

## **DWELLING COVERAGE -- BROAD FORM**

The following Table of Contents shows how this Dwelling Coverage is organized. It will help "you" locate particular sections of this form.

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Additional provisions are found in Form FO-20.

Endorsements and schedules may also be part of this policy. They are identified on the "declarations".

Refer to the Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks.

### **AGREEMENT**

In return for "your" payment of the required premium, "we" provide the coverages described herein subject to all the "terms".

## DEFINITIONS

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1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.
2. The words "we", "us", and "our" mean the company providing this insurance.
3. "Business" means a trade, a profession, or an occupation including farming, all whether full or part time. This includes the rental of property to others. It does not include the occasional rental for residential purposes of the part of the "insured premises" normally occupied solely by "your" household.

"Business" includes services regularly provided by an "insured" for the care of others and for which an "insured" is compensated. A mutual exchange of like services is not considered compensation.
4. "Declarations" are all pages labeled Declarations, Supplemental Declarations, or Schedules which pertain to this policy.
5. "Insured" means:
  - a. "you";
  - b. "your" relatives if residents of "your" household; and
  - c. persons under the age of 21 residing in "your" household and in "your" care or in the care of "your" resident relatives.
6. "Insured premises" means the location shown on the "declarations".
7. "Limit" means the amount of coverage that applies.

8. "Motorized vehicle" means a self-propelled land or amphibious vehicle regardless of method of surface contact.

This does not include vehicles that are designed and used to assist the handicapped and are not required to be licensed for road use.

9. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
10. "Residence" means a one- to four-family house, a townhouse, a row house, or a one- or two-family mobile home used mainly for family residential purposes.
11. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions used in this policy.

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## PROPERTY COVERAGES

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### PRINCIPAL PROPERTY COVERAGES

Each Principal Property Coverage applies only if a "limit" is shown on the "declarations".

#### Coverage A -- Residence

1. "We" cover the "residence" on the "insured premises". This includes additions and built-in components and fixtures, as well as building materials and supplies located on the "insured premises" for use in the construction, alteration, or repair of the "residence".

2. **Outdoor Antennas** -- "We" also cover outdoor antennas attached to the covered "residence". This includes satellite dish antennas and masts, towers, and lead-in wiring.

The most "we" pay is \$250 per occurrence unless a higher "limit" is shown on the "declarations". This does not increase the Coverage A "limit".

3. **Property Not Covered** -- "We" do not cover:

- a. land, including the land on which covered property is located; trees, plants, shrubs, or lawns; private power, light, or electric poles; or wells or well pumps, except as provided under the Supplemental Property Coverages;
- b. underground water or surface water; or
- c. irrigation systems.

#### Coverage B -- Related Private Structures

1. "We" cover related private structures on the "insured premises" which are not attached to "your" "residence". Structures that are connected to "your" "residence" by only a fence, a utility line, or a similar connection are not considered attached.

"We" cover fences, driveways, sidewalks, and other permanently installed outdoor fixtures that are within 250 feet of the "residence" covered under Coverage A.

"We" cover building materials and supplies located on the "insured premises" for use in construction of or to a related private structure covered under Coverage B.

2. **Outdoor Antennas** -- "We" also cover outdoor antennas attached to a covered private structure. This includes satellite dish antennas and masts, towers, and lead-in wiring.

The most "we" pay is \$250 per occurrence unless a higher "limit" is shown on the "declarations". This does not increase the Coverage B "limit".

3. **Property Not Covered** -- "We" do not cover:

- a. land, including the land on which covered property is located; trees, plants, shrubs, or lawns; private power, light, or electric poles; or wells or well pumps, except as provided under the Supplemental Property Coverages;
- b. underground water or surface water;
- c. irrigation systems;
- d. barns or other structures designed or used for farming; or
- e. other structures designed or used for "business" purposes other than farming. However, this does not apply to structures:
  - 1) rented to a tenant of the "residence" on the "insured premises" and not used for "business"; or
  - 2) used solely for private garage purposes.

#### Coverage C -- Personal Property

1. "We" cover personal property owned by or in the care of an "insured". Coverage for personal property usually on residential premises of an "insured" other than the "insured premises" is limited to 10% of the Coverage C "limit".
2. "We" cover personal property in a newly acquired principal place of residence. The full Coverage C "limit" applies for 30 days from the date "you" begin to move. After that, coverage for personal property in a newly acquired principal place of residence is limited to 10% of the Coverage C "limit". This coverage does not extend past the date on which the policy expires or the date on which the policy is terminated.

3. At "your" option, personal property owned by a guest or domestic employee is covered while it is in that part of residential premises occupied by an "insured".
  4. **Limitations on Certain Property** -- The special "limits" shown below do not increase the Coverage C "limit" shown on the "declarations" or the "limit" shown above for personal property usually on residential premises of an "insured" other than the "insured premises". The "limit" for each class is the total "limit" per occurrence for all items in that class.
    - a. \$100 on money, bank notes, bullion, gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum, and numismatic property.
    - b. \$500 on securities, stamps, letters of credit, notes other than bank notes, personal records, tickets, accounts, deeds, evidence of debt, passports, and manuscripts. This special "limit" applies regardless of the medium on which these items exist, and includes the cost of research or other expenses necessary to reproduce, replace, or restore the item.
    - c. \$500 on watercraft including their trailers, furnishings, equipment, and engines or motors.
    - d. \$500 on trailers not otherwise provided for.
    - e. \$1,000 on sports equipment. This includes but is not limited to golf equipment, bicycles, camping equipment, climbing gear, and similar property.
    - f. \$1,000 on fine art, such as works of art, rare articles, or articles of historic value or artistic merit. This includes but is not limited to paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antiques, rare books, porcelains, rare glass, and bric-a-brac.
  - g. For loss by theft, misplacing, or losing:
    - 1) \$500 on jewelry, watches, precious and semiprecious stones, and gems;
    - 2) \$500 on furs;
    - 3) \$500 on silverware, goldware, pewterware, and items plated with gold or silver; and
    - 4) \$1,000 on guns and items related to guns.
  - h. \$1,000 on "motorized vehicles" used to maintain the "residence" and the grounds immediately surrounding the "residence" and not designed or licensed for use on public roads.
  - i. \$1,000 on grave markers and mausoleums.
  - j. \$500 on computer hardware and software, meaning:
    - 1) a machine or network of machines, including related peripheral equipment, capable of accepting information and processing it according to a plan or program;
    - 2) processing, recording, and storage media used for electronic data processing operations, including films, tapes, cards, discs, drums, cartridges, and cells; and
    - 3) operating systems and programs, instructions, and applications stored on processing, recording, or storage media and used for electronic data processing operations.
5. **Personal Property Not Covered** -- "We" do not cover:
    - a. property covered by scheduled insurance;
    - b. animals, birds, fish, or insects;

- c. "motorized vehicles", other than those covered under item h. above under Limitations on Certain Property. This includes:
  - 1) their parts, equipment, and accessories; and
  - 2) electronic devices, accessories, or antennas that can be operated from the electrical system of a "motorized vehicle" including films, tapes, wires, discs, records, or other media for use with such devices,

while in or on a "motorized vehicle".
- d. aircraft, including their parts and equipment. This does not include model aircraft which is not designed or used to carry people or cargo;
- e. property of roomers or boarders who are not "insureds";
- f. underground water, or surface water;
- g. loss that results from credit or debit cards, except as provided under the Supplemental Property Coverages;
- h. land, including the land on which covered property is located; trees, plants, shrubs, or lawns; private power, light, or electric poles; or wells or well pumps, except as provided under the Supplemental or Incidental Property Coverages; or
- i. property used, in whole or in part, for "business" purposes. This does not apply to property covered under item j. above under Limitations on Certain Property.

**Coverage D -- Additional Living Costs and Loss of Rent**

"We" pay the necessary and reasonable increase in living costs "you" incur to maintain the normal standard of living of "your" household if a part of the "insured premises" occupied by "your" household is made unfit for use by an insured loss. "We" pay only for the period of time reasonably required to make the "insured premises" fit for use or until "your" household is permanently relocated, whichever is less. This period of time is not limited by the policy period.

"We" pay for the rent "you" lose or the fair rental value if the part of the "residence" rented or held for rental to others is made unfit for use by an insured loss. "We" pay only for the period of time reasonably required to make the "residence" fit for use or until "your" household is permanently relocated, whichever is less. Loss of rent is the amount "you" would have received less the charges and expenses that do not continue while the "residence" is unfit for use. This period of time is not limited by the policy period.

"We" pay "your" additional living costs and loss of rent or fair rental value as described above for up to 14 days if a premises neighboring the "insured premises" is damaged from a peril insured against by this policy and "you" may not, by order of civil authority, use the "insured premises". This is not limited by the policy period.

"We" do not pay for loss of rent or costs due to the cancellation of a lease or an agreement.

**INCIDENTAL PROPERTY COVERAGES**

This policy provides the following Incidental Property Coverages. They are subject to all of the "terms" of the applicable Coverages A, B, or C. These coverages provide additional insurance unless otherwise stated.

1. **Emergency Removal** -- "We" pay for direct physical loss to property covered under Coverages A, B, or C that is moved from a premises to prevent a loss from perils insured against. The property is covered for up to 30 days, however this coverage does not extend past the date on which this policy expires.

"We" pay up to \$250 towing charge to move a covered mobile home that is in danger from a peril insured against.

This coverage does not increase the "limits" shown for the property being removed. The General Exclusions do not apply to this coverage, however "we" do not pay any "insured" for loss which results from any act committed by or at the direction of any "insured" with the intent to cause a loss.

2. **Debris Removal** -- "We" pay for the cost to remove the debris of property covered under Coverages A, B, or C after a loss. The loss must be caused by a peril that applies to the damaged property. "We" also pay for the cost to remove volcanic ash, dust, or particulate matter that causes direct physical loss to property covered under Coverages A, B, or C.

"You" may apply up to 10% of the amount "we" pay for direct physical loss to the damaged property to cover debris removal costs. "We" will not pay more for direct physical loss to property and debris removal combined than the "limit" that applies to the damaged property.

However, when the covered loss plus the cost of debris removal is more than the applicable "limit", "we" will pay up to an extra 5% of the applicable "limit" to cover the cost of debris removal.

This coverage does not include any cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "pollutants".

"We" also pay the cost to remove fallen trees which:

- a. cause damage to property covered under Coverages A, B, or C; or
  - b. obstruct access to a driveway on the "insured premises";
- if the falling of the tree is caused by a peril insured against under Coverage C and coverage is not provided elsewhere by this policy.

Regardless of the number of fallen trees, the most "we" will pay is \$500 per occurrence.

3. **Collapse** -- "We" pay for direct physical loss to property covered under Coverages A, B, and C involving the collapse of a building or a part of a building caused by the following:

- a. any of the perils insured against described under Coverage C;
- b. hidden insect or vermin damage or hidden decay;
- c. weight of contents or people;
- d. weight of rain which collects on a roof; or
- e. the use of defective materials or methods in construction or repair if the collapse occurs during the course of construction or repair.

Under b. through e. above, unless the loss is the direct result of the collapse of a building, "we" do not pay for loss to awnings; swimming pools; fences; patios; paved areas; retaining walls; bulkheads; foundations; wharves; docks; piers; underground pipes, flues, and drains; cesspools; or septic tanks.

Collapse does not mean settling, cracking, shrinking, bulging, or expanding. This coverage does not increase the "limits" shown for the property covered.

Under the General Exclusions, the exclusion for Errors, Omissions, and Defects does not apply to this coverage.

4. **Glass Breakage** -- "We" pay for breakage of glass that is part of a structure. "We" pay to replace the damaged glass with safety glazing materials if required by code, ordinance, or law. "We" also pay for direct physical loss to covered property which is damaged by the breakage of glass that is part of a structure. However, "we" do not pay for loss on the "insured premises" if the "residence" is vacant for more than 30 days in a row just before the loss. A "residence" being built is not vacant.

This coverage does not increase the "limits" shown for the property covered.

5. **Reward** -- When loss caused by arson, theft, or vandalism is covered by this policy, "we" will pay up to \$1,000 to the first person who provides information that leads to the arrest and conviction of a person or persons who committed the act that caused the loss.

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## PERILS SECTION -- COVERAGES A, B, C, AND D

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We insure against direct physical loss to property covered under Coverages A, B, or C caused by the following perils, unless the loss is excluded under the General Exclusions:

1. **Fire or Lightning**
2. **Windstorm or Hail** -- However, "we" do not pay for loss:
  - a. to the interior of a structure, or to property inside, caused by dust, rain, sand, sleet, snow, or water, all whether driven by wind or not, which enter through an opening not made by the direct force of wind or hail; or
  - b. to watercraft and their trailers, furnishings, equipment, and motors unless inside a fully enclosed building. "We" do cover canoes and rowboats while on the "insured premises".

3. **Explosion**
4. **Riot or Civil Commotion**
5. **Aircraft**
6. **Vehicles** -- However, "we" do not pay for loss to fences, driveways, and walks caused by a vehicle owned or operated by an occupant of the "insured premises".
7. **Sudden and Accidental Damage from Smoke** -- However, "we" do not pay for loss caused by smoke from agricultural smudging or industrial operations.
8. **Sinkhole Collapse** -- This means direct physical loss caused by sudden settlement or collapse of earth supporting covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on a limestone or similar rock formation.

However, "we" do not cover the value of land or the cost of filling sinkholes.

9. **Volcanic Action** -- This means:
  - a. airborne volcanic blast or airborne shock waves;
  - b. ash, dust, or particulate matter; or
  - c. lava flow.
10. **Vandalism** -- However, "we" do not pay for loss on the "insured premises" if the "residence" is vacant for more than 30 days in a row just before the loss. A "residence" being built is not vacant.
11. **Theft** -- This includes attempted theft and loss of property from a known place when it is likely that theft occurred. However, "we" do not cover:

- a. theft by an "insured";
  - b. theft in or to a "residence" being built, or theft of materials and supplies for use in construction of the "residence", until the "residence" is occupied for its intended use;
  - c. loss of a precious or semiprecious stone from its setting;
  - d. loss that results from the theft of a credit or debit card, except as provided under Incidental Property Coverages;
  - e. theft from a part of the "residence" usually occupied solely by an "insured" while it is rented to others; or
  - f. theft that occurs away from the "insured premises" of:
    - 1) property while on the part of residential premises which an "insured" owns, rents, or occupies, except for the time while an "insured" temporarily resides there. "We" do cover the property of an "insured" who is a full-time student while it is in the living quarters occupied by the student at school;
    - 2) trailers and their equipment;
    - 3) campers or camper bodies; or
    - 4) watercraft and their furnishings, equipment, and motors.
- 12. Falling Objects** -- However, "we" do not pay for loss to:
- a. the inside of a structure, or to property inside, unless the falling object has first damaged an outside wall or the roof by impact; or
  - b. the object which falls.
- 13. Weight of Ice, Snow, or Sleet** which damages a structure or the property inside a structure. However, "we" do not pay for loss to:
- a. awnings or canopies and their supports; or
- b. swimming pools, retaining walls, fences, piers, wharves, foundations, patios, and paved areas.
- 14. Sudden and Accidental Tearing Apart, Cracking, Burning, or Bulging** of a heating, air-conditioning, or automatic sprinkling system or water heater. However, "we" do not pay for loss caused by freezing, except as provided under the peril of Freezing.
- 15. Accidental Discharge or Overflow of Liquids or Steam** from a plumbing, heating, air-conditioning, or automatic sprinkling system; water heater; or domestic appliance. However, "we" do not pay for loss:
- a. caused by continuous or repeated seepage or leakage;
  - b. caused by freezing, except as provided under the peril of Freezing;
  - c. on the "insured premises" caused by accidental discharge or overflow which comes from off the "insured premises";
  - d. if the "residence" has been vacant for more than 30 days in a row just before the loss. A "residence" being built is not vacant; or
  - e. to the system, heater, or appliance from which the liquid or steam escapes. ("We" do pay the reasonable cost of removing and replacing only those parts of the structure needed to repair the system, heater, or appliance.)
- In this peril, a plumbing system does not include a sump, sump pump, or related equipment.
- 16. Freezing** of a plumbing, heating, air-conditioning, or automatic sprinkling system; water heater; or domestic appliance. However, "we" do not pay for loss on the "insured premises" while the "residence" is vacant or unoccupied or under construction and unoccupied, unless "you" have taken reasonable care to:

- a. maintain heat in the building or mobile home; or
- b. shut off the liquid supply and drain the system, domestic appliance, or heater.

**17. Sudden and Accidental Damage from Artificially Generated Electrical Currents**

-- However, "we" do not pay for loss to:

- a. tubes, transistors, and similar electronic components;
- b. computer hardware or software caused by interruption of electrical power supply, power surge, blackout, or brownout if the cause of such interruption or disturbance took place more than 100 feet from the "insured premises"; or
- c. computer hardware or software caused by electrical injury, magnetic injury, disturbance of electronic recordings, or erasure of electronic recordings if the cause of such injury or disturbance took place more than 100 feet from the "insured premises".

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**LOSS SETTLEMENT PROVISIONS --  
COVERAGES A AND B**

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Subject to the "terms" shown under How Much We Pay For Loss or Claim, "we" settle losses to property covered under Coverages A and B according to the Replacement Cost Terms, the Actual Cash Value Terms, or the Self-Insured Retention Terms described below. An entry on the "declarations" specifies which of the loss settlement provisions applies.

Actual cash value means the cost to repair or replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation, however caused.

**1. Replacement Cost Terms --**

- a. In determining the replacement cost, do not include the cost of:
  - 1) excavations; brick, stone, or concrete foundations; piers; and other supports which are:
    - a) below the undersurface of the lowest basement floor; or
    - b) below the surface of the ground inside the foundation walls, if there is no basement; and
  - 2) underground flues, pipes, wiring, and drains.
- b. When the cost to repair or replace exceeds the lesser of \$2,500 or 5% of the "limit" on the damaged building, "we" do not pay for more than the actual cash value of the loss until repair or replacement is completed.

"You" may make a claim for the actual cash value of the loss before repairs are made. A claim for an additional amount payable under these "terms" must be made within six months after the loss.

- c. If the "limit" on the damaged building is less than 80% of its replacement cost at the time of loss, the larger of the following amounts is used in applying the "terms" under Our Limit:
  - 1) the actual cash value at the time of the loss; or
  - 2) that part of the replacement cost of the damaged part which "our" "limit" on the building bears to 80% of the full current replacement cost of the building.
- d. If the "limit" on the damaged building is at least 80% of its replacement cost at the time of loss, the smaller of the following amounts is used in applying the "terms" under Our Limit:

- 1) the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical; or
  - 2) the amount spent to repair or replace the damage.
2. **Actual Cash Value Terms** -- The smallest of the following amounts is used in applying the "terms" under Our Limit:
- a. the cost to repair or replace the property on the same premises with materials of like kind and quality to the extent practical;
  - b. the actual cash value of the property at the time of loss;
  - c. that proportion of the loss which the "limit" on the covered property bears to 80% of the actual cash value of the property at the time of loss; or
  - d. (applies only to mobile homes) the difference in the actual cash value just before the loss and the actual cash value just after the loss.
3. **Self-Insured Retention Terms** -- "You" agree to self-insure covered property up to the self-insurance percentage shown on the "declarations".

The following amount is used in applying the "terms" under Our Limit:

The cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical, multiplied by "our" percentage of the loss.

"Our" percentage of the loss is equal to 100% of the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical, minus the self-insurance percentage.

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## **LOSS SETTLEMENT PROVISIONS -- COVERAGE C**

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Subject to the "terms" shown under How Much We Pay For Loss or Claim, "we" settle losses according to the Actual Cash Value Terms.

Actual cash value means the cost to repair or replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation, however caused.

**Actual Cash Value Terms** -- The smaller of the following amounts is used in applying the "terms" under Our Limit:

1. the cost to repair or replace the property with materials of like kind and quality to the extent practical; or
2. the actual cash value of the property at the time of loss.