss costs/rates:
2.100

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A. Rule 401.

Superior Construction

	Factor
Superior Construction	0.850

B. Rule 403.

Personal Property Replacement Cost Factor

	Factor
Replacement Cost	1.350

Attach HO 23 50

C. Rule 404.

Protective Devices

Type of Installation	Factor
Central Station Reporting Burglar Alarm	0.950
Central Station Reporting Fire Alarm	0.950
Police Station Reporting Burglar Alarm	1.000
Fire Station Reporting Fire Alarm	1.000
Local Burglar and/or Fire Alarm	0.980
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	1.000
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a	1.000

Attach HO 04 16

D. Rule 406.

All Other Perils Deductible Rating Plan

Property Section Deductible	Coverage C Amount	Factor
\$100	All Coverage C Amounts	1.110
\$250	All Coverage C Amounts	1.070
\$500	All Coverage C Amounts	1.000
\$1,000	Coverage C up to \$25,000	0.880
\$1,000	Coverage C \$25,001 and over	0.910
\$2,500	Coverage C up to \$25,000	0.690
\$2,500	Coverage C \$25,001 and over	0.780

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F. **Rule 410.**
Building Code Effectiveness Grading

Grade	Territory 04, 30-49
1	0.030
2	0.030
3	0.030
4	0.020
5	0.020
6	0.020
7	0.020
8	0.010
9	0.010
10	0.000
Ungraded	0.000

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**A. Rule 503.
 Business Property Increased Limit**

On Premises	Rate
Per \$2,500	\$ 28.76

Attach HO 04 12

**B. Rule 504.
 Credit Card, Fund Transfer Forgery/ Counterfeit**

Limit	Rate
\$1,000	\$ 0.58
\$2,500	\$ 1.73
\$5,000	\$ 2.30
\$7,500	\$ 2.88
\$10,000+	\$ 3.45

Attach HO 04 53

**C. Rule 510.
 Permitted Incidental Occupancies- Residence Premises
 Section I**

Loss cost per \$1,000 for business in other structure	\$ 2.30
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Attach HO 04 42

**D. Rule 512.
 Loss of Use - Increased Limit**

Loss cost per \$1,000	\$ 1.73
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E. Personal Property Blanket Coverage

Coverage	Rate
1000	\$25
2000	\$50
3000	\$75
4000	\$100
5000	\$125

Maximim Limit	\$5,000
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Subject to the following deductible:

Class	Deductible
All Classes	\$100

Attach JT 04 62

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**F. Rule 516.
Personal Property - Scheduled**

Class	Loss Cost per \$1,000
Personal Electronics	\$7.00
Jewelry	\$4.15
Cameras (non-paid)	\$6.12
Cameras (paid)	\$9.84
Art and Design Objects	\$0.40
Collections	\$1.94
Bicycles	\$10.84
Sporting Equipment	\$9.33
Musical Instruments (non-paid)	\$0.94
Musical Instruments (paid)	\$5.37
Silverware	\$0.41
Fashion (Furs, Couture and valuable accessories)	\$0.64
Firearms	\$9.33
Wine Collections	\$2.33

All classes subject to a \$100 deductible

Attach JT 04 61 for standard loss settlement
Attach JT 04 60 for agreed value settlement

**G. Rule 517.
Rental to Others - Extended Theft Coverage**

Premium Loss cost per policy	\$	17.26
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Attach HO 05 41

H. Personal Electronics Blanket

Coverage Aggregate	Maximum Per Item	Rate
1000	1000	\$ 16
3000	3000	\$ 48
5000	3000	\$ 80
7500	3000	\$ 120
10000	3000	\$ 160

Subject to the following deductibles per item:

Class	Deductible
Computers	\$100
Other	\$50

Attach JT 04 14

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**I. Rule 521.
 Limited Water Back-Up and Sump Discharge or Overflow Coverage**

Coverage Limit	Loss Costs - Without HO 04 90	Loss Costs - With HO 04 90
\$5,000	\$ 50.86	\$ 70.00
\$10,000	\$ 76.29	\$ 105.00
\$15,000	\$ 89.01	\$ 122.50
\$20,000	\$ 96.63	\$ 132.50
\$25,000	\$ 101.72	\$ 140.00

Attach HO 04 95

**J. Rule 524.
 Other Members of a Named Insured's Household
 Section I and II Basic Limits**

Loss Cost per person named in the Schedule	\$ 35.00
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Section II Increased Limits
 Coverage E

Limit	Loss Costs
\$200,000	\$ 4.50
\$300,000	\$ 7.20
\$400,000	\$ 9.00
\$500,000	\$ 10.50

Attach HO 04 58

**K. Rule 528.
 Home Business Insurance Coverage**

**D. Home Business Premium Computation
 2. Section I - Property**

Gross Annual Receipts*	HO 00 04 Factor	HO 00 06 Factor
Up to \$50,000	0.490	0.590
\$50,001 to \$100,000	0.730	0.880
\$100,001 to \$175,000	1.030	1.240
\$175,001 to \$250,000	1.390	1.670

* New Business, use \$50,001 to \$100,000 classification.

3. Section II - Business Liability
 a. Basic Limits Premium - Coverage E and F
 (1) Office (Gross Annual Receipts Up to \$250,000)

Business Visitors Per Week *	Under 10	10 or More
	\$ 4.44	\$ 6.66

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(2) Service, Sales, and Crafts

Business Visitors Per Week*

Gross Annual Receipts**	Services		Sales		Crafts	
	Under 10	10 or more	Under 10	10 or more	Under 10	10 or more
Up to \$50,000	\$ 16.00	\$ 24.00	\$ 6.50	\$ 9.75	\$ 9.00	\$ 13.50
\$50,001 to \$100,000	\$ 48.00	\$ 72.00	\$ 19.50	\$ 29.25	\$ 27.00	\$ 40.50
\$100,001 to \$175,000	\$ 88.00	\$ 132.88	\$ 35.75	\$ 53.63	\$ 49.50	\$ 74.25
\$175,001 to \$250,000	\$ 136.00	\$ 204.00	\$ 55.25	\$ 82.88	\$ 76.50	\$ 114.75

* New Business, use 10 or more classification.

** New Business, use \$50,001 to \$100,000 classification.

b. Coverage E - Increased limits

Increased Limits of Liability				
Homeowners		Home Business		
Coverage E Personal Liability	Coverage F Med. Pmts to Others	Products-Completed Operations	All Other Liability	Increased Limit Factor
\$ 200,000	\$ 1,000	\$ 200,000	\$ 402,000	1.150
\$ 300,000	\$ 1,000	\$ 300,000	\$ 602,000	1.240
\$ 400,000	\$ 1,000	\$ 400,000	\$ 802,000	1.300
\$ 500,000	\$ 1,000	\$ 500,000	\$ 1,002,000	1.350

c.(2) Coverage - Increased Limits

All Home Business Classifications

Business Visitors Per Week	Homeowners Increased Limit of Liability			
	\$ 2,000	\$ 3,000	\$ 4,000	\$ 5,000
Under 10	\$ 2.88	\$ 5.75	\$ 8.63	\$ 10.93
10 or more	\$ 4.88	\$ 7.75	\$ 11.63	\$ 13.93

E. Endorsement

Attach HO 23 15

F. Options

1. Additional Insured

a. Managers or Lessors of Premises Leased to an Insured

(2) Premium

Loss Cost per Location/Per additional insured	\$ 8.35
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5. Special Coverage - Spoilage of Perishable Stock

b. Premium

(1) Florists

Loss cost per \$100	\$ 1.24
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(2) Other Classes of Business

Loss cost per \$100	\$ 1.50
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6. Valuable Papers and Records

Loss cost per \$1,000

a. Increased Limits

(2) Premium

(a) Named Perils Coverage	\$	0.63
(b) Open Perils Coverage	\$	0.95

Attach HO 07 56

b. Special Coverage

(2) Premium

(a) First \$2,500 HO4 and HO6	\$	1.58
(a) First \$2,500 HO4 with HO 05 24 and HO6 with HO 17 31	\$	1.06
(b) Each additional \$1,000	\$	1.26

Attach HO 07 56 and HO 07 57

7. Off-Premises Property Coverage - Increased Limits

b. Premium

Loss cost per \$2,500

HO4 and HO6	\$	14.38
HO4 with HO 05 24 and HO6 with HO 17 31	\$	21.57

L. Rule 529.

Limited Fungi, Wet/Dry Rot, or Bacteria Coverage

Section I - Property

Increased Limit	Charge per Policy
\$25,000	\$ 27.00
\$50,000	\$ 46.00

Section II - Liability

Increased Limit	Charge per Policy
\$100,000	\$ 4.00

Attach HO 04 26 or HO 04 28

M. Rule 530.

Identity Fraud Expense Coverage

Limit of Liability	Charge per Policy
\$15,000	\$ 14.00

Attach HO 04 55

N. Limited Bedbug Coverage

Limit	Charge
\$ 300	\$ 12.00

Attach JT 66 66

O. Pet Damage

Limit	Charge
\$ 500	\$18

Attach JT 04 63

P. Tenant Water Liability

Limit	Charge
\$ 10,000	\$ 4.50

Attach JT 04 64

**STATE NATIONAL INSURANCE COMPANY
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**A. Rule 601.
Residence Premises- Basic and Increased Limits/Other Exposures - Basic Limits**

Coverage E - Liability

Limit	1 Family	2 Family	3 Family	4 Family
\$100,000	-	-	-	-
\$200,000	\$ 2.99	\$ 5.98	\$ 8.07	\$ 9.86
\$300,000	\$ 4.48	\$ 8.96	\$ 12.10	\$ 14.79
\$400,000	\$ 5.73	\$ 11.45	\$ 15.46	\$ 18.90
\$500,000	\$ 6.72	\$ 13.45	\$ 18.15	\$ 22.19

Coverage F - Medical Payments

Limit	1 Family
\$1,000	-
\$2,000	\$ 1.73
\$3,000	\$ 3.45
\$4,000	\$ 5.18
\$5,000	\$ 6.33

**B. Rule 608.
Permitted Incidental Occupancies-Residence Premises and Other Residences**

Section II

Residence	Loss Cost Per Residence
Residence Premises	\$ 9.82
Other Residence	\$ 10.47

MedPay Limit

Permitted Incidental Occupancies	2000	3000	4000	5000
Residence Premises	\$ 2.88	\$ 5.75	\$ 8.63	\$ 10.93
Other Residence	\$ 1.73	\$ 3.45	\$ 5.18	\$ 6.33

Residence Premises - Attach HO 04 42
Other Residence - Attach HO 24 43

**C. Rule 609.
Business Pursuits**

Employee	Loss Cost Per Insured Person
Clerical	\$ 2.62
Sales Person, Collector or Messenger - Installation, demonstration, or servicing operation	
Included	\$ 3.93
Excluded	\$ 2.62
Teachers	
laboratory, athletic, manual, or physical training	\$ 7.20
not otherwise classified	\$ 3.28
corporal punishment	\$ 2.62

Attach HO 24 71

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		Medical Payments			
Employee		\$ 2,000	\$ 3,000	\$ 4,000	\$ 5,000
Clerical		\$ 0.58	\$ 1.15	\$ 1.73	\$ 2.30
Sales Person, Collector or Messenger - Installation, demonstration, or servicing operation					
	Included	\$ 0.58	\$ 1.15	\$ 1.73	\$ 2.30
	Excluded	\$ 0.58	\$ 1.15	\$ 1.73	\$ 2.30
Teachers					
laboratory, athletic, manual, or physical training		\$ 1.15	\$ 2.30	\$ 3.45	\$ 4.03
not otherwise classified		\$ 0.58	\$ 1.15	\$ 1.73	\$ 2.30
corporal punishment		\$ 0.58	\$ 1.15	\$ 1.73	\$ 2.30

**E. Rule 610.
Personal Injury Coverage**

Premium	Premium
Loss Cost per Policy (Per Offense)	\$ 7.48
Loss Cost per Policy (Aggregate)	\$ 7.10

Attach HO 24 40 or HO 24 22

**F. Rule 611.
Incidental Low Power Recreational Motor Vehicles**

Loss Cost per Policy	\$ 8.63
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Attach HO 24 13

**STATE NATIONAL INSURANCE COMPANY
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**E. Rule 612.
Outboard Motors and Watercraft**

1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors

Horsepower		Length	
		Up to 15 ft. Loss Cost	Over 15 to 26 ft. Loss Cost
Up to 50*	\$	3.50	\$ 5.45
51 to 100	\$	5.93	\$ 7.88
101 to 150	\$	8.35	\$ 10.30

2. Sailboats With or Without Auxiliary Power

Overall Length/Feet	Loss Cost
26 to 40 feet*	\$ 3.50

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.
Attach HO 24 75

**G. Rule 613.
Owned Snowmobile**

Loss cost per Snowmobile (without Auxiliary Lighting System)	\$ 10.06
Loss cost per Snowmobile (with Auxiliary Lighting System)	\$ 9.56

Attach HO 24 64

**H. Rule 617.
Canine Liability Exclusion**

Premium Credit	\$ (3.00)
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Attach HO 24 77

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Liability Only Coverage Rate

Base Limits: \$100,000 Liability
 \$5,000 Med Pay

Annual Base Rate \$ 337.35

Optional Limits of Liability - Liability Section

Personal Liability	Factor
\$100,000	1.000
\$200,000	1.335
\$300,000	1.670
\$500,000	2.050

Attach JT 12 00

**STATE NATIONAL INSURANCE COMPANY
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**A. Rule 701.
Optional Limits of Liability - Liability Section**

Personal Liability	Factor
\$200,000	1.120
\$300,000	1.180
\$400,000	1.230
\$500,000	1.270

B. Rule 702

OTHER EXPOSURES - MEDICAL PAYMENTS TO OTHERS INCREASED LIMITS

Basic Limit Rule#	Coverage F - Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
524.	Other Members of an Insured's Household	\$.58	\$1.15	\$1.73	\$2.30
526.	Residence Held in Trust All Forms Except HO 00 04	0.58	1.15	1.73	2.30
527.	Student Away From Home	0.58	1.15	1.73	2.30
602	Other Insured Locations Occupied By Insured	0.58	1.15	1.73	2.30
603.	Residence Employees	0.58	1.15	1.73	2.30
604.	Add'l. Residence Rented to Others	0.58	1.15	1.73	2.30
605.	Other Structures Rented to Others - Res Premises	0.58	1.15	1.73	2.30
607.	Home Day Care Coverage	2.88	5.75	8.63	10.93
608.	Permitted Incidental Occupancies				
	1. Residence Premises	2.88	5.75	8.63	10.93
	2. Other Residence	1.73	3.45	5.18	6.33
609.	Business Pursuits				
	1. Clerical Employees	0.58	1.15	1.73	2.30
	2. Salesperson, Installation, etc. Included or Excluded	0.58	1.15	1.73	2.30
	3. Teachers				
	a. Lab, etc.	1.15	2.30	3.45	4.03
	b. not otherwise classified	0.58	1.15	1.73	2.30
c.	Corporal Punishment				
					Medical Payments Not Available
611.	Incidental Motorized Land Conveyances	0.58	1.15	1.73	2.30
612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard-Outboard engines or Motors				
a)	Up to 15 feet:				
	Up to 50 hp.	1.73	3.45	5.18	6.33
	51 to 100 hp.	2.30	4.60	6.90	8.05
	101 to 150 hp.	3.45	6.90	10.35	12.08
b)	Over 15 to 26 feet:				
	Up to 50 hp.	2.30	4.60	6.90	8.05
	51 to 100 hp.	3.45	6.90	10.35	12.08
	101 to 150 hp.	4.60	9.20	13.80	16.10
	151 to 200 hp.	6.90	13.80	20.70	24.15
	2. Sailboats, with or without auxiliary power				
	26 to 40 feet	1.73	3.45	5.18	6.33

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A. Cities

City of	County of	Code
Duluth	St. Louis	30
Minneapolis	Hennepin	32
St. Paul	Ramsey	34

B. Other than Cities

County of	Code	County of	Code
Atkin	37	Marshall	37
Anoka	36	Martin	37
Becker	37	Meeker	37
Beltrami	37	Mille Lacs	37
Benton	37	Morrison	37
Big Stone	37	Mower	37
Blue Earth	37	Murray	37
Brown	37	Nicollet	37
Carlton	37	Nobles	37
Carver	37	Norman	37
Cass	37	Olmsted	37
Chippewa	37	Otter Tail	37
Chisago	37	Pennington	37
Clay	37	Pine	37
Clearwater	37	Pipestone	37
Cook	37	Polk	37
Cottonwood	37	Pope	37
Crow Wing	37	Ramsey	35
Dakota	36	Red Lake	37
Dodge	37	Redwood	37
Douglas	37	Renville	37
Faribault	37	Rice	37
Fillmore	37	Rock	37
Freeborn	37	Roseau	37
Goodhue	37	St. Louis	31
Grant	37	Scott	37
Hennepin	33	Sherburne	37
Houston	37	Sibley	37
Hubbard	37	Stearns	37
Isanti	37	Steele	37
Itasca	37	Stevens	37
Jackson	37	Swift	37
Kanabec	37	Todd	37
Kandiyohi	37	Traverse	37
Kittson	37	Wabasha	37
Koochiching	37	Wadena	37
Lac qui Parle	37	Waseca	37
Lake	37	Washington	36
Lake of the Woods	37	Watonwan	37
Le Sueur	37	Wilkin	37
Lincoln	37	Winona	37
Lyon	37	Wright	37
McLeod	37	Yellow Medicine	37
Mahnomen	37		

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Rule 505 - Earthquake

5% Deductible - Per \$1,000 of Coverage

Territory	Frame+	Masonry+	Superior
21	\$ 0.03	\$ 0.08	\$ 0.03

10% Deductible - Per \$1,000 of Coverage

Territory	Frame	Masonry	Superior
21	\$ 0.02	\$ 0.07	\$ 0.02

+If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame
Attach HO 04 54

STATE NATIONAL INSURANCE COMPANY
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Earthquake Territories

Territory

21

Entire State

**STATE NATIONAL INSURANCE COMPANY
RENTERS PROGRAM
MINNESOTA FORMS LIST**

MANDATORY FORMS

Form Name	Form Number	Edition
HOMEOWNERS 4 - CONTENTS BROAD FORM	HO 00 04	05 11
RESIDENCE PREMISES DEFINITION	HO 06 48	10 15
SPECIAL PROVISIONS - MINNESOTA	HO 01 22	05 11
RENTERS - LIABILITY	JT 12 00	11 18

OPTIONAL FORMS

Form Name	Form Number	Edition
PERSONAL ELECTRONICS BLANKET	JT 04 14	01 17
PERSONAL PROPERTY BLANKET	JT 04 62	01 17
INCREASED SPECIAL LIMITS OF LIABILITY	HO 05 24	05 11
PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT	HO 23 50	05 11
PREMISES ALARM OR FIRE PROTECTION SYSTEM	HO 04 16	10 00
ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE	HO 04 77	10 00
INCREASED LIMITS ON BUSINESS PROPERTY	HO 04 12	05 11
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY COVERAGE - EARTHQUAKE	HO 04 54	05 11
PERMITTED INCIDENTAL OCCUPANCIES - RESIDENCE PREMISES INCREASED AMOUNT OF INSURANCE FOR PERSONAL PROPERTY AT OTHER RESIDENCES	HO 04 50	05 11
SCHEDULED PERSONAL PROPERTY ENDORSEMENT	JT 04 61	01 17
SCHEDULED PERSONAL PROPERTY ENDORSEMENT (WITH AGREED VALUE LOSS SETTLEMENT)	JT 04 60	01 17
IDENTITY FRAUD EXPENSE COVERAGE	HO 04 55	05 11
HOME BUSINESS INSURANCE COVERAGE	HO 23 15	05 11
ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES LEASED TO AN INSURED	HO 07 50	05 11
ADDITIONAL INSURED - VENDORS	HO 07 51	10 00
LOSS PAYABLE PROVISIONS	HO 07 52	05 11
EXCLUSIONS- PERSONAL AND ADVERTISING INJURY	HO 07 53	10 00
LIQUOR LIABILITY EXCLUSION AND EXCEPTION FOR SCHEDULED ACTIVITIES	HO 07 54	10 00
SPECIAL COVERAGE-SPOILAGE OF PERISHABLE STOCK	HO 07 55	05 11
VALUABLE PAPERS AND RECORDS COVERAGE INCREASED LIMITS	HO 07 56	10 00
SPECIAL COVERAGE FOR VALUABLE PAPERS AND RECORDS SECTIONS I AND II EXCLUSIONS FOR COMPUTER-RELATED DAMAGE OR INJURY	HO 07 58	05 11
SECTIONS I AND II -LIMITED COVERAGE FOR YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS	HO 07 59	10 00
INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLE LIABILITY COVERAGE ENDORSEMENT	HO 24 13	05 11
WATERCRAFT	HO 24 75	10 00
OWNED SNOWMOBILE	HO 24 64	10 00
CANINE LIABILITY EXCLUSION ENDORSEMENT	HO 24 77	05 11
EXTENDED THEFT COVERAGE FOR RESIDENCE PREMISES OCCASIONALLY RENTED TO OTHERS	HO 05 41	02 17
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE	HO 04 26	05 11
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE BUSINESS PURSUITS	HO 04 28	05 11
HO 24 71	10 00	
PERSONAL INJURY COVERAGE - MINNESOTA	HO 23 40	05 11
PERSONAL INJURY COVERAGE (AGGREGATE LIMIT OF LIABILITY)	HO 24 22	05 11
LIMITED BED BUG COVERAGE	JT 66 66	01 17
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE	HO 04 95	01 14
PERMITTED INCIDENTAL OCCUPANCIES - OTHER RESIDENCE	HO 24 43	10 00
HOME-SHARING HOST ACTIVITIES AMENDATORY ENDORSEMENT	HO 06 54	02 17
BROADENED HOME-SHARING HOST ACTIVITIES COVERAGE ENDORSEMENT	HO 06 64	02 17
DAMAGE TO PROPERTY OF OTHERS - INCREASED LIMITS	HO 06 51	02 17
PET DAMAGE	JT 04 63	06 18
TENANT WATER LIABILITY COVERAGE	JT 04 64	06 18

**STATE NATIONAL INSURANCE COMPANY
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See ISO manual for rating Algorithm

Mandatory Coverages

1. Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use- 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II -Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage- \$1,000 each person

Premiums:

Section I Limit of Liability (includes \$25,000/\$1,000 Personal Liability)		<u>Monthly Premium</u>
5,000	5,999	\$7.50
6,000	6,999	8.17
7,000	7,999	8.75
8,000	8,999	9.33
9,000	9,999	9.92
10,000	10,999	10.42
11,000	11,999	10.92
12,000	12,999	11.42
13,000	13,999	11.92
14,000	14,999	12.42
15,000	15,999	12.83
16,000	15,999	13.25
17,000	17,999	13.67
18,000	18,999	14.00
19,000	19,999	14.42
20,000	20,999	14.83
21,000	21,999	15.25
22,000	22,999	15.58
23,000	23,999	16.00
24,000	24,999	16.42
Each Additional \$1,000 or Part Thereof		\$0.40

Mandatory Coverages (Continued)

2. Limited Fungi, Wet or Dry Rot or Bacteria Coverage

A. Personal Property Coverage Section – Limited Fungi, Wet or Dry Rot or Bacteria

We will pay up to a maximum aggregate limit of \$5,000 for loss to covered personal property owned by an insured, that is damaged by fungi, wet or dry rot or bacteria on the insured premises.

B. Personal Liability Section- Limited Fungi, Wet or Dry Rot or Bacteria

We will pay up to a maximum aggregate sublimit of \$10,000 for damage because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "Fungi", wet or dry rot, or bacteria.

3. Personal Property Replacement Cost Coverage

The Limit of Liability for Section I – Personal Property Coverage includes Replacement Cost Coverage, a charge of 30% will be applied to the premium for this coverage

Optional Coverages

1. Increased Limits Personal Liability Coverage

Limit of Liability			
Personal Liability	Medical Payments	Damage to Property	Monthly Premium
\$ 50,000	\$1,000	\$1,000	\$0.750
\$100,000	\$1,000	\$1,000	\$1.417
\$300,000	\$1,000	\$1,000	\$2.917

Other Rating Provisions

1. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar. The effective annual premium is the monthly premium multiplied by 12.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

2. Optional \$250 and \$500 Deductible

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 4% for the \$250 deductible and 10% for the \$500 deductible, then round to the nearest whole dollar.

STATE REQUIRED FIRE SURCHARGE

MN City Surcharge: Apply a 2% surcharge to 35% of the total premium. This surcharge applies to policies located in Duluth, Minneapolis, Rochester and St. Paul city limits.

MN Fire Surcharge: Apply a 0.5% surcharge to the total premium.

RENTERS INSURANCE COVERAGE FORM

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RENTERS INSURANCE COVERAGE FORM

INTRODUCTION

In this policy, **you** and **your** refer to the person(s) shown on the Declarations Page as an insured and that person's spouse or a party with whom the insured has entered into a civil union, if recognized under the state law in the state of the **insured location**, and the relatives of either if they are residents of **your** household. Other persons may be insured under this policy but must be named on the Declarations Page or any endorsement made a part of this policy. Refer to the DEFINITIONS section for detail. **We, us** and **our** refer to the Company providing this policy.

We encourage **you** to read this and all attached documents. For **your** convenience refer to the Table of Contents for some of the more frequently referenced subjects.

Words and phrases in bold type have the meaning given them in the DEFINITIONS section. Refer to the Table of Contents.

For the applicable limits of insurance refer to the Declarations Page and to the ALL SUBJECT TO THE FOLLOWING LIMITATIONS section on page 6.

AGREEMENT

We will provide insurance described in this policy in return for the premium and **your** compliance with all provisions of this policy including endorsements.

DEFINITIONS

Certain words or phrases which are printed in **bold** type in this policy are defined as follows:

1. **Accident** means an undesigned and rapidly occurring event that is unexpected from the perspective of the insured.
2. **Accidental** means undesigned, unexpected from the perspective of the insured, and rapidly occurring.
3. **Aircraft** means any contrivance used or designed for flight including but not limited to unmanned aircraft, whether or not model or hobby.
4. **Bodily Injury** means bodily harm, sickness or disease including required care, loss of services and death that results.
5. **Business** means
 - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no **insured** receives more than \$2,000 in total compensation for the twelve (12) months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an **insured**.
6. **Insured** means **you** and:
 - a. The following resident(s) of **your** household:
 - (1) **Your** relatives;
 - (2) Any other person under the age of 21 who is in the care of any person named in 6.a.(1) above.
 - b. If the entity named on the Declarations Page is a business entity, **insured** means any individual while residing at the **residence premises** with the permission of the business entity.
 - c. With respect to insurance provided under the Liability Section, and only with respect to animals or **watercraft** to which this policy applies, any person or organization legally responsible for these animals or for **watercraft** which are owned by **you** or any person included in Definition 6.a or 6.b. A person or organization using or having custody of these animals or **watercraft** in the course of any **business**, or without permission of the owner is not an **insured**.
 - d. With respect to insurance provided in the Liability Section and only with respect to any vehicle to which this policy applies:
 - (1) Any person while engaged in **your** employment or the employment of any person included in Definitions 6.a or 6.b.
 - (2) Any other person using the vehicle at an **insured location** with **your** permission.
7. **Insured contract** means a written contract under which **you** assume the tort liability of a person or persons retained by **you** to perform maintenance services at the **residence premises** to pay damages because of **bodily injury** or **property damage** arising out of the maintenance services. The contract or agreement must be made and be effective prior to the **bodily injury** or **property damage**.
8. **Insured location** means:
 - a. The **residence premises**.
 - b. The part of any premises which is used by **you** as a residence and:
 - (1) Which is shown on the Declarations Page; 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 the premises included in 8.a. or 8.b. above.
 - d. Any part of a premises not owned by any **insured** where any **insured** is temporarily residing.
 - e. Vacant land, other than farmland, owned by or rented to any **insured**.

- f. Land owned by or rented to any **insured** on which a one or two family dwelling is being built as a residence for any **insured**.
 - g. Individual or family cemetery plots or burial vaults of any **insured**.
 - h. Any part of a premises occasionally rented to any **insured** for other than **business** purposes.
9. **Landlord** means the owner, landlord, or property manager of the **residence premises**.
10. **Loss of power** means the complete or partial interruption of electric power. The **loss of power** must be due to conditions beyond **your** control.
11. **Motor vehicle** means
- a. A self-propelled land or amphibious vehicle or any trailer or semitrailer which is carried on, towed by or hitched for towing by a vehicle.
 - b. A **motor vehicle** includes their parts, equipment, and accessories whether or not the parts, equipment and accessories are in or upon the **motor vehicle**.
 - c. Electronic equipment designed to be operated solely by use of the power from the electrical system of **motor vehicles**, including antennas, citizen band radios, radio telephones, car phones, radio transceivers, disc players, tape players, equalizers, speakers, and satellite navigation equipment.
- For the purposes of this policy, the following are not included in the definition of **motor vehicles**;
- a. While at an **insured location**, vehicles used by any **insured** which are designed for recreational use off public roads and which are not subject to **motor vehicle** registration.
 - b. Golf carts while on a golf course.
 - c. Vehicles not designed for travel on public roads and not subject to **motor vehicle** registration designed for assisting the handicapped or for the maintenance of an **insured location**.
12. **Occurrence** means an **accident** including exposure to conditions or repeated exposure to the same harmful conditions.
13. **Personal injury** means injury, other than **bodily injury**, arising out of one or more of the following acts:
- a. False arrest, detention or imprisonment.
 - b. Malicious prosecution.
 - c. Wrongful eviction of a person from premises that the person occupies.
 - d. Oral or written publication of material that slanders or libels a person or organization.
 - e. Oral or written publication of material that violates a person's right of privacy.
14. **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.
15. **Property damage** means:
- a. Physical injury to tangible property including resulting loss of use of that property.
 - b. Loss of use of tangible property that is not physically injured.
16. **Residence premises** means any building where **you** reside and any storage unit or enclosed and secured garage furnished for **your** exclusive use which is shown as the **residence premises** on the Declarations Page.
17. **Volcanic action** means lava flow, airborne shockwaves, ash, dust or other particulate matter caused by or resulting from volcanic eruption. One or more volcanic eruptions that occur within a seventy-two (72) hour period will be considered as one volcanic eruption.
18. **Watercraft** means a craft principally designed to be propelled on or in water by wind, engine power or electric motor, including but not limited to hovercrafts, which are self-propelled motorized ground effect vehicles, including but not limited to, flarecraft and air cushion vehicles.

COVERED PROPERTY

Subject to the terms, conditions, limitations, and exclusions of the policy, we provide the following coverage. Coverage is subject to the Property Limit of Insurance shown on the Declarations Page:

1. PERSONAL PROPERTY

Personal property owned or rented by **you**. The loss or damage must be caused by a peril described in COVERED CAUSES OF LOSS.

2. ADDITIONS AND ALTERATIONS

We also insure additions and alterations to the **residence premises** made by **you** at **your** expense during **your** tenancy. The loss or damage must be caused by a peril described in COVERED CAUSES OF LOSS.

ADDITIONAL COVERAGES

Subject to the terms, conditions, limitations, and exclusions of the policy, we provide the following coverage. Coverage is subject to the Property Limit of Insurance shown on the Declarations Page:

1. ADDITIONAL LIVING EXPENSE

When loss or damage to COVERED PROPERTY or the building containing the COVERED PROPERTY makes the **residence premises** not fit to live in and such loss is caused by a peril described in COVERED CAUSES OF LOSS, then **we** cover the necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living.

However, **we** do not cover loss or expense due to cancellation of a lease or rental agreement.

2. CIVIL AUTHORITY

When a civil authority prohibits **your** use of the **residence premises** because of loss or damage to neighboring premises caused by a peril described in COVERED CAUSES OF LOSS, then **we** cover the resulting additional living expense necessarily incurred by **you** as provided under 1. Additional Living Expense above for no more than two (2) weeks. However, **we** do not cover loss or expense due to cancellation of a lease or rental agreement.

However, **we** do not cover loss or expense due to cancellation of a lease or rental agreement.

COVERED CAUSES OF LOSS

We insure **you** against **accidental** direct physical loss of or damage to COVERED PROPERTY when the loss or damage is caused by any of the following perils, unless the loss is otherwise excluded:

1. Fire or lightning.
2. Theft.
3. 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.

4. Explosion.
5. Riot or civil commotion.
6. **Aircraft.**
7. Vehicles.
8. Smoke, meaning damage from smoke.

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

9. Vandalism or malicious mischief.

10. Breakage of glass:
 - a. which is part of a building and which **you** have installed at **your** expense during **your** tenancy, or
 - b. for which **you** are made responsible as a result of a written lease or rental agreement directly relating to the maintenance of the **residence premises**. But glass breakage arising out of earthquake is not covered.
11. Falling objects which, after damaging or penetrating the roof or wall of a building, damage covered property. Damage to the falling object itself is not covered.
12. Weight of ice, snow or sleet but not including loss or damage to trees, shrubs or plants.
13. Discharge or overflow of water or steam from a plumbing, heating, air conditioning or automatic fire protective sprinkler system; household appliance; or waterbed which occurs at the **residence premises**.
14. Freezing or tearing apart, cracking, or bulging of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
15. Sudden and **accidental** damage from artificially generated electrical current.
16. Damage to COVERED PROPERTY contained inside the building occupied by **you** at the **residence premises** from rain which penetrates the roof or wall of a building other than through an open door, window, or skylight.
17. **Volcanic action.**
18. Limited water backup and sump discharge or overflow, meaning water, or waterborne material, which:
 - a. Originates from within the dwelling where you reside and backs up through sewers or drains; or
 - b. Overflows or is discharged from a:
 - (1) Sump, sump pump; or
 - (2) Related equipment;
 even if such overflow or discharge results from mechanical breakdown or power failure.

This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown or power failure.

A drain does not include a roof drain, gutter, downspout or similar fixture or equipment.

This peril does not include coverage:

 - a. if the loss is caused by **your** negligence; or
 - b. for loss or damage to basement flooring materials, including but not limited to carpeting, carpet padding, linoleum, tile and wood. As used herein, basement means any area of the building having its floor subgrade (below ground level) on any side.
19. Damage to COVERED PROPERTY stored in freezers or refrigerators on the **residence premises** when caused by **loss of power** to the freezers or refrigerators. The **loss of power** must be caused by damage to:
 - a. generating equipment;
 - b. transmitting equipment; or
 mechanical failure of the freezers or refrigerators

The freezers or refrigerators must have been in working condition immediately prior to the loss.

ALL SUBJECT TO THE FOLLOWING LIMITATIONS

With respect to any one **accident**, **we** will not be liable for more than the Property Limit stated on the Declarations Page for all covered loss. Furthermore, **we** will not pay any more than the amounts shown below for the following types of property:

1. \$5,000 or 20% of the Property Limit stated on the Declarations Page, whichever is more, is the most **we** will pay for personal property away from the **residence premises**. This limitation for property away from the **residence premises** shall not apply to property which is removed from the **residence premises** for the purpose of repair or servicing. Personal property at **your** newly acquired residence is not subject to this limitation for the thirty (30) days from the time **you** begin to move the property there.
2. \$5,000 for loss of or damage to personal property which is in or upon a **motor vehicle**.
3. \$7,500 for loss of or damage to **business** personal property while situated at the **residence premises**.

4. \$1,500 for loss of or damage to **business** personal property while away from the **residence premises**.
5. \$1,000 for loss of or damage to the following property while in or upon a **motor vehicle**:
 - a. media hardware, including but not limited to tapes, records, discs, memory cards or similar, for use with any electronic apparatus;
 - b. transponders or similar electronic equipment intended for reading street or bridge tolls; or
 - c. portable navigation devices, meaning devices that are not built into the **motor vehicle** or integrated with another electronic device, and its equipment designed for use in a **motor vehicle**.
6. \$1,500 for loss of or damage to securities and manuscripts.
7. \$300 for loss of or damage to money.
8. \$1,000 for loss of or damage to sports cards, stamps, coins and all other philatelic and numismatic property.
9. \$1,500 for loss of or damage to trailers not used with **watercraft**.
10. \$1,500 for loss of or damage to **watercraft** or **aircraft** and their furnishings, equipment and motors.
11. \$2,500 in the aggregate for loss or damage by theft of furs.
12. \$5,000 for loss or damage by theft of firearms.
13. \$3,000 in the aggregate for loss or damage by theft of silverware, silver plated ware, goldware, gold plated ware and pewterware. This includes hollow ware and flatware.
14. Coverage for loss or damage by theft of watches, jewelry, precious and semi-precious stones and metals is limited in the aggregate to the amount of insurance shown on the Declarations Page for unscheduled jewelry.
15. Coverage for loss or damage by theft of sports equipment, including bicycles and scooters, is limited in the aggregate to the amount of insurance shown on the Declarations Page for unscheduled sports equipment.
16. \$500 for **your** personal property stored in freezers or refrigerators when the loss is caused by **loss of power**. The freezer or refrigerator must be on the **residence premises**.

ALL SUBJECT TO THE FOLLOWING EXCLUSIONS

1. PROPERTY NOT COVERED BY THIS INSURANCE

We do not insure **you** against loss of or damage to the following:

- a. **Motor vehicles**.
- b. Animals, meaning all living things except plants.
- c. Land and land values.
- d. Real property, other than additions and alterations made by **you** at **your** expense during **your** tenancy at the **residence premises**.

2. LOSS NOT COVERED BY THIS INSURANCE

We do not insure **you** against loss of or damage to covered property resulting directly or indirectly from any of the following, however caused:

- a. Earth Movement, which means:
 - (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
 - (2) Landslide, mudslide or mudflow;
 - (3) Subsidence or sinkhole; or
 - (4) Any other earth movement including earth sinking, rising or shifting.

This exclusion 2.a. applies regardless of whether any of the above, 2.a.(1) through 2.a.(4), is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, is covered.

If fire or explosion ensues, **we** will be liable only for the ensuing direct damage from theft, fire or explosion.

- b. Water, including:
- (1) 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.
 - (2) Water that overflows or escapes from a plumbing device, including but not limited to bidets, that is installed or altered in any way by the **insured** or any other person in violation of the lease or similar agreement for the **residence premises**.
 - (3) Water 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.
 - (4) Waterborne material carried or otherwise moved by any of water referred to in 2.b.(1) through 2.b.(3). of this exclusion.
 - (5) Water which backs up through sewers or drains, or overflows or is discharged from a sump, sump pump or related equipment, as a direct or indirect result of 2.b.(1)., 2.b.(3)., or 2.b.(4).

This Exclusion applies regardless of whether any of the above, is caused by an act of nature or is otherwise caused.

This Exclusion. 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.

If fire, theft, or explosion ensues, **we** will be liable only for the ensuing direct damage from the fire, theft, or explosion.

- c. The following:
- (1) Wear and tear, and deterioration;
 - (2) Mechanical breakdown, inherent vice, latent or patent defect;
 - (3) Mold, fungi, wet or dry rot, or bacteria that results from or is caused by a peril of cause of loss that is not covered under this policy;
 - (4) Termites, insects, rats, mice, birds, or other vermin.

If fire, explosion, or damage from water not otherwise excluded ensues, then **we** will be liable only for the ensuing direct damage from the fire, explosion, or water not otherwise excluded.

- d. Unexplained or mysterious disappearance.
- e. War. War includes the following and any consequence of any of the following:
- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
 - (2) Warlike act by a military force or military personnel; or
 - (3) Destruction, seizure or use for a military purpose.

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

- f. Governmental Action.
Governmental Action means the destruction, confiscation or seizure of property described in Covered Property 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.

- g. Willful acts committed by or at the direction of any **insured**.
- h. Neglect of an **insured** to use all reasonable means to save and preserve property at and after the time of a loss.
- i. **Business** data, including such data stored in:
- (1) Books of account, drawings or other
 - (2) paper records; or
 - (3) 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.

k. Nuclear Hazard

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.

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 Covered Causes of Loss.

This policy does not apply under to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

ALL SUBJECT TO THE FOLLOWING CONDITIONS

1. DEDUCTIBLE

a. Loss of Power

When **you** sustain loss of **your** personal property stored in freezers or refrigerators due to **loss of power**, then **we** will be liable for no more than the amount by which any one covered loss for **your** personal property stored in freezers or refrigerators exceeds \$100. This deductible applies separately to any other policy deductible.

b. All other Losses

We will be liable for no more than the amount by which any one covered loss exceeds the Deductible amount specified on the Declarations Page.

2. BASIS OF LOSS PAYMENT

a. **Your** Personal Property and Additions and Alterations

(1) If lost or damaged property is not repaired or replaced, payment shall be limited to the loss of actual cash value, not to exceed the cost to repair or replace with property of like kind and quality.

(2) If lost or damaged property is repaired or, when not economically repairable, replaced, payment shall be limited to the amount actually and reasonably expended to repair or replace with new property of like kind and quality.

You may first make claim for the loss of actual cash value. Within one (1) year from the payment of that loss, **you** may make claim for the additional loss payable by reason of 2.a.(2) above.

b. Pair or Set

When the lost or damaged property is part of a set or pair, **we** may:

(1) elect to repair or replace any part of such set or pair to restore the set or pair to its value before the loss or damage; or

(2) pay the difference between the actual cash value of the property before and after the loss or damage.

c. The following property is not eligible for replacement cost settlement. Any loss will be settled at actual cash value at the time of loss but no more than the amount required to repair or replace:

(1) Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.

(2) Memorabilia, souvenirs, collectors' items and similar articles, whose age or history contribute to their value.

(3) Articles not maintained in good or workable condition.

(4) Articles that are outdated or obsolete and are stored or not being used.

d. Personal Property Rented by **You**

We will pay for the value of lost or damaged personal property rented to **you** as determined under the terms of the rental agreement. If terms for valuation of the rented property are not otherwise provided for in the rental agreement, payment shall be limited to the actual cash value of the lost or damaged property not to exceed the cost to repair or replace with new property of like kind and quality.

e. Additional Living Expense

(1) **We** will pay the additional sums **you** actually and necessarily spend. Payment will be for the shortest time required to repair or replace the damaged property or, if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.

(2) **Civil Authority**

We will pay the additional sums **you** actually and necessarily spend. Payment will be limited to the time the Civil Authority prohibits **your** use of the **residence premises**, or two (2) weeks, whichever is shorter.

3. DUTIES AFTER A LOSS

In the event of loss covered by this policy **you** shall:

- a. Protect the property from any further damage. If repairs to the property are required, **you** must:
 - (1) Make reasonable and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses.
- b. Give **us** written notice as soon as practicable and, if the loss is caused by theft, make a complete report of the loss to the police.
- c. File with **us** a detailed sworn statement of loss within ninety (90) days of discovery of such loss, unless the time is extended in writing by **us**.
- d. Cooperate with **us** in the investigation of a claim.
- e. Do all things and produce all documents reasonably required for establishing values, loss, damage and coverage for the loss. This includes, but is not limited to:
 - (1) preparing an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss; and
 - (2) providing all bills, receipts and related documents that justify the figures in the inventory.
- f. Advise **us** of any other insurance which may apply to this loss.
- g. Submit to examinations under oath by any person named by **us** and subscribe the same.

4. MANDATORY ARBITRATION

In case **we** fail to agree with **you** as to the meaning or effect of any provision of this policy or as to the amount payable in accordance with the express terms of this policy for any covered loss, the disagreement shall be resolved by binding arbitration presided over by a single arbitrator selected and agreed upon by **you** and **us**. The binding arbitration shall be in accordance with the statutory rules and procedures of the state in which the property is located.

The exchange of information and discovery necessary for the arbitration shall be governed by the rules of discovery set forth in the statutes or codes of the state in which the property is located or as otherwise agreed to by **you** and **us** and the arbitrator. In no event shall the discovery and exchange of information be less than what is already provided for under the express terms of this policy.

We will reimburse **you** for reasonable expenses actually incurred by **you** with respect to the arbitration, including reasonable attorney's fees, in a sum to be determined by the arbitrator, but only if the finding by the arbitrator under 4.a. or 4.b. below is based on information that is provided to **us** at least forty-five (45) days prior to the commencement of the arbitration and any of the following occur:

- a. a finding of coverage for claimed loss or damage for which coverage is denied by **us**;
- b. a finding that **you** are entitled to a loss payment in accordance with the express terms of this policy and exclusive of costs or attorney's fees in an amount that exceeds the amount of any offer made by **us** in writing to settle **your** claim at any time up to thirty (30) days prior to the commencement of the arbitration.

The provisions of this clause are mandatory and may be enforced either by **you** or by **us**.

5. REPAIRED OR REBUILT PROPERTY

- a. If **we** give **you** written notice within thirty (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.
- b. If **you** or **we** repair any damaged property for which **we** have made payment under this policy, **you** or **we** will notify the other of the repair. At **your** option, the property will be returned to or retained by **you** or it will become **our** property. If the repaired property is returned or retained by **you**, the loss payment will be adjusted based on the amount **you** received for that property.

6. ABANDONMENT

We do not accept any property abandoned by any **insured**.

7. WHEN LOSS IS PAYABLE

The amount of loss for which **we** may be liable will be payable sixty (60) days after the required statement of loss is received and agreed to in writing by **us** or the filing with **us** of an arbitration award as herein provided.

8. SUIT OR OTHER ACTION

No suit, arbitration, or other action on this policy for the recovery of any claim shall be sustainable in any court of law or equity or any other forum unless all the requirements of this policy have been complied with and unless commenced within twelve (12) months after the inception of the loss.

9. 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.

10. 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:

- a. to an **insured** for more than the amount of such **insured's** interest at the time of loss; or
- b. for more than the applicable limit of liability.

BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE

We will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this policy applies.

This policy applies only to **bodily injury** or **property damage**:

1. That is caused by an **occurrence**; and
2. That occurs while this policy is in effect.

We have the right and duty to defend any such claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

1. The amount **we** will pay for damages is limited as described in the LIMITS OF INSURANCE section of this policy.
2. **Our** right and duty to defend ends when **we** have exhausted the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES.

BODILY INJURY AND PROPERTY DAMAGE EXCLUSIONS

This policy does not apply to:

1. **Bodily injury** or **property damage** arising out of **business** pursuits of any **insured** except:
 - a. activities which are ordinarily incidental to non-**business** pursuits.
 - b. the rental of a residence of **yours**:
 - (1) on an occasional basis for exclusive use as a residence.
 - (2) in part, unless intended for use as a residence by more than two roomers or boarders.
 - (3) in part, as an office, studio or private garage.
2. **Bodily injury** or **property damage** arising out of rendering of or failing to render professional services.
3. **Bodily injury** or **property damage** arising out of any premises owned by or rented to any **insured** or rented to others by an **insured** which is not an **insured location**.
4. **Bodily injury** or **property damage** arising out of the ownership, operation, maintenance, use, loading or unloading of any **motor vehicle** owned or operated by or rented or loaned to any **insured** or entrusted to any person by any **insured**.
5. **Bodily injury** or **property damage** arising out of:
 - a. Ownership of an **aircraft** or **watercraft** by an **insured**;
 - b. Maintenance, occupancy, operation, use, loading or unloading of such **aircraft** or **watercraft** by any person;
 - c. Entrustment of such **aircraft** or **watercraft** by an **insured** to any person;
 - d. Failure to supervise or negligent supervision of any person involving such **aircraft** or **watercraft** by an **insured**; or
 - e. Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such **aircraft** or **watercraft**.

For the purpose of this exclusion, **watercraft** includes **watercraft**:

- a. with inboard or inboard-outdrive motor owned by any **insured**;
 - b. with inboard or inboard-outdrive motor power of more than 50 horsepower rented to any **insured**;
 - c. that is a sailing vessel 26 feet or more in length owned by or rented to any **insured**; or
 - d. powered by one or more outboard motors with more than 25 total horsepower if the outboard motor(s) is owned by any **insured**.
6. Any obligation for which **you** are liable as a result of any loss assessment charged against all members of an association of property owners.
 7. **Bodily injury** or **property damage** arising out of any contract or agreement except an **insured contract**.
 8. **Bodily injury** or **property damage** arising out of nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or uncontrolled or however caused, or due to any consequence of any of these.

9. **Bodily injury** or **property damage** sustained by any **insured**.
10. **Bodily injury** or **property damage** which is intended or expected by any **insured**.
11. **Bodily injury** or **property damage** caused by a willful act of any **insured** even if the **bodily injury** or **property damage**:
 - a. Is of a different kind, quality or degree than initially expected or intended; or
 - b. Is sustained by a different person, entity, or property than initially expected or intended.

However, this exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force by an **insured** to protect persons or property.

This exclusion applies to all **insureds** notwithstanding the SEPARATION OF INSUREDS condition in section CONDITIONS APPLYING TO ALL COVERAGES.

12. **Bodily injury** or **property damage** arising out of the willful violation of a penal statute or ordinance committed by or with the consent of any **insured**.
13. Any obligation of any **insured** arising out of fraud committed by any **insured**.
14. **Bodily injury** or **property damage** arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**. This exclusion does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion a hostile fire is one which is unintended, breaks out from where it was intended to be, or becomes uncontrollable.
15. Any loss, cost or expense arising out of any governmental direction or request that any **insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, **pollutants**.
16. **Bodily injury** or **property damage** arising out of communicable disease of any kind transmitted by any **insured** including sexually transmitted disease.
17. **Bodily injury** or **property damage** arising out of sexual molestation, corporal punishment or abuse of any person.
18. **Bodily injury** to:
 - a. an employee of any **insured** arising out of and in the course of employment by any **insured**; and
 - b. the spouse, child, parent, brother or sister of an employee as a consequence of an injury to that employee.

This exclusion applies whether or not any **insured** may be liable as an employer or in any other capacity. It also applies to any obligation to share damages with or repay someone else who must pay damages because of the injury. This exclusion does not apply to liability assumed by **you** under a written contract directly relating to the maintenance of the **insured location**.

19. **Property damage** to property owned by any **insured**.
20. **Property damage** to property rented to, occupied by or used by or in the care, custody or control of any **insured** unless caused by fire, smoke, explosion or water damage.
21. **Property damage** to premises **you** have sold, given away or abandoned if the **property damage** arises out of any part of those premises.
22. Any obligation of any **insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law or benefits voluntarily provided by any **insured**.
23. Any amount payable by any **insured** to others as a result of a punitive or exemplary damages judgment.
24. **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 lawful orders of a licensed health care professional.
25. **Bodily injury** or **property damage** arising out of the ownership, custody, control or possession of any animal by any **insured** or any member of the **insured's** family or household if the animal has previously

caused **bodily injury** or **property damage** and the injury or damage has been documented in a claim, police report or similar.

PERSONAL INJURY LIABILITY COVERAGE

We will pay all sums that the **insured** becomes legally obligated to pay as damages because of **personal injury** to which this policy applies.

This policy applies only to **personal injury** caused by an act which takes place while the policy is in effect.

We have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

1. The amount **we** will pay for damages is limited as described in the LIMITS OF INSURANCE section of this policy.
2. **Our** right and duty to defend ends when **we** have exhausted the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES.

PERSONAL INJURY EXCLUSIONS

Exclusions which appear as Paragraphs 1 through 3, 6 through 9, and 14 through 23 in the section BODILY INJURY AND PROPERTY DAMAGE EXCLUSIONS also apply to **personal injury**.

1. In addition, this policy does not apply to **personal injury**:
 - a. Arising out of oral or written publication of material if done by or at the direction of the **insured** with knowledge of its falsity.
 - b. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
 - c. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **insured**.
 - d. For which the **insured** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **insured** would have in the absence of the contract or agreement.
 - e. Arising out of fraud committed by any **insured**.
 - f. Arising out of willful injury by any **insured** to the person or property of another.
 - g. Sustained by any **insured**.
 - h. Arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**.
2. Damages for **personal injury** are only covered when insurance which would cover such damages is not prohibited by law.

MEDICAL PAYMENTS TO OTHERS COVERAGE

We will pay medical and funeral expenses which result from **bodily injury** caused by an **accident** provided that:

1. The **accident** takes place while the policy is in effect; and
2. The **accident** takes place at any **residence premises**; and
3. The expenses are incurred and reported to **us** within three (3) years of the date of the **accident**.

MEDICAL PAYMENTS TO OTHERS EXCLUSIONS

This policy does not apply to medical payments expenses resulting from **bodily injury** to any person:

1. Who is an **insured**.
2. Who is a tenant or an employee of a tenant of any **insured**.
3. Who is an employee of any **insured**, if benefits for the **bodily injury** are payable or must be provided under a workers compensation or disability benefits law or a similar law.
4. Who is injured while taking part in athletics.
5. Who is injured due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

6. To whom the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than an **insured contract**.
7. Whose injuries arise out of the ownership, maintenance, use or entrustment to others of any **aircraft, motor vehicle, or watercraft** owned or operated by or rented or loaned to any **insured**. Use includes loading or unloading.
8. Whose injuries arise out of any **business** activities conducted by any **insured**.
9. Whose injuries arise from the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**.
10. Who suffers **bodily injury** from any nuclear reaction, nuclear radiation or radioactive contamination however any of these may be caused, nor to any consequence of any of these.
11. Whose injuries are caused by any animal that is owned by or in the custody, control or possession of any **insured** or any member of the **insured's** family or household.

SUPPLEMENTARY PAYMENTS AND ADDITIONAL COVERAGES

1. SUPPLEMENTARY PAYMENTS

With respect to any claim or suit **we** defend under this policy, **we** will pay in addition to the limit of insurance shown on the Declarations Page:

- a. All expenses **we** incur.
- b. The premium for bonds to release attachments but only for bond amounts within the Personal Liability limit of insurance shown on the Declarations Page. **We** do not have to furnish or obtain these bonds.
- c. All reasonable expenses incurred by the **insured** at **our** request to assist **us** in the investigation or defense of the claim or suit including actual loss of earnings of up to \$100 a day because of time off from work.
- d. All costs taxed against the **insured** in the suit.
- e. Pre-judgment interest awarded against the **insured** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of insurance, **we** will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

2. ADDITIONAL COVERAGES

Subject to the limit shown below, **we** will pay:

- a. The actual amount incurred by any **insured** for expenses for first aid to others for **bodily injury** covered by this policy.
- b. Up to \$1000 per **occurrence** for **property damage** to property of others caused by any **insured**. **We** will not pay under this additional coverage:
 - (1) For damage arising out of any waterbed owned or used by any **insured**.
 - (2) For property owned by or rented to any **insured**, any **insured's** tenant or any resident of **your** household.
 - (3) For damage caused intentionally by any **insured** age 13 or older.
 - (4) For damage arising out of **business** pursuits or out of the ownership, maintenance or use of any **aircraft, watercraft or motor vehicle**.

The additional coverages above under 2. are not subject to the Personal Liability limit of Insurance.

- c. Up to \$10,000 for damage to property of others arising out of any waterbed owned or used by any **insured** while located at the **residence premises**.
- d. Up to \$500 per **occurrence** for damage to real property of the **landlord** in the **residence premises** if such damage is caused by an **insured** and results from fire, smoke, explosion, or water damage.

ALL SUBJECT TO THE FOLLOWING CONDITIONS

1. LIMITS OF INSURANCE

- a. The most **we** will pay for the sum of all damages, except as provided under item b. and c. below, to which this policy applies as a result of any one **occurrence** or any one act is the Personal Liability limit of insurance shown on the Declarations Page regardless of the number of:
 - (1) **Insureds**.

- (2) Claims made or suits brought.
- (3) Persons or organizations making claims or bringing suits.
- (4) Coverages applicable.

All **bodily injury, personal injury or property damage** resulting from any one **accident** or act including continuous or repeated exposure to the same harmful conditions shall be considered to be the result of one **occurrence**.

b. **MEDICAL PAYMENTS TO OTHERS**

The most **we** will pay for medical and funeral expenses as provided under MEDICAL PAYMENTS TO OTHERS for any one **accident** is the Medical Payments To Others limit shown on the Declarations Page.

c. **PET LIABILITY SUBLIMIT**

The most **we** will pay for the sum of all damages resulting from **bodily injury or property damage** arising from an animal owned by any **insured** is Pet Liability sublimit shown on the Declarations Page. This sublimit is subject to and decreases the Personal Liability limit of insurance shown on the Declarations Page.

2. **SEPARATION OF INSUREDS**

Except with respect to the limits of insurance shown on the Declarations Page, this policy applies separately to each **insured** against whom claim is made or suit is brought.

3. **PAYMENT OF CLAIM - MEDICAL PAYMENTS TO OTHERS**

Payment under this coverage is not an admission of liability by any **insured** or by **us**.

4. **BANKRUPTCY**

Bankruptcy or insolvency of any **insured** or any **insured's** estate will not relieve us of our obligation.

5. **DUTIES OF AN INJURED PERSON – MEDICAL PAYMENTS TO OTHERS**

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

- a. Give **us** written proof of claim as soon as practicable.
- b. Execute authorization to allow **us** to obtain copies of medical reports and records.
- c. Submit to physical examination by a physician selected by **us** when and as often as **we** reasonably require.

6. **YOUR DUTIES IN THE EVENT OF AN OCCURRENCE, ACT, CLAIM OR SUIT**

- a. **You** must promptly notify **us** of an incident or event that may result in a claim. Notice should include:
 - (1) How, when and where the incident or event took place.
 - (2) The names and addresses of any injured person and witness
- b. If a claim is made or suit is brought against any **insured**, **we** must be promptly notified in writing. **You** and any other involved **insured** must:
 - (1) Immediately send **us** copies of any demands, notices, summonses or other legal papers received in connection with the claim or suit.
 - (2) Authorize **us** to obtain records and other information.
 - (3) Cooperate with **us** in the investigation, settlement or defense of the claim or suit.
 - (4) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization that may be liable to any **insured** because of injury or damage to which this policy may also apply.
- c. No **insured** shall, except at the insured's own cost, make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

POLICY PERIOD

This policy applies only to loss under the Property Section or **bodily injury, personal injury or property damage** under the Liability Section which occurs during the policy period.

CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy shall be void if any **insured**, whether before or after a loss, has intentionally concealed or misrepresented any material fact or circumstance or made false statements or engaged in fraudulent conduct relating to this policy.

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. A request for an arbitration or examination under oath shall not waive any of **our** rights or any of **your** rights.

CANCELLATION & NONRENEWAL

1. **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.
2. If this policy has been in effect for sixty (60) days or less and is not a renewal of a policy **we** previously issued, **we** may cancel this policy for:
 - a. non-payment of premium by giving **you** fifteen (15) days written notice; or
 - b. any other reason by giving **you** sixty (60) days written notice.
3. If this policy has been in effect for more than sixty (60) days or is a renewal of a policy **we** previously issued, **we** may cancel this policy for:
 - a. non-payment of premium by giving **you** fifteen (15) days written notice; or
 - b. any of the following reasons by giving **you** sixty (60) days written notice:
 - (1) Discovery of fraud or material misrepresentation by:
 - (a) **You** or **your** representative in obtaining this policy; or
 - (b) **You** or **your** representative in pursuing a claim under this policy.
 - (2) A judgment by a court or an administrative tribunal that **you** have violated a Federal law or a law of the state in which the **residence premises** is located. The judgment must have as one of its necessary elements an act which materially increases any of the risks insured against.
 - (3) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations setting safety standards, by **you** or **your** representative, which materially increase any of the risks insured against.
 - (4) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, **our** reinsurance covering all or part of the risk would threaten **our** financial integrity or solvency; or
 - (b) Continuation of the insurance coverage would place **us** in violation of the laws of the state in which this policy was issued or where **we** are domiciled or would threaten **our** solvency.

We will also mail such notice of cancellation or nonrenewal to each mortgagee or other person or entity shown on this policy to have an insurable interest in the covered property.

We will state the reason for cancellation or nonrenewal on the written notice.

Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

4. **We** may elect not to renew this policy for any reason by giving **you** at least sixty (60) days written notice to be effective at the next anniversary or expiration date of this policy whichever is first.

We are not required to send notice of nonrenewal in the following situations:

 - a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between **us** and a member of **our** insurance group.
 - b. If the policy has been extended for ninety (90) days or less, if notice of **our** intent not to renew the policy has been given prior to the expiration of the policy.

- c. If **you** have obtained replacement coverage, or if **you** have agreed, in writing, within sixty (60) days of the termination of the policy, to obtain that coverage.
 - d. If the policy is for a period of no more than sixty (60) days and **you** are notified at the time of issuance that it will not be renewed.
 - e. If **you** request a change in terms, conditions, or risk covered by the policy within sixty (60) days of the end of the policy period.
 - f. If **we** have made a written offer to **you** at least sixty (60) days before the policy expiration to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.
5. When the **landlord** requires evidence of personal liability insurance coverage to satisfy the financial responsibility requirements of a lease or rental agreement, **we** will also mail a copy of any notice of cancellation or nonrenewal to the **landlord** where evidence of coverage under this policy has been provided by **us** to comply with the **insured's** lease requirement.

OTHER INSURANCE

This policy is excess over any other insurance except insurance written specifically to cover as excess over the limits of insurance that apply in this policy. **We** have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, **we** will do so, but **we** will be entitled to the **insured's** rights against any such other insurer.

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If the **insured** has rights to recover all or part of any payment **we** have made under this policy, those rights shall be transferred to **us**. The **insured** shall do nothing to impair said rights. At **our** request, the **insured** shall help **us** to enforce them.

If **we** pay an innocent insured for a loss caused by an act of domestic violence, the rights of that **insured** to recover damages from the perpetrator of the domestic violence are transferred to **us** to the extent of **our** payment. That **insured** may not waive such rights to recover against the perpetrator of the domestic violence.

An innocent insured means a person who is insured under this policy and:

1. Is a victim of a crime of violence, as defined by state law;
2. Did not commit, cause to be committed or direct the crime of violence leading to the loss; and
3. Cooperates in any criminal investigation, including the filing of an official police report, and if undertaken, any prosecution efforts.

LEGAL ACTION AGAINST US

1. No person or organization has a right under this policy:
 - a. To join **us** as a party or otherwise bring **us** into any suit or action against any **insured**.
 - b. To sue **us** under this policy unless all of its terms have been fully complied with.
2. A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against any **insured** obtained after an actual trial. However, **we** will not be liable for damages that are not payable under the terms of this policy. An agreed settlement means a settlement and release of liability signed by **us**, the **insured** and the claimant or the claimant's legal representative.

TRANSFER OF YOUR RIGHTS AND DUTIES

Your rights and duties under this policy may not be transferred without **our** written consent.

If **you** die, **your** rights and duties will be transferred to **your** legal representative but only while acting as **your** legal representative.

ATTACHMENT OF COVERAGE

Coverage under this policy shall commence upon the inception date shown on the Declarations Page at 12:01 AM standard time at the place of issuance, or upon occupancy by the **insured** of the **residence premises** whichever occurs later. Coverage shall remain in effect until the cancellation date or expiration date of the policy, whichever is earlier.

RATE PAGES RENTERS INSURANCE PROGRAM

I. **STATE:** Minnesota

II. **PREMIUM COMPUTATION:**

A. Limits of Liability -- Property Section

Property Section Limit [in \$]	Annual Policy Premium
15,000	166
20,000	189
25,000	212
30,000	235
35,000	257
40,000	279
45,000	299
50,000	320
75,000	353

B. Limits of Liability -- Liability Section

Liability Section Limit [in \$]	Additional Annual Policy Premium
100,000	Included, no Charge
300,000	24
500,000	36

Included at no additional charge are the following limits for Medical Payments:

- \$1,000 per person Medical Payments
- \$25,000 per accident Medical Payments

C. Deductible Rating Plan

Property Section Deductible [in \$]	Credit
250	0%
500	5%

D. Jewelry and Watches, Increased Theft Sublimit

Sublimit [in \$]	Additional Annual Policy Premium
1,000	Included, no charge
2,500	24
5,000	60
7,500	72

E. Sporting Equipment, Increased Theft Sublimit

Sublimit [in\$]	Additional Annual Policy Premium [in\$]
1,000	Included, no charge
2,500	24
5,000	60

F. Optional Coverages

Coverage	Sub-Limit [in\$]	Additional Annual Premium [in\$]
Pet Damage Endorsement	500	18
Limited Bed Bug Remediation Endorsement	500	12
	750	18
	1,000	24
Identity Fraud Recovery Expense Endorsement	5,000	12
Home Robot Endorsement	5,000	12
Additional Insured Endorsement	n/a	No charge

G. Rounding Rule

Final premium and any return premiums shall be rounded to the nearest whole dollar. A premium of fifty cents (\$0.50) or more shall be rounded to the next higher whole dollar.

H. Payment Plan Options and Fees

Insufficient Funds Fees: \$20

Installment Fees: \$2.50 for checks and money orders applies to semi-annual and quarterly payments

Payment Schedule Options	Payment Type Options
Monthly Payment	Credit Card ACH Debit
Annual Payment Semi-Annual Payment Quarterly Payment	Credit Card ACH Debit Check Money Order

USAA Group (USAA, USAA-CIC, USAA-GIC, and Garrison) proposes to revise Renters premiums with a combined effect of 18.5%. The effects by form apply as follows:

USAA Contents	18.0%
USAA Liability	20.0%
USAA Combined	18.5%
USAA-CIC Contents	18.0%
USAA-CIC Liability	20.0%
USAA-CIC Combined	18.5%
USAA-GIC Contents	18.0%
USAA-GIC Liability	20.0%
USAA-GIC Combined	18.4%
Garrison Contents	18.0%
Garrison Liability	20.0%
Garrison Combined	18.5%
USAA Group Combined	18.5%

The proposed changes include the revision of the Base Rates for Contents and Liability forms. The attached exhibits support this revision.

An effective date of November 15, 2018 for these revisions will apply to all new and renewal policies.

Table of Contents

Attachments in support of this filing:

Explanatory Memorandum

Contents:

Exhibit I - Contents	Contents Indicated Rate Change
Exhibit II - Contents	Premium Trend
Exhibit III - Contents	Large Loss Adjustment
Exhibit IV - Contents	Loss Development
Exhibit V - Contents	Loss Trend
Exhibit VI - Contents	Loss Adjustment Expense (LAE)
Exhibit VII - Contents	Expected Net Severe Thunderstorm Catastrophe Provision Ratio
Exhibit VIII - Contents	Total Insured Value (TIV) Trend
Exhibit IX - Contents	Expenses
Exhibit X - Contents	Underwriting Profit Provision

Liability:

Exhibit I - Liability	Liability Indicated Rate Change
Exhibit II - Liability	Premium Trend
Exhibit III - Liability	Large Loss Adjustment
Exhibit IV - Liability	Loss Development
Exhibit V - Liability	Loss Trend
Exhibit VI - Liability	Loss Adjustment Expense (LAE)
Exhibit VII - Liability	Expenses
Exhibit VIII - Liability	Underwriting Profit Provision

Contents:

Exhibit I - Contents- illustrates USAA Group Minnesota experience for the latest five accident years ending March 31, 2018 as of March 31, 2018. The data is for contents forms only. The indicated rate level change is developed in this exhibit. The proposed change is also provided. A large loss procedure was applied to the losses, which is detailed in Exhibit III – Contents.

Exhibit II - Contents - provides the calculation of USAA Group premium trend factors for Minnesota. These factors reflect increasing amounts of insurance and other distributional changes. The average written premium at present rates has been fit to an exponential model using 20-, 16-, 12-, 8-, and 4-point values. The selected annual trend value is shown in this exhibit.

Exhibit III - Contents - shows the 10-year smoothing technique USAA Group uses to reflect the excess loss potential in Minnesota. The Large Loss Adjustment establishes an excess loss cut-off as a percentage of the average amount of insurance written for each year. The procedure then removes the portion of developed loss in excess of the cut-off, ratios the excess losses to the developed non-excess (normal) losses, and selects a weighted average of this ratio as the excess loss factor.

Exhibit IV - Contents - displays the calculation of USAA Group loss development factors for Minnesota. Loss data used for these calculations excludes catastrophes.

Exhibit V - Contents - shows the loss trend underlying the rate level indication. Various exponential fits including 20-, 16-, 12-, 8-, and 4-points are shown. The selected current cost factor and trended cost factor are based on the results of these exponential fits. Due to the volatility and lack of credibility in Minnesota, the selected Minnesota loss trend was credibility weighted with USAA countrywide loss trend data. The Minnesota credibility-weighted current cost factor and trended cost factor are displayed on Page 2.

Exhibit VI - Contents - develops the loss adjustment expense (LAE) factor used in calculating the indication in Exhibit I - Contents. The factor is based upon USAA countrywide data for calendar-accident years 2014, 2015, and 2016.

Exhibit VII - Contents - displays the Minnesota Contents forms expected severe thunderstorm catastrophe loss and LAE ratio calculation based on a severe thunderstorm simulation model developed by Applied Insurance Research (AIR), Inc., of Boston, Massachusetts. AIR's Severe Thunderstorm Model is based on meteorological, engineering, and property damage data. The severe thunderstorm model generates 10,000 years of simulated severe thunderstorms (hail, tornadoes, and straight line winds) with the resulting storm characteristics superimposed on USAA's geographical distribution of exposures within the state. The model estimates severe thunderstorm damage based on various thunderstorm characteristics, including size, intensity, and storm track. USAA

uses the statewide estimated average annual severe thunderstorm loss provided by AIR in calculating the overall indication.

Exhibit VIII - Contents - provides the calculation Total Insured Value Trend factors for Minnesota. These factors reflect increasing amounts of insurance and other distributional changes. The average total insured value, shown in column 2, has been fit to an exponential model using 20-, 16-, 12-, 8-, and 4-point values. The selected annual trend value is shown in this exhibit.

Exhibit IX - Contents - shows the development of the variable permissible loss and LAE ratio for Minnesota on Page 1. Provisions for other expense categories are based on countrywide data from the Insurance Expense Exhibit while taxes, licenses, and fees are based upon actual Minnesota experience for USAA Group. The calculation of the selected annual expense trend is shown on Page 2. The trend is derived by taking a weighted average of the Employment Cost Index and the Consumer Price Index. The expense trend is used to trend fixed expenses, which are used to develop the indication shown in Exhibit I - Liability.

Exhibit X - Contents - details USAA Group's method for selecting its underwriting profit and contingency provision, which is included in the permissible loss ratio. A separate explanatory memorandum is included with the exhibit.

Liability:

Exhibit I – Liability - illustrates USAA Group Minnesota experience for the latest five accident years ending March 31, 2018 as of March 31, 2018. The data is for liability forms only. The indicated rate level change is developed in this exhibit. The proposed change is also provided. A large loss procedure was applied to the losses, which is detailed in Exhibit III – Liability.

Exhibit II - Liability - provides the calculation of USAA Group premium trend factors for Minnesota. These factors reflect increasing amounts of insurance and other distributional changes. The average written premium at present rates has been fit to an exponential model using 20-, 16-, 12-, 8-, and 4-point values. The selected annual trend value is shown in this exhibit.

Exhibit III - Liability - shows the 10-year smoothing technique USAA Group uses to reflect the excess loss potential in Minnesota. The Large Loss Adjustment establishes an excess loss cut-off as a percentage of the average amount of insurance written for each year. The procedure then removes the portion of developed loss in excess of the cut-off, ratios the excess losses to the developed non-excess (normal) losses, and selects a weighted average of this ratio as the excess loss factor.

Exhibit IV - Liability - displays the calculation of USAA Group loss development factors for Minnesota. Loss data used for these calculations excludes catastrophes.

Exhibit V - Liability - shows the loss trend underlying the rate level indication. Various exponential fits including 20-, 16-, 12-, 8-, and 4-points are shown. The selected current cost factor and trended cost factor are based on the results of these exponential fits. Due to the volatility and lack of credibility in Minnesota, the USAA Group Countrywide loss trend was used. The USAA Group Countrywide current cost factor and trended cost factor are displayed on Page 2.

Exhibit VI - Liability - develops the loss adjustment expense (LAE) factor used in calculating the indication in Exhibit I - Liability. The factor is based upon USAA countrywide data for calendar-accident years 2014, 2015, and 2016.

Exhibit VII - Liability - shows the development of the variable permissible loss and LAE ratio for Minnesota on Page 1. Provisions for other expense categories are based on countrywide data from the Insurance Expense Exhibit while taxes, licenses, and fees are based upon actual Minnesota experience for USAA Group. The calculation of the selected annual expense trend is shown on Page 2. The trend is derived by taking a weighted average of the Employment Cost Index and the Consumer Price Index. The expense trend is used to trend fixed expenses, which are used to develop the indication shown in Exhibit I - Liability.

Exhibit VIII - Liability - details USAA Group's method for selecting its underwriting profit and contingency provision, which is included in the permissible loss ratio. A separate explanatory memorandum is included with the exhibit.

USAA Group
Minnesota
Renters Contents Forms
Indicated Rate Change
As of 3/31/2018

Accident Year Ending (YYYYQ) (1)	Earned Premium at Present Rates (2)	Premium Trend Factor ^A (3)	Projected Earned Premium at Present Rates (4) <small>= (2) * (3)</small>	Smoothed Developed Incurred Losses Excluding Catastrophes ^B (5)	Loss Trend Factor ^C (6)	Non-Catastrophe LAE Factor ^D (7)	Prospective Losses and LAE Excluding Catastrophes (8) <small>= (5) * (6) * (7)</small>	Prospective Loss and LAE Ratio Excluding Catastrophes (9) <small>= (8) / (4)</small>	Premium Weight (10) <small>= (4) / Σ(4)</small>	
20141	1,423,445	0.821	1,168,648	691,726	1.017	1.170	823,077	0.704	16.4%	
20151	1,534,455	0.841	1,290,477	552,246	1.029	1.170	664,865	0.515	18.1%	
20161	1,652,926	0.872	1,441,351	522,137	1.041	1.170	635,948	0.441	20.2%	
20171	1,723,934	0.917	1,580,848	737,573	1.054	1.170	909,560	0.575	22.2%	
20181	1,740,406	0.950	1,653,386	727,655	1.067	1.170	908,398	0.549	23.2%	
		(11)	Weighted Loss and LAE Ratio Excluding Catastrophes						0.552	
		(12)	Severe Thunderstorm Catastrophe Provision Ratio ^E						0.055	
		(13)	Projected Fixed Expense Provision ^F						0.398	
		(14)	Total Loss, LAE & Fixed Expense Ratio					= (11) + (12) + (13)	1.005	
		(15)	Variable Permissible Loss and LAE Ratio ^F						0.830	
		(16)	Indicated Rate Level Change					= (14) / (15) - 1	21.1%	
		(17)	Proposed Rate Level Change						18.0%	

^A Please refer to Exhibit II - Contents

^B Please refer to Exhibit III - Contents

^C Please refer to Exhibit V - Contents, Page 2 of 2

^D Please refer to Exhibit VI - Contents

^E Please refer to Exhibit VII - Contents

^F Please refer to Exhibit IX - Contents, Page 1 of 2

USAA Group
Minnesota
Renters Contents Forms
Premium Trend

Accident Year Ending (YYYYQ) (1)	Average Written Premium at Present Rates (2)	Annual Change (3)	Average Earned Premium at Present Rates (4)	Current Premium Trend Factor (5) <small>= Latest (2) / (4)</small>
20132	142.38		142.21	0.851
20133	141.76		142.31	0.850
20134	140.67		141.94	0.852
20141	140.51		141.54	0.855
20142	139.11	-2.3%	140.86	0.859
20143	137.26	-3.2%	139.94	0.865
20144	136.74	-2.8%	138.99	0.870
20151	136.69	-2.7%	138.06	0.876
20152	134.90	-3.0%	137.13	0.882
20153	132.76	-3.3%	135.90	0.890
20154	131.95	-3.5%	134.62	0.899
20161	130.22	-4.7%	133.23	0.908
20162	127.95	-5.2%	131.59	0.919
20163	126.33	-4.8%	129.86	0.932
20164	124.57	-5.6%	128.20	0.944
20171	123.54	-5.1%	126.64	0.955
20172	122.35	-4.4%	125.16	0.967
20173	121.58	-3.8%	124.02	0.975
20174	121.68	-2.3%	123.09	0.983
20181	120.98	-2.1%	122.24	0.990

	Exponential Fit					
	20-point	16-point	12-point	8-point	6-point	4-point
Exponential Trend:	-3.8%	-4.1%	-4.1%	-3.1%	-2.2%	-1.3%
R-squared:	0.981	0.979	0.962	0.928	0.918	0.852
Selected Premium Trend:	-2.5%					

Accident Year Ending (YYYYQ) (1)	Current Premium Trend Factor (2)	Premium Trend Selection (3)	Trend Period ^A (4)	Projected Premium Trend Factor (5) <small>= [1+(3)] ^ (4)</small>	Projected Premium Trend Factor (6) <small>= (2) * (5)</small>
20141	0.855	-2.5%	1.622	0.960	0.821
20151	0.876	-2.5%	1.622	0.960	0.841
20161	0.908	-2.5%	1.622	0.960	0.872
20171	0.955	-2.5%	1.622	0.960	0.917
20181	0.990	-2.5%	1.622	0.960	0.950

^A From the average written date in the most recent accident year, 9/30/2017 to the average written date in the effective period, 5/15/2019

USAA Group
Minnesota
Renters Contents Forms
Large Loss Adjustment
As of 3/31/2018

Accident Year Ending (YYYYQ) (1)	Average Amount of Insurance As of 6/30 (2)	Large Loss Cutoff Amount (3)	Incurred Losses Net Sal Sub Excluding Catastrophes (4)	Developed Incurred Losses Net Sal Sub Excluding Catastrophes ^A (5)	Loss Development Factor (6)	Large Losses (7)	Developed Large Losses (8)	Number of Excess Losses (9)	Excess Losses (10)	Normal Losses (11)	Excess Ratio (12)	Weighted Average Excess Ratio (13)	Smoothed Developed Incurred Losses Net Sal Sub Excluding Catastrophes (14)
20091	30,368	13,665	263,246	263,246	1.000	72,381	72,381	3	31,384	231,862	0.135		281,712
20101	29,843	13,429	360,150	360,150	1.000	98,440	98,440	5	31,294	328,857	0.095		399,561
20111	29,259	13,166	462,873	462,873	1.000	184,583	184,583	7	92,417	370,456	0.249		450,104
20121	29,352	13,208	336,665	336,665	1.000	63,043	63,043	3	23,418	313,247	0.075		380,595
20131	30,426	13,692	427,426	427,426	1.000	31,237	31,237	2	3,854	423,572	0.009		514,640
20141	29,783	13,402	724,669	724,669	1.000	329,577	329,577	13	155,348	569,321	0.273		691,726
20151	28,244	12,710	563,724	563,724	1.000	198,168	198,168	7	109,201	454,523	0.240		552,246
20161	27,025	12,161	468,888	468,888	1.000	99,953	99,953	5	39,146	429,743	0.091		522,137
20171	26,049	11,722	930,071	929,141	0.999	463,216	462,753	12	322,086	607,056	0.531		737,573
20181	25,587	11,514	691,399	719,746	1.041	226,699	235,993	10	120,853	598,893	0.202		727,655
									928,999	4,327,530		0.215	
Selected Average Excess Factor												1.215	

^A Please refer to Exhibit IV - Contents

USAA Group
 Minnesota
 Renters Contents Forms
Loss Development
 As of 3/31/2018

ALL PERILS COMBINED

Incurred Losses Net Sal Sub Excluding Catastrophes

Accident Year Ending (YYYYQ)	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months
20061	258,279	267,714	267,714	267,714	255,827	255,827	255,827	255,827
20071	161,470	163,777	166,603	167,324	167,324	167,324	167,324	167,324
20081	286,523	269,272	269,272	269,272	269,272	269,272	269,272	269,272
20091	191,304	256,739	263,246	263,246	263,246	263,246	263,246	263,246
20101	368,490	366,081	358,826	360,150	360,150	360,150	360,150	360,150
20111	469,183	467,115	463,073	462,873	462,873	462,873	462,873	462,873
20121	326,709	336,665	336,665	336,665	336,665	336,665	336,665	
20131	421,451	428,346	427,426	427,426	427,426	427,426		
20141	677,035	712,583	721,279	724,669	724,669			
20151	538,607	584,725	563,724	563,724				
20161	466,177	468,888	468,888					
20171	878,704	930,071						
20181	691,399							

Age-to-Age Factors

Accident Year Ending	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months
20061	1.037	1.000	1.000	0.956	1.000	1.000	1.000
20071	1.014	1.017	1.004	1.000	1.000	1.000	1.000
20081	0.940	1.000	1.000	1.000	1.000	1.000	1.000
20091	1.342	1.025	1.000	1.000	1.000	1.000	1.000
20101	0.993	0.980	1.004	1.000	1.000	1.000	1.000
20111	0.996	0.991	1.000	1.000	1.000	1.000	1.000
20121	1.030	1.000	1.000	1.000	1.000	1.000	
20131	1.016	0.998	1.000	1.000	1.000		
20141	1.053	1.012	1.005	1.000			
20151	1.086	0.964	1.000				
20161	1.006	1.000					
20171	1.058						

Average Age-to-Age Factors

Latest 3-Year	1.050	0.992	1.002	1.000	1.000	1.000	1.000
Latest 4-Year	1.051	0.994	1.001	1.000	1.000	1.000	1.000
Latest 5-Year	1.044	0.995	1.001	1.000	1.000	1.000	1.000
Latest 3-of-5-Year	1.042	0.999	1.000	1.000	1.000	1.000	1.000
Selected Factors	1.042	0.999	1.000	1.000	1.000	1.000	1.000

Method

Latest 3-out-of-5-Year

Selected Age-to-Ultimate Factors

12 to 96 Months	24 to 96 Months	36 to 96 Months	48 to 96 Months	60 to 96 Months	72 to 96 Months	84 to 96 Months
1.041	0.999	1.000	1.000	1.000	1.000	1.000

Estimated Ultimate Incurred Losses

ALL PERILS COMBINED

Accident Year Ending (A)	Incurred Losses Net Sal Sub Excluding Catastrophes As of 3/31/2018 (B)	Selected Age-to-Ultimate Factor (C)	Selected Ultimate Loss (D)
			= (B) * (C)
20111	462,873	1.000	462,873
20121	336,665	1.000	336,665
20131	427,426	1.000	427,426
20141	724,669	1.000	724,669
20151	563,724	1.000	563,724
20161	468,888	1.000	468,888
20171	930,071	0.999	929,141
20181	691,399	1.041	719,746

USAA Group
Minnesota
Contents Forms
Paid Losses Excluding Catastrophes

Year Ending Quarter	Calendar Year Paid Frequency				Calendar Year Paid Severity				Calendar Year Paid Pure Premium			
	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change	Series 1 ^A	Annual Change	Series 2 ^B	Annual Change
2013/2	0.0254		0.0346		1,990		2,135		50.56		73.82	
2013/3	0.0254		0.0349		2,535		2,098		64.51		73.16	
2013/4	0.0252		0.0347		2,649		2,097		66.86		72.79	
2014/1	0.0264		0.0339		2,666		2,127		70.53		72.00	
2014/2	0.0253	-0.5%	0.0333	-3.6%	2,554	28.3%	2,146	0.5%	64.55	27.7%	71.52	-3.1%
2014/3	0.0268	5.4%	0.0316	-9.3%	2,159	-14.9%	2,217	5.7%	57.91	-10.2%	70.12	-4.2%
2014/4	0.0254	0.5%	0.0302	-13.1%	2,299	-13.2%	2,280	8.8%	58.32	-12.8%	68.80	-5.5%
2015/1	0.0240	-9.2%	0.0290	-14.2%	2,140	-19.7%	2,312	8.7%	51.42	-27.1%	67.14	-6.8%
2015/2	0.0220	-12.9%	0.0279	-16.2%	2,141	-16.2%	2,364	10.2%	47.13	-27.0%	66.01	-7.7%
2015/3	0.0199	-25.9%	0.0275	-13.2%	2,210	2.4%	2,396	8.1%	43.94	-24.1%	65.76	-6.2%
2015/4	0.0201	-20.6%	0.0275	-9.0%	2,101	-8.6%	2,392	4.9%	42.32	-27.4%	65.68	-4.5%
2016/1	0.0185	-23.2%	0.0274	-5.6%	2,080	-2.8%	2,400	3.8%	38.39	-25.3%	65.76	-2.0%
2016/2	0.0191	-13.1%	0.0270	-3.1%	2,161	1.0%	2,408	1.9%	41.37	-12.2%	65.15	-1.3%
2016/3	0.0188	-5.3%	0.0267	-2.8%	2,382	7.8%	2,455	2.5%	44.85	2.1%	65.50	-0.4%
2016/4	0.0204	1.2%	0.0269	-2.1%	2,370	12.8%	2,441	2.1%	48.31	14.1%	65.66	0.0%
2017/1	0.0211	14.2%	0.0270	-1.5%	2,991	43.8%	2,465	2.7%	63.05	64.2%	66.55	1.2%
2017/2	0.0213	11.4%	0.0271	0.3%	3,165	46.4%	2,501	3.8%	67.50	63.2%	67.83	4.1%
2017/3	0.0196	4.3%	0.0275	2.9%	3,024	26.9%	2,477	0.9%	59.40	32.4%	67.99	3.8%
2017/4	0.0184	-9.8%	0.0271	0.9%	3,121	31.7%	2,497	2.3%	57.38	18.8%	67.77	3.2%
2018/1	0.0180	-14.4%	0.0271	0.5%	3,055	2.1%	2,533	2.7%	55.13	-12.6%	68.75	3.3%
Exponential Fits	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change
20-point fit	0.737	-7.7%	0.787	-5.9%	0.289	5.8%	0.916	4.3%	0.039	-2.4%	0.462	-1.9%
16-point fit	0.621	-8.0%	0.599	-4.1%	0.548	10.6%	0.873	3.7%	0.014	1.7%	0.072	-0.6%
12-point fit	0.153	-2.7%	0.234	-0.6%	0.818	19.3%	0.937	2.3%	0.539	16.1%	0.673	1.7%
8-point fit	0.087	-3.0%	0.389	0.8%	0.757	24.3%	0.846	2.4%	0.449	20.6%	0.925	3.2%
4-point fit	0.938	-20.3%	0.045	-0.4%	0.218	-2.9%	0.419	1.9%	0.895	-22.6%	0.520	1.5%

^A Series 1 is based on USAA Group Minnesota data

^B Series 2 is based on USAA Group Countrywide data

USAA Group
Minnesota
Contents Forms
Credibility Weighted Loss Trend

	Series 1 Frequency ^A	Series 2 Frequency ^B	Cred-Weighted Frequency ^C	Series 1 Severity ^A	Series 2 Severity ^B	Cred-Weighted Severity ^C	Cred-Weighted Pure Premium
Current Cost Selection	0.930	0.949	0.946	1.060	1.041	1.044	0.988
Trended Cost Selection	1.000	1.000	1.000	1.060	1.026	1.031	1.031

Accident Year Ending (YYYYQ)	Loss Trend Factor						
	Current Cost Selection	Current Cost Period ^D	Current Cost Factor	Trended Cost Selection	Trended Cost Period ^E	Trended Cost Factor	Loss Trend Factor
	(1)	(2)	(3) = (1) ^ (2)	(4)	(5)	(6) = (4) ^ (5)	(7) = (3) * (6)
2014/1	0.988	4.000	0.953	1.031	2.126	1.067	1.017
2015/1	0.988	3.000	0.964	1.031	2.126	1.067	1.029
2016/1	0.988	2.000	0.976	1.031	2.126	1.067	1.041
2017/1	0.988	1.000	0.988	1.031	2.126	1.067	1.054
2018/1	0.988	0.000	1.000	1.031	2.126	1.067	1.067

^A Series 1 is based on USAA Group Minnesota data

^B Series 2 is based on USAA Group Countrywide data

^C USAA Group Minnesota is 15.6% credible based on 257 claims; used the Square Root method with a full credibility standard of 10,623 claims.

^D From the average date of loss in the respective accident year to 09/30/2017

^E From 09/30/2017 to the average date of loss in the effective period, 11/15/2019

USAA Group
Worldwide
All Forms Combined
Loss Adjustment Expense (LAE) Factors
As of 3/31/2018

Non-Catastrophe Loss Adjustment Expense Factor			
Accident Year Ending (YYYYQ) (1)	Ultimate Incurred Non-Catastrophe Losses (2)	Non-Catastrophe Loss Adjustment Expense (3)	Non-Catastrophe LAE Ratio (4) = (3) / (2)
20144	128,057,766	22,957,856	0.179
20154	133,861,664	23,426,103	0.175
20164	144,185,693	24,586,130	0.171
Weighted Average LAE Ratio			0.170
Selected Non-Catastrophe LAE Factor			1.170

Exhibit VII - Contents

USAA Group
 Minnesota
 Renters Contents Forms
Expected Net Severe Thunderstorm Catastrophe Provision Ratio

(1a) Expected Annual Gross Severe Thunderstorm CAT Losses ^A		85,774
(1b) Expected Recoveries ^A		3,567
(1c) Expected Ceded Premium		3,733
(1d) Expected Self Reinsurance ^A		4,842
(1e) Assessments		0
(1) Expected Annual Net Severe Thunderstorm Catastrophe Provision		90,781
(2) Projected Earned Premium at Present Rates for Latest AY		1,653,386
(3) Severe Thunderstorm Catastrophe Provision Ratio	= (1) / (2)	0.055
Selected Severe Thunderstorm Catastrophe Provision Ratio		0.055

^A Based on AIR Worldwide (AIR) methodology and assumptions;
 New losses and ceded premium are based on exposure levels as of 05/31/2017 and trended for TIV Growth.

USAA Group
Minnesota
Renters Contents Forms
Total Insured Value (TIV) Trend

Inforce Date (YYYYQ) (1)	Average TIV (2)	Annual Change (3)
20132	40,652	
20133	40,660	
20134	39,519	
20141	39,124	
20142	38,893	-4.3%
20143	38,332	-5.7%
20144	37,632	-4.8%
20151	37,159	-5.0%
20152	36,972	-4.9%
20153	36,327	-5.2%
20154	35,850	-4.7%
20161	35,576	-4.3%
20162	35,009	-5.3%
20163	34,535	-4.9%
20164	34,445	-3.9%
20171	34,303	-3.6%
20172	33,920	-3.1%
20173	33,748	-2.3%
20174	34,132	-0.9%
20181	33,752	-1.6%

Exponential Fit

	20-point	16-point	12-point	8-point	6-point
Exponential Trend:	-4.2%	-3.8%	-3.2%	-1.8%	-1.4%
R-squared:	0.967	0.946	0.902	0.798	0.580
Selected TIV Trend:	-2.0%				

USAA Group
Minnesota
Renters Contents Forms
Fixed and Variable Expense Provisions

		2016	2017	2-Year Straight Average	Selected
(1) Average General Expenses Per Earned Exposure ^A		1.69	2.03		
(2) Selected Annual Expense Trend ^B		2.0%	2.0%		
(3) Earned Trend Period ^C		3.378	2.378		
(4) Projected Average General Expenses Per Earned Exposure	= (1) * [1 + (2)] ^ (3)	1.81	2.13	1.97	1.97
(5) Average Other Acquisition Expense Per Written Exposure ^D		38.09	45.84		
(6) Selected Annual Expense Trend ^B		2.0%	2.0%		
(7) Written Trend Period ^E		2.874	1.874		
(8) Projected Average Other Acquisition Expense Per Written Exposure	= (5) * [1 + (6)] ^ (7)	40.32	47.57	43.95	43.95
(9) Average Licenses and Fees Expense Per Written Exposure ^F		0.24	0.26		
(10) Selected Annual Expense Trend ^B		2.0%	2.0%		
(11) Written Trend Period ^E		2.874	1.874		
(12) Projected Average Licenses and Fees Expense Per Written Exposure	= (9) * [1 + (10)] ^ (11)	0.25	0.27	0.26	0.26
(13) Total Projected Fixed Expenses	= (4) + (8) + (12)				46.18
(14) Average Projected Earned Premium at Present Rates for Latest AY ^G					116.12
(15) Projected Fixed Expense Provision	= (13) / (14)				0.398
(16) Commission and Brokerage		0.0%	0.0%	0.0%	0.0%
(17) Taxes ^H		1.9%	2.0%	2.0%	2.0%
(18) Profit and Contingencies Provision ^I					15.0%
(19) Total Variable Expenses	= (16) + (17) + (18)				17.0%
(20) Variable Permissible Loss and LAE Ratio	= 1 - (19)				83.0%

^A USAA Group Countrywide data

^B Please refer to Exhibit IX - Contents, Page 2 of 2

^C From the midpoint of the respective year to the average earned date in effective period, 11/15/2019

^D USAA Group Countrywide data; historical data adjusted to account for change in expense allocation procedures

^E From the midpoint of the respective year to the average written date in effective period, 05/15/2019

^F USAA Group Minnesota data

^G USAA Group Minnesota data for Contents Forms only

^H USAA Group Minnesota data as a percent of direct written premium

^I Please refer to Exhibit X - Contents

USAA Group
Countrywide
Calculation of Annual Expense Trend

(1) Employment Cost Index - Insurance Carriers and related, excluding incentive paid occupations ^A Annual Change over latest 2 years ending 3/31/2018	2.2%
(2) % of Total Acquisition and General Expenses used for Salaries and Employee Relations & Welfare ^B	49.7%
(3) Consumer Price Index, All Items Annual Change over latest 2 years ending 3/31/2018	2.1%
(4) Annual Expense Trend = {(1) * (2)} + [(3) * [1 - (2)]]	2.1%
Selected Annual Expense Trend	2.0%

^A U.S. Department of Labor

^B USAA Group Insurance Expense Exhibit, 2017

This exhibit is submitted in support of the underwriting profit and contingency provision included in the permissible loss ratio.

UNDERWRITING PROFIT AND CONTINGENCY PROVISION

The target underwriting profit and contingency provision needed to achieve our desired overall profit level is developed on Page 2 of this exhibit. The selected target rate of return is 9.0% on GAAP (Generally Accepted Accounting Principles) surplus.

The target underwriting return on an after-tax basis is derived by subtracting the after-tax investment rate of return on GAAP surplus from the target rate of return. This target underwriting rate of return is then adjusted to a before-tax basis, using the current corporate tax rate of 21.0%, and then divided by the premium-to-surplus ratio to yield the target underwriting profit and contingency provision.

The contingency provision is defined in Actuarial Standard of Practice (ASOP) No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*. A contingency provision of 2% is incorporated in the Underwriting Profit and Contingency Provision.

INVESTMENT RATE OF RETURN

The investment rate of return is determined by dividing the estimated investment earnings by the Countrywide Renters Contents allocation of USAA Group surplus. The estimated investment earnings are calculated by applying a selected after-tax rate of return to the total funds subject to investment.

The selected after-tax rate of return is a weighted average after-tax return, using the projected proportion of the portfolio held in each component as weight. The composition of the portfolio is projected for 2018 and 2019 and an after-tax return for each year is calculated.

USAA GROUP
MINNESOTA RENTERS CONTENTS
UNDERWRITING PROFIT AND CONTINGENCY PROVISION

A.	Target Rate of Return (% of GAAP Surplus)	9.0%
B.	Target Underwriting Rate of Return (% of GAAP Surplus)	
1.	Investment Rate of Return After Tax	3.1%
2.	Target Underwriting Return After Tax (A) - (B1)	5.9%
3.	Target Underwriting Return Before Tax (B2) / (1.00 - 0.21)	7.5%
C.	Target Underwriting Profit and Contingency Provision (% of Direct Earned Premium)	
1.	Direct Written Premium / GAAP Surplus Ratio	0.541
2.	Indicated Underwriting Profit Provision (B3) / (C1)	13.9%
3.	Selected Contingency Provision	2.0%
4.	Selected Target Underwriting Profit and Contingency Provision	15.0%

USAA Group
Minnesota
Renters Liability Forms
Indicated Rate Change
As of 3/31/2018

Accident Year Ending (YYYYQ) (1)	Earned Premium at Present Rates (2)	Premium Trend Factor ^A (3)	Projected Earned Premium at Present Rates (4) = (2) * (3)	Smoothed Developed Incurred Losses Excluding Catastrophes ^B (5)	Loss Trend Factor ^C (6)	Non-Catastrophe LAE Factor ^D (7)	Prospective Losses and LAE Excluding Catastrophes (8) = (5) * (6) * (7)	Prospective Loss and LAE Ratio Excluding Catastrophes (9) = (8) / (4)	Premium Weight (10) = (4) / Σ(4)	
20141	444,658	0.785	349,057	241,537	1.065	1.170	300,967	0.862	16.4%	
20151	476,478	0.807	384,518	171,111	1.065	1.170	213,213	0.554	18.1%	
20161	511,232	0.837	427,901	189,644	1.065	1.170	236,305	0.552	20.1%	
20171	534,948	0.879	470,220	323,452	1.065	1.170	403,037	0.857	22.1%	
20181	535,573	0.920	492,728	454,848	1.065	1.170	566,763	1.150	23.2%	
		(11)	Weighted Loss and LAE Ratio Excluding Catastrophes						0.810	
		(12)	Projected Fixed Expense Provision ^E						0.336	
		(13)	Total Loss, LAE & Fixed Expense Ratio					= (11) + (12)	1.146	
		(14)	Variable Permissible Loss and LAE Ratio ^E						0.879	
		(15)	Indicated Rate Level Change					= (13) / (14) - 1	30.4%	
		(16)	Proposed Rate Level Change						20.0%	

^A Please refer to Exhibit II - Liability

^B Please refer to Exhibit III - Liability

^C Please refer to Exhibit V - Liability, Page 2 of 2

^D Please refer to Exhibit VI - Liability

^E Please refer to Exhibit VII - Liability, Page 1 of 2

USAA Group
Minnesota
Renters Liability Forms
Premium Trend

Accident Year Ending (YYYYQ) (1)	Average Written Premium at Present Rates (2)	Annual Change (3)	Average Earned Premium at Present Rates (4)	Current Premium Trend Factor (5) <small>= Latest (2) / (4)</small>
20132	44.49		45.43	0.817
20133	44.12		44.96	0.825
20134	43.84		44.54	0.833
20141	43.51		44.21	0.839
20142	43.32	-2.6%	43.88	0.845
20143	42.92	-2.7%	43.58	0.851
20144	42.67	-2.7%	43.31	0.857
20151	42.55	-2.2%	43.02	0.862
20152	42.06	-2.9%	42.72	0.868
20153	41.32	-3.7%	42.34	0.876
20154	41.00	-3.9%	41.91	0.885
20161	40.60	-4.6%	41.49	0.894
20162	40.05	-4.8%	41.02	0.904
20163	39.51	-4.4%	40.55	0.915
20164	38.95	-5.0%	40.06	0.926
20171	38.44	-5.3%	39.52	0.939
20172	37.95	-5.2%	38.95	0.953
20173	37.54	-5.0%	38.49	0.964
20174	37.31	-4.2%	38.09	0.974
20181	37.10	-3.5%	37.76	0.983

	Exponential Fit					
	20-point	16-point	12-point	8-point	6-point	4-point
Exponential Trend:	-4.0%	-4.4%	-4.6%	-4.4%	-3.9%	-2.9%
R-squared:	0.983	0.991	0.992	0.979	0.971	0.974
Selected Premium Trend:	-4.0%					

Accident Year Ending (YYYYQ) (1)	Current Premium Trend Factor (2)	Premium Trend Selection (3)	Trend Period ^A (4)	Projected Premium Trend Factor (5) <small>= [1+(3)] ^ (4)</small>	Premium Trend Factor (6) <small>= (2) * (5)</small>
20141	0.839	-4.0%	1.622	0.936	0.785
20151	0.862	-4.0%	1.622	0.936	0.807
20161	0.894	-4.0%	1.622	0.936	0.837
20171	0.939	-4.0%	1.622	0.936	0.879
20181	0.983	-4.0%	1.622	0.936	0.920

^A From the average written date in the most recent accident year, 9/30/2017 to the average written date in the effective period, 5/15/2019

USAA Group
Minnesota
Renters Liability Forms
Large Loss Adjustment
As of 3/31/2018

Accident Year Ending (YYYYQ) (1)	Average Amount of Insurance As of 6/30 (2)	Large Loss Cutoff Amount (3)	Incurring Losses Net Sal Sub Excluding Catastrophes (4)	Developed Incurred Losses Net Sal Sub Excluding Catastrophes A (5)	Loss Development Factor (6)	Large Losses (7)	Developed Large Losses (8)	Number of Excess Losses (9)	Excess Losses (10)	Normal Losses (11)	Excess Ratio (12)	Weighted Average Excess Ratio (13)	Smoothed Developed Incurred Losses Net Sal Sub Excluding Catastrophes (14)
		= 0.45 * (2)			= (5) / (4)		= (7) * (6)		= (8) - (9) * (3)	= (5) - (10)	= (10) / (11)	= Σ(10) / Σ(11)	= (11) * [Selected Factor]
20091	195,441	87,949	134,696	134,696	1.000	100,000	100,000	1	12,051	122,645	0.098		143,739
20101	209,342	94,204	48,438	48,438	1.000	0	0	0	0	48,438	0.000		56,769
20111	191,213	86,046	77,082	77,082	1.000	0	0	0	0	77,082	0.000		90,340
20121	178,157	80,171	19,167	19,167	1.000	0	0	0	0	19,167	0.000		22,464
20131	169,871	76,442	113,737	113,737	1.000	0	0	0	0	113,737	0.000		133,300
20141	163,641	73,638	296,155	296,155	1.000	237,343	237,343	2	90,066	206,089	0.437		241,537
20151	158,408	71,284	179,716	179,716	1.000	105,000	105,000	1	33,716	145,999	0.231		171,111
20161	156,312	70,340	196,472	196,472	1.000	105,000	105,000	1	34,660	161,812	0.214		189,644
20171	155,532	69,989	293,065	297,167	1.014	158,938	161,163	2	21,184	275,983	0.077		323,452
20181	157,019	70,659	418,888	464,128	1.108	196,165	217,350	2	76,033	388,095	0.196		454,848
									267,711	1,559,047		0.172	
Selected Average Excess Factor												1.172	

^A Please refer to Exhibit IV - Liability

USAA Group
Minnesota
Renters Liability Forms
Loss Development
As of 3/31/2018

ALL PERILS COMBINED

Incurred Losses Net Sal Sub Excluding Catastrophes

Accident Year Ending (YYYYQ)	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months
20061	10,569	13,191	13,191	13,191	13,191	13,191	13,191	13,191
20071	13,045	3,785	3,785	6,285	6,285	6,285	6,285	6,285
20081	14,105	19,636	19,636	20,362	20,362	20,362	20,362	20,362
20091	64,352	134,697	134,696	134,696	134,696	134,696	134,696	134,696
20101	43,715	42,938	42,938	48,438	48,438	48,438	48,438	48,438
20111	70,460	72,082	72,082	77,082	77,082	77,082	77,082	77,082
20121	28,262	19,167	19,167	19,167	19,167	19,167	19,167	19,167
20131	75,781	79,080	113,237	113,237	113,237	113,737		
20141	225,102	288,020	296,155	296,155	296,155			
20151	152,273	179,716	179,716	179,716				
20161	208,775	193,775	196,472					
20171	277,719	293,065						
20181	418,888							

Age-to-Age Factors

Accident Year Ending	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months
20061	1.248	1.000	1.000	1.000	1.000	1.000	1.000
20071	0.290	1.000	1.661	1.000	1.000	1.000	1.000
20081	1.392	1.000	1.037	1.000	1.000	1.000	1.000
20091	2.093	1.000	1.000	1.000	1.000	1.000	1.000
20101	0.982	1.000	1.128	1.000	1.000	1.000	1.000
20111	1.023	1.069	1.000	1.000	1.000	1.000	1.000
20121	0.678	1.000	1.000	1.000	1.000	1.000	
20131	1.044	1.432	1.000	1.000	1.004		
20141	1.280	1.028	1.000	1.000			
20151	1.180	1.000	1.000				
20161	0.928	1.014					
20171	1.055						

Average Age-to-Age Factors

Latest 3-Year	1.054	1.014	1.000	1.000	1.001	1.000	1.000
Latest 4-Year	1.111	1.119	1.000	1.000	1.001	1.000	1.000
Latest 5-Year	1.097	1.095	1.000	1.000	1.001	1.000	1.000
Latest 3-of-5-Year	1.093	1.014	1.000	1.000	1.000	1.000	1.000
Selected Factors	1.093	1.014	1.000	1.000	1.000	1.000	1.000

Method

Latest 3-out-of-5-Year

Selected Age-to-Ultimate Factors

12 to 96 Months	24 to 96 Months	36 to 96 Months	48 to 96 Months	60 to 96 Months	72 to 96 Months	84 to 96 Months
1.108	1.014	1.000	1.000	1.000	1.000	1.000

Estimated Ultimate Incurred Losses

ALL PERILS COMBINED

Accident Year Ending (A)	Incurred Losses Net Sal Sub Excluding Catastrophes As of 3/31/2018 (B)	Selected Age-to-Ultimate Factor (C)	Selected Ultimate Loss (D) = (B) * (C)
20111	77,082	1.000	77,082
20121	19,167	1.000	19,167
20131	113,737	1.000	113,737
20141	296,155	1.000	296,155
20151	179,716	1.000	179,716
20161	196,472	1.000	196,472
20171	293,065	1.014	297,167
20181	418,888	1.108	464,128

Exhibit V - Liability
Page 1 of 2

USAA Group
Countrywide
Liability Forms
Paid Losses Excluding Catastrophes

Year Ending Quarter	Calendar Year		Calendar Year		Calendar Year	
	Paid Frequency	Annual Change	Paid Severity	Annual Change	Paid Pure Premium	Annual Change
2013/2	0.0039		4,079		16.07	
2013/3	0.0040		4,186		16.77	
2013/4	0.0040		4,170		16.83	
2014/1	0.0041		3,859		15.84	
2014/2	0.0041	4.4%	3,775	-7.5%	15.53	-3.4%
2014/3	0.0041	2.9%	3,902	-6.8%	16.08	-4.1%
2014/4	0.0041	2.1%	4,195	0.6%	17.29	2.7%
2015/1	0.0041	-1.2%	4,405	14.1%	17.85	12.7%
2015/2	0.0039	-4.5%	4,584	21.4%	18.01	16.0%
2015/3	0.0038	-7.4%	4,479	14.8%	17.10	6.3%
2015/4	0.0038	-8.6%	4,317	2.9%	16.25	-6.0%
2016/1	0.0037	-7.8%	4,124	-6.4%	15.42	-13.6%
2016/2	0.0038	-4.2%	3,929	-14.3%	14.79	-17.9%
2016/3	0.0038	-0.8%	3,970	-11.4%	15.04	-12.0%
2016/4	0.0037	-0.4%	4,075	-5.6%	15.28	-6.0%
2017/1	0.0038	0.7%	4,424	7.3%	16.65	8.0%
2017/2	0.0038	0.8%	4,603	17.1%	17.46	18.1%
2017/3	0.0038	-0.1%	4,518	13.8%	17.11	13.7%
2017/4	0.0038	1.2%	4,461	9.5%	16.93	10.8%
2018/1	0.0037	-1.1%	4,315	-2.5%	16.06	-3.5%
Exponential Fits	R-squared Value	Annualized Change	R-squared Value	Annualized Change	R-squared Value	Annualized Change
20-point fit	0.646	-2.1%	0.227	2.0%	0.001	-0.1%
16-point fit	0.672	-2.6%	0.193	2.3%	0.004	-0.3%
12-point fit	0.250	-0.8%	0.015	0.8%	0.000	0.0%
8-point fit	0.019	-0.2%	0.567	7.9%	0.506	7.7%
4-point fit	0.590	-2.2%	0.960	-7.9%	0.899	-9.9%

USAA Group
Countrywide
Liability Forms
Loss Trend

	Frequency	Severity	Pure Premium
Current Cost Selection	0.980	1.020	1.000
Trended Cost Selection	1.000	1.030	1.030

Accident Year Ending (YYYYQ)	Countrywide Loss Trend Factor						
	Current Cost Selection	Current Cost Period ^A	Current Cost Factor	Trended Cost Selection	Trended Cost Period ^B	Trended Cost Factor	Loss Trend Factor
	(1)	(2)	(3) = (1) ^ (2)	(4)	(5)	(6) = (4) ^ (5)	(7) = (3) * (6)
2014/1	1.000	4.000	1.000	1.030	2.126	1.065	1.065
2015/1	1.000	3.000	1.000	1.030	2.126	1.065	1.065
2016/1	1.000	2.000	1.000	1.030	2.126	1.065	1.065
2017/1	1.000	1.000	1.000	1.030	2.126	1.065	1.065
2018/1	1.000	0.000	1.000	1.030	2.126	1.065	1.065

^A From the average date of loss in the respective accident year to 09/30/2017

^B From 09/30/2017 to the average date of loss in the effective period, 11/15/2019

USAA Group
Worldwide
All Forms Combined
Loss Adjustment Expense (LAE) Factors
As of 3/31/2018

Non-Catastrophe Loss Adjustment Expense Factor			
Accident Year Ending (YYYYQ) (1)	Ultimate Incurred Non-Catastrophe Losses (2)	Non-Catastrophe Loss Adjustment Expense (3)	Non-Catastrophe LAE Ratio (4) = (3) / (2)
20144	128,057,766	22,957,856	0.179
20154	133,861,664	23,426,103	0.175
20164	144,185,693	24,586,130	0.171
Weighted Average LAE Ratio			0.170
Selected Non-Catastrophe LAE Factor			1.170

USAA Group
Minnesota
Renters Liability Forms
Fixed and Variable Expense Provisions

		2016	2017	2-Year Straight Average	Selected
(1) Average General Expenses Per Earned Exposure ^A		0.43	0.51		
(2) Selected Annual Expense Trend ^B		2.0%	2.0%		
(3) Earned Trend Period ^C		3.378	2.378		
(4) Projected Average General Expenses Per Earned Exposure	= (1) * [1 + (2)] ^ (3)	0.46	0.53	0.50	0.50
(5) Average Other Acquisition Expense Per Written Exposure ^D		9.60	11.61		
(6) Selected Annual Expense Trend ^B		2.0%	2.0%		
(7) Written Trend Period ^E		2.874	1.874		
(8) Projected Average Other Acquisition Expense Per Written Exposure	= (5) * [1 + (6)] ^ (7)	10.16	12.05	11.11	11.11
(9) Average Licenses and Fees Expense Per Written Exposure ^F		0.07	0.07		
(10) Selected Annual Expense Trend ^B		2.0%	2.0%		
(11) Written Trend Period ^E		2.874	1.874		
(12) Projected Average Licenses and Fees Expense Per Written Exposure	= (9) * [1 + (10)] ^ (11)	0.07	0.07	0.07	0.07
(13) Total Projected Fixed Expenses	= (4) + (8) + (12)				11.68
(14) Average Projected Earned Premium at Present Rates for Latest AY ^G					34.74
(15) Projected Fixed Expense Provision	= (13) / (14)				0.336
(16) Commission and Brokerage		0.0%	0.0%	0.0%	0.0%
(17) Taxes ^H		1.9%	2.0%	2.0%	2.0%
(18) Profit and Contingencies Provision ^I					10.1%
(19) Total Variable Expenses	= (16) + (17) + (18)				12.1%
(20) Variable Permissible Loss and LAE Ratio	= 1 - (19)				87.9%

^A USAA Group Countrywide data

^B Please refer to Exhibit VIII - Liability, Page 2 of 2

^C From the midpoint of the respective year to the average earned date in effective period, 11/15/2019

^D USAA Group Countrywide data; historical data adjusted to account for change in expense allocation procedures

^E From the midpoint of the respective year to the average written date in effective period, 05/15/2019

^F USAA Group Minnesota data

^G USAA Group Minnesota data for Liability Forms only

^H USAA Group Minnesota data as a percent of direct written premium

^I Please refer to Exhibit VIII - Liability

USAA Group
Countrywide
Calculation of Annual Expense Trend

(1) Employment Cost Index - Insurance Carriers and related, excluding incentive paid occupations ^A Annual Change over latest 2 years ending 3/31/2018	2.2%
(2) % of Total Acquisition and General Expenses used for Salaries and Employee Relations & Welfare ^B	49.7%
(3) Consumer Price Index, All Items Annual Change over latest 2 years ending 3/31/2018	2.1%
(4) Annual Expense Trend = {(1) * (2)} + [(3) * [1 - (2)]]	2.1%
Selected Annual Expense Trend	2.0%

^A U.S. Department of Labor

^B USAA Group Insurance Expense Exhibit, 2017

This exhibit is submitted in support of the underwriting profit and contingency provision included in the permissible loss ratio.

UNDERWRITING PROFIT AND CONTINGENCY PROVISION

The target underwriting profit and contingency provision needed to achieve our desired overall profit level is developed on Page 2 of this exhibit. The selected target rate of return is 9.0% on GAAP (Generally Accepted Accounting Principles) surplus.

The target underwriting return on an after-tax basis is derived by subtracting the after-tax investment rate of return on GAAP surplus from the target rate of return. This target underwriting rate of return is then adjusted to a before-tax basis, using the current corporate tax rate of 21.0%, and then divided by the premium-to-surplus ratio to yield the target underwriting profit and contingency provision.

The contingency provision is defined in Actuarial Standard of Practice (ASOP) No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*. A contingency provision of 2% is incorporated in the Underwriting Profit and Contingency Provision.

INVESTMENT RATE OF RETURN

The investment rate of return is determined by dividing the estimated investment earnings by the Countrywide Renters Liability allocation of USAA Group surplus. The estimated investment earnings are calculated by applying a selected after-tax rate of return to the total funds subject to investment.

The selected after-tax rate of return is a weighted average after-tax return, using the projected proportion of the portfolio held in each component as weight. The composition of the portfolio is projected for 2018 and 2019 and an after-tax return for each year is calculated.

Exhibit VIII - Liability

Page- 2

USAA GROUP
MINNESOTA RENTERS LIABILITY
UNDERWRITING PROFIT AND CONTINGENCY PROVISION

A.	Target Rate of Return (% of GAAP Surplus)	9.0%
B.	Target Underwriting Rate of Return (% of GAAP Surplus)	
1.	Investment Rate of Return After Tax	5.5%
2.	Target Underwriting Return After Tax (A) - (B1)	3.5%
3.	Target Underwriting Return Before Tax (B2) / (1.00 - 0.21)	4.4%
C.	Target Underwriting Profit and Contingency Provision (% of Direct Earned Premium)	
1.	Direct Written Premium / GAAP Surplus Ratio	0.541
2.	Indicated Underwriting Profit Provision (B3) / (C1)	8.1%
3.	Selected Contingency Provision	2.0%
4.	Target Underwriting Profit and Contingency Provision (C2) + (C3)	10.1%

State: **MINNESOTA**
 Line of Business: **RENTERS**
 Effective: **JUNE 20, 2021 (NEW BUSINESS)**
SEPTEMBER 15, 2021 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Property Perils	699.09	812.24	740.17	806.16
Liability *	405.34	389.93	282.03	319.43

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.00	1.00	1.00	1.00
\$300,000	1.67	1.67	1.67	1.67
\$500,000	2.05	2.05	2.05	2.05
\$1,000,000	2.72	2.72	2.72	2.72

State: **MINNESOTA**
Line of Business: **RENTERS**
Effective: **JUNE 20, 2021 (NEW BUSINESS)**
SEPTEMBER 15, 2021 (RENEWAL BUSINESS)
Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Protective Device Discount

USAA GROUP	Property Perils	Liability	Optional Coverages
Monitored Burglar Alarm	0.92	--	--
Monitored Fire Alarm	0.92	--	--
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structures	0.95	--	--

Claims Free Discount

USAA GROUP	Tenure	Property Perils	Liability	Optional Coverages
	Less than 1 year	0.96	0.96	0.96
	1 - 2 years	0.81	0.81	0.81
	2 - 3 years	0.78	0.78	0.78
	3 years or more	0.76	0.76	0.76

Claims Activity Surcharge

USAA GROUP	Tenure	Number of Prior Claims*	Property Perils	Liability	Optional Coverages
Less than 1 year		0	1.00	1.00	1.00
		1	1.32	1.32	1.32
		2	2.06	2.06	2.06
1 - 2 years		0	1.00	1.00	1.00
		1	1.20	1.20	1.20
		2	1.76	1.76	1.76
2 - 3 years		0	1.00	1.00	1.00
		1	1.10	1.10	1.10
		2	1.50	1.50	1.50
3 years or more		0	1.00	1.00	1.00
		1	1.04	1.04	1.04
		2	1.36	1.36	1.36

for each add'l claim above 2 add:

Tenure	Property Perils	Liability	Optional Coverages
Less than 1 year	0.74	0.74	0.74
1 - 2 years	0.56	0.56	0.56
2 - 3 years	0.40	0.40	0.40
3 years or more	0.32	0.32	0.32

On-Base Discount

USAA GROUP	Property Perils	Liability	Optional Coverages
	0.72	0.72	0.72

State: **MINNESOTA**
 Line of Business: **RENTERS**
 Effective: **JUNE 20, 2021 (NEW BUSINESS)**
 SEPTEMBER 15, 2021 (RENEWAL BUSINESS)
 Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
 USAA CASUALTY INSURANCE COMPANY
 USAA GENERAL INDEMNITY COMPANY
 GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

DISCOUNTS AND SURCHARGES

Auto and Renters Combination Discount
USAA GROUP

<u>Territory</u>	<u>Property Perils</u>	<u>Liability</u>	<u>Optional Coverages</u>
1	0.90	0.90	0.90
2	0.90	0.90	0.90
3	0.90	0.90	0.90
4	0.90	0.90	0.90

State: **MINNESOTA**
Line of Business: **RENTERS**
Effective: **DECEMBER 1, 2019 (NEW BUSINESS)**
DECEMBER 1, 2019 (RENEWAL BUSINESS)
Companies: **UNITED SERVICES AUTOMOBILE ASSOCIATION**
USAA CASUALTY INSURANCE COMPANY
USAA GENERAL INDEMNITY COMPANY
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY

BASE RATES AND LIABILITY INCREASED LIMIT FACTORS

BASE RATES

<u>Peril</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
Property Perils	698.25	811.67	739.28	805.60
Liability *	404.82	389.68	281.69	319.22

* Base limits are \$100,000 Liability and \$5,000 Medical Payments to Others

LIABILITY INCREASED LIMIT FACTORS

<u>Liability Limit</u>	<u>USAA</u>	<u>USAA-CIC</u>	<u>USAA-GIC</u>	<u>Garrison</u>
\$100,000	1.00	1.00	1.00	1.00
\$300,000	1.67	1.67	1.67	1.67
\$500,000	2.05	2.05	2.05	2.05
\$1,000,000	2.72	2.72	2.72	2.72