



Tower Hill Specialty

Post Office Box 147018
Gainesville, FL 32614-7018

ANTHONY JOHNSON
9209 EMNORA LANE
HOUSTON, TX 77080

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Tower Hill Specialty

Dear ANTHONY JOHNSON,

Thank you for choosing Tower Hill Specialty for your home insurance needs. Tower Hill Specialty is a subsidiary of Tower Hill Insurance Group, a trusted name for homeowners in the southeast since 1972.

Please refer to your enclosed policy declarations page for important details about your coverages. For quick reference, below is a summary of details about your policy and contact information.

| | |
|------------------------------|---|
| Your Policy Number | Y009332278 |
| Insurance Company | Tower Hill Prime Insurance Company |
| Policy Effective Date | July 31, 2020 |
| Your Insurance Agency | Fargo Insurance Agency LLC (281) 293-7971 Agency Code: TS4L20 |

For coverage questions or to request changes to your policy, please contact your agent.

HOW TO CONTACT TOWER HILL

THSpecialty.com Register your account online at THSpecialty.com/portal to:

- Access your Tower Hill policy documents
- Pay your bill
- Change your billing plan
- Report a claim and track its progress
- Go green and save time by selecting our eDocs option to receive your notifications by email.

888.795.7256 Call our Customer Service Center to report a claim, for help with payment plan options, or to make a phone payment.
Monday through Friday 8am to 6pm (ET)

844.TOWER.11 If your home has a covered loss and you need emergency services such as water extraction or roof tarping, contact CastleCare 24/7.
(844.869.3711)

Payments by Mail

When paying your bill by mail, please use the payment coupon and envelope included with your invoice.

Write the policy number in the memo field of your check. If you are sending a money order or cashier's check, include your name as listed on your policy.

Mail to: Tower Hill Specialty, Dept #3165, PO Box 2252,
Birmingham, AL 35246-3165

Correspondence

Mail to: Tower Hill Specialty, PO Box 147018
Gainesville, FL 32614-7018.

To learn more about Tower Hill Specialty, visit THSpecialty.com. A subsidiary of Tower Hill Insurance Group, Tower Hill Specialty offers homeowners, rental property (dwelling fire), condominium, and manufactured housing coverage.

We appreciate your business and assure you that our employees, in partnership with your insurance agent, will work tirelessly to deserve the trust you have placed in us.

To Protect Your Castle, Look to the Tower.

Tower Hill Specialty



Tower Hill Prime Insurance Company

P.O. Box 147018 Gainesville, FL 32614-7018
Administered by: Tower Hill Specialty, LLC

DWELLING PROPERTY DECLARATIONS

THIS IS NOT A BILL.

Payment notice will be sent separately to: Insured

**POLICY NUMBER
Y009332278**

New
Issued On:
08/01/2020

Insured
ANTHONY JOHNSON
9209 EMNORA LANE
HOUSTON, TX 77080

AGENCY TS4L20
Fargo Insurance Agency LLC
21211 FM 529 ROAD, SUITE 103
CYPRESS, TX 77433

PHONE NUMBER: (281) 293-7971

POLICY PERIOD: 07/31/2020 to 07/31/2021. Each period begins and ends at 12:01 AM standard time at the insured location.

INSURED LOCATION: 12029 NAUGHTON ST
HOUSTON, TX 77024

Coverage is provided where a premium or limit is shown for the coverage.

BREAKDOWN OF PREMIUM:

Coverages

| | <u>Limit</u> | <u>Premium</u> |
|--|------------------|----------------|
| COVERAGE A - Dwelling | \$251,116 | \$2,234.00 |
| COVERAGE B - Other Structures | \$25,112 | Incl |
| COVERAGE C - Personal Property | No Coverage | \$0.00 |
| COVERAGE D - Fair Rental Value | No Coverage | \$0.00 |
| COVERAGE L - Premises Liability | \$300,000 | \$70.00 |
| COVERAGE M - Medical Payments to Others | \$5,000/\$25,000 | \$10.00 |
| Dwelling Replacement Cost Loss Settlement with Actual Cash Value on Roof - Coverings 15 Years Old or Greater | | Incl |
| Mold and Remediation - Property | \$10,000 | Incl |
| Mold Exclusion - Liability | | Incl |
| Personal Property Actual Cash Value Loss Settlement | | Incl |
| Property Manager - Premises Liability | | Incl |
| Water Backup and Sump Overflow | \$10,000 | \$40.00 |
| Water Damage Coverage | \$25,112 | -\$91.00 |
| Inspection Fee | | \$25.00 |
| Policy Fee | | \$75.00 |

Policy Discounts

Auto/Home
Claims Free

Dwelling Discounts

None

Total Policy Premium: \$2,363.00
Total Taxes & Fees: \$0.00

| | |
|--------------------|-------------------|
| Total Cost: | \$2,363.00 |
|--------------------|-------------------|

Note: A minimum earned premium of \$50.00 applies to this policy, plus any applicable fully earned fees and coverages.

DEDUCTIBLE (Section I Only):

The AOP Deductible is \$2,500.

The Wind/Hail Deductible is \$5,022.

The Water Backup and Sump Overflow Deductible is \$250.

- In case of a loss under Section I, we cover only that part of the covered loss over the deductible stated.

Additional Interests

Description of Interest: Mortgagee
NONE

BASIC RATING INFORMATION:

| PROGRAM | OCCUPANCY | RESIDENCE TYPE | CONSTRUCTION TYPE | YEAR BUILT | PROTECTION CLASS |
|---------|-----------|----------------|-------------------|------------|------------------|
| DP-3 | Vacant | 1 Family | Masonry Veneer | 1979 | 1 |

| TERRITORY | SUPPLEMENTAL HEATING | OCCUPANCY DETAILS |
|-----------|----------------------|-------------------|
| 6 | No | N/A |

Liability Coverage Other Location(s):

NONE

APPLICABLE FORMS AND ENDORSEMENTS:

D3-TX-C-0003 (07/17) Water Damage Coverage
D3-CW-C-0007 (09/17) Water Backup and Sump Overflow
DW-CW-G-0001 (07/17) Condemnation Endorsement
IP-CW-G-0002 (12/17) Construction Cost Index
DW-TX-X-0004 (07/17) Criminal Acts Exclusion
D3-CW-P-0001 (07/17) Dwelling Property 3 - Special Form
DY-CW-X-0001 (07/17) Premises Liability Lead Paint Liability Exclusion
DY-CW-X-0003 (07/17) Premises Liability Swimming Pool Slide and Diving Board Exclusion
DY-TX-X-0002 (07/17) Premises Liability Fungi, Wet or Dry Rot, or Bacteria Exclusion
DY-TX-C-0001 (07/17) Premises Liability Endorsement
DY-CW-C-0005 (07/17) Property Manager - Premises Liability
D3-CW-C-0002 (07/17) Permitted Vacancy or Seasonal Usage Clause
D3-CW-C-0013 (07/17) Replacement Cost Loss Settlement with Actual Cash Value on Roof Coverings 15 Years Old or Greater
IP-CW-C-0004 (07/17) Reinstatement of Limit
IL-CW-G-0001 (07/17) Signature Endorsement
D3-TX-A-0001 (07/17) Special Provisions - Texas

NOTICES:

- This Declarations replaces all previously issued policy Declarations, if any. This Declarations together with your policy and endorsements completes your policy. Refer to your policy and endorsements for details regarding your coverages, limits, and exclusions.
- **Notice Of Insurance Information Practices**
Personal information about you may be collected from persons other than you in connection with this application and subsequent renewals. Such information, as well as other personal and privileged information collected by us or by our agents, may in certain circumstances be disclosed to third parties. You have the right to review your personal information in our files and can request correction of any inaccuracies. A more detailed description of your rights and our practices regarding such information is available at www.thespecialty.com/privacy or upon request. Contact your agent for instruction on how to submit such a request to us.
- **Earthquake Notice**
This policy does not cover damage to your property caused by earthquake. Earthquake includes land shock waves or tremors before, during or after a volcanic eruption. To be covered for such a loss, you will have to obtain a separate endorsement which may be available through our company. Your agent can provide you with information on obtaining separate earthquake insurance.

- Flood Insurance: You may also need to consider the purchase of flood insurance. Your insurance policy does not include coverage for damage resulting from a flood even if hurricane winds and rain caused the flood to occur. Without separate flood insurance coverage, you may have uncovered losses caused by a flood. Please discuss the need to purchase separate flood insurance coverage with your insurance agent or insurance company, or visit www.floodsmart.gov.
- This policy excludes coverage for loss or damage due to to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants at or from premises owned, rented or occupied by the named insured. This policy excludes coverage for any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed. If you have questions, please contact us or your agent. Carefully, read your policy, including its endorsements attached to the policy.
- The construction cost index may result in an adjustment of the limit of liability under Coverage A - Dwelling. The wind and hail deductible is a percent based on the Coverage A limit of liability. If Coverage A is amended, this will affect the deductible amount.
- This policy provides Actual Cash Value on Roof Coverings 15 years old or older. If you have questions, please contact us or your agent. Carefully, read your policy, including its endorsements attached to the policy.

Policy Maintenance Information

Manage your policy online 24/7 with THSpecialty.com/portal.

**PLEASE REVIEW THE INFORMATION CONTAINED IN THIS POLICY.
IF ANY INFORMATION IS INCORRECT, PLEASE CONTACT:**

Report a Claim: 1-888-795-7256

Tower Hill Specialty, LLC

Mailing Address
P.O. Box 147018
Gainesville, FL 32614-7018

Main Administrative Office
6281 Tri Ridge Blvd Suite 320
Loveland, OH 45140

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

TOWER HILL PRIME INSURANCE COMPANY
SIGNATURE ENDORSEMENT

The Company has caused this policy to be signed by the President and Secretary. It is countersigned on the Declarations Page by our authorized representative(s) if required.



Scott Rowe, Secretary



Don Matz, President

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PERMITTED VACANCY OR SEASONAL USAGE CLAUSE

Form **D3-CW-P-0001** is amended as follows:

COVERAGES

Other Coverages, Item **11.b.(2)** is deleted.

PERILS INSURED AGAINST

Coverage A - Dwelling And Coverage B - Other Structures

Item **2.c.(6)** is deleted.

Coverage C - Personal Property

Item **9.b.(2)** is deleted.

Form **D3-CW-C-0014** is amended as follows:

If coverage is present for Residence Burglary on the Declarations, the Special Condition, Vacancy or Unoccupancy, is deleted.

All other provisions of the policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

WATER BACKUP AND SUMP OVERFLOW

I. Coverage

We will pay up to the Limit of Liability shown in the Declarations for direct physical loss, for all combined coverages, not caused by your negligence, or that of any person insured under this Policy, to covered property caused by water, or waterborne material, which:

- a. Originates from within the dwelling on the Described Location 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 that is caused by a mechanical breakdown or power failure.

This coverage does not increase the limits of liability for Coverages **A, B, C, D** or, if covered, **E** stated in the Declarations.

II. Perils Insured Against

With respect to the coverage provided under this endorsement, Paragraph **A.2.c.(8)(b)** is replaced by the following:

Latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

III. Special Deductible

The following replaces any other deductible in the policy with respect to loss covered under this endorsement:

We will pay only that part of the total of all loss that is payable under Coverages **A, B, and C** that exceed \$250. No other deductible applies to this coverage. This deductible does not apply to Coverage **D** - Fair Rental Value and Coverage **E** - Additional Living Expense.

IV. General Exclusions

With respect to the coverage provided under this endorsement Item **A.3. Water**, is replaced by the following:

3. Water

This means 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:

- a. Flood, surface water, waves, including tidal wave and tsunami, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by the wind, including storm surge;
- b. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or

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- c. Waterborne material carried or otherwise moved by any of the water referred to in paragraphs **A.3.a.** or **A.3.b.** above:

This exclusion applies regardless of whether any of the above, in **A.3.a.** through **A.3.c.**, 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.

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

4. The **Power Failure Exclusion** does not apply.

All other provisions of the policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

REPLACEMENT COST LOSS SETTLEMENT WITH ACTUAL CASH VALUE ON ROOF COVERINGS 15 YEARS OLD OR GREATER

DEFINITIONS

The following definition is added when this endorsement is attached to the policy:

Actual cash value means the cost to repair or replace property with new materials of like, kind and quality, less an adjustment for physical depreciation, deterioration, obsolescence and depreciation of the cost of labor associated with the repair or replacement of covered property at the time of loss.

Roof Covering means any external material covering the roof system of a building or structure, which is intended to provide protection against weather, and its component parts. Types of roof coverings include, but are not limited to shingle, asphalt, clay, slate, tile, metal, cement, roll, rubber, PVC, modified bitumen, tar and gravel, spray foam, or wood shakes or shingles. Component parts include, but are not limited to trusses, rafters, decking, underlayment, sheathing, drip edge, shingles, tiles, or other outer covering, jack pipes, vents or skylights.

CONDITIONS

Item **E. Loss Settlement**, Paragraph 2. is deleted and replaced by the following:

2. Buildings under Coverage **A** or **B**:
 - a. Covered property losses for **roof coverings** 15 years old or older are settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace.
 - b. If at the time of loss, the amount of insurance in the policy on the damaged building is 80% or more of the full **replacement cost** of the building immediately before the loss and you contract for repair or replacement of the damaged building for the same use, within 180 days of the damage unless we and you otherwise agree, we will pay, after application of the deductible, the lesser of the following amounts:
 - (1) The limit of liability under the policy that applies to the building; or
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

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

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

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

If you cannot provide proof that at least 50 percent of your **roof covering** is less than 15 years old at the time of loss, we will settle a covered loss to your **roof covering** on **actual cash value** basis.

All other provisions of the policy apply.



**Tower Hill[®] Prime
Insurance Company**

Dwelling Property 3 - Special Form

Administered by: Tower Hill Specialty, LLC
6281 Tri Ridge Blvd Suite 320
Loveland, OH 45140

P.O. Box 147018
Gainesville, FL 32614-7018
THSpecialty.com

**Tower Hill Prime Insurance Company
A Stock Insurance Company
P.O. Box 147018, Gainesville, FL 32614-7018
Dwelling Property 3 - Special Form**

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PLEASE READ YOUR POLICY CAREFULLY

For service, information or questions concerning this policy, contact your agent or our Home Office. Our phone number is 1-888-795-7256.

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.

COVERAGES

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

A. Coverage A - Dwelling

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

B. Coverage B - Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;

- c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling, provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or
- d. Gravemarkers, including mausoleums.

C. Coverage C - Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

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

This includes their equipment and parts while such property is in or upon the vehicle or conveyance.

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

- (1) Portable electronic equipment that:
 - (a) Reproduces, receives or transmits audio, visual or data signals; and
 - (b) Is designed so that it may be operated from a power source other than the electrical system of motor vehicles and all other motorized land conveyances.
- (2) Motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:
 - (a) Used solely to service a residence; or
 - (b) Designed to assist the handicapped;
- f. Watercraft of all types, other than rowboats and canoes;
- g. Data, including data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

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

3. Property Removed To A Newly Acquired Principal Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this Policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this Policy.

D. Coverage D - Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this Policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in. Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.
2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. Coverage E - Additional Living Expense

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this Policy makes the Described Location unfit for its normal use, 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 Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.
2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this Policy, we cover the Additional Living Expense loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this Policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

F. Other Coverages

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

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This coverage is additional insurance.

2. Debris Removal

We will pay your reasonable expense for the removal of:

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

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

3. Improvements, Alterations And Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

This coverage is additional insurance.

4. World-wide Coverage

You may use up to 10% of the Coverage **C** limit of liability for loss by a Peril Insured Against to property covered under Coverage **C**, except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage **C** limit of liability for the same loss.

5. Rental Value And Additional Living Expense

You may use up to 20% of the Coverage **A** limit of liability for loss of both fair rental value as described in Coverage **D** and additional living expense as described in Coverage **E**.

This coverage is additional insurance.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition **D.2**.

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7. 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.

8. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns on the Described Location for loss caused by the following Perils Insured Against:

- a. Fire Or Lightning;
- b. Explosion;
- c. Riot Or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by you or a resident of the Described Location; or
- f. Vandalism Or Malicious Mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage **A** limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

9. 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.

10. Collapse

- a. The coverage provided under this Other Coverage Collapse applies only to an abrupt collapse.
- b. For the purpose of this Other Coverage Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

c. This Other Coverage - Collapse does not apply to:

- (1) A building or any part of a building that is in danger of falling down or caving in;
- (2) A part of a building that is standing, even if it has separated from another part of the building; or
- (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

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

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

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

11. Glass Or Safety Glazing Material

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

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

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a. (3) above; or

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

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

12. Ordinance Or Law

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

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;

- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or

- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

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- b.** If you are an owner of a Described Location and that location:
- (1)** Is insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-owners Building Items at each Described Location; or
 - (2)** Is not insured for Coverage **A** or Unit-owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage **B** at each Described Location.
- c.** If you are a tenant of a Described Location, you may use up to 10% of the limit of liability that applies to Improvements, Alterations And Additions at each Described Location. Also, the words "covered building" used throughout this Other Coverage **12. Ordinance Or Law** refer to property at such a Described Location covered under Other Coverage **3. Improvements, Alterations And Additions.**
- d.** 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.
- e.** We do not cover:
- (1)** The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2)** The costs to comply with any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

PERILS INSURED AGAINST

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

- 1.** We insure against direct physical loss to property described in Coverages **A** and **B**.
- 2.** We do not insure, however, for loss:
 - a.** Excluded under General Exclusions;
 - b.** Involving collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above;
 except as provided in Other Coverage **10. Collapse**; or
 - c.** Caused by:
 - (1)** Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a)** Maintain heat in the building; or
 - (b)** Shut off the water supply and drain all systems and appliances of water.
 However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
 - (2)** Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a)** Fence, pavement, patio or swimming pool;
 - (b)** Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building or other structure;
 - (c)** Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d)** Pier, wharf or dock;
 - (3)** Theft of property not part of a covered building or structure;

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- (4) Theft in or to a dwelling or structure under construction;
- (5) Wind, hail, ice, snow or sleet to:
 - (a) Outdoor radio and television antennas and aerials, including their lead-in wiring, masts or towers; or
 - (b) Trees, shrubs, plants or lawns;
- (6) Vandalism and malicious mischief, theft or attempted theft, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (7) Constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;
- (8) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, mold, wet or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage **C**.

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

- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, rodents, insects or domestic animals; or
- (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals.

Exception To c. (8)

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

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

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

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

General Exclusion **A.3**. Water, Paragraphs **a**. and **c**. that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c. (8)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not excluded or excepted in this Policy is covered.

B. Coverage C - Personal Property

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

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss to:

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

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

9. Damage By Burglars

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

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

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

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

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

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

14. Freezing

- a.** This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:
 - (1)** Maintain heat in the building; or

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

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

GENERAL EXCLUSIONS

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

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

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

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

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

2. Earth Movement

Earth Movement means:

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

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this exclusion.

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

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

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

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

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

8. Intentional Loss

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

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

9. Governmental Action

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

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

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

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

CONDITIONS**A. Insurable Interest And Limit Of Liability**

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

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

B. Deductible

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

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. If two or more deductibles under this Policy apply to the loss, only the highest deductible amount will apply.

C. Concealment Or Fraud

We provide coverage to no persons insured under this Policy if, whether before or after a loss, one or more persons insured under this Policy have:

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

D. Duties After Loss

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

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

E. Loss Settlement

In this Condition **E.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law except to the extent that coverage for these increased costs is provided in Other Coverages **F.12. Ordinance Or Law**. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this Policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.
 - b. If, at the time of loss, the amount of insurance in this Policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this Policy that applies to the building:
 - (1) The actual cash value of that part of the building damaged; or

(2) That proportion of the cost to repair or replace, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this Policy on the damaged building bears to 80% of the replacement cost of the building.

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

(1) Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;

(2) Those supports in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and

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

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

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

(1) Less than 5% of the amount of insurance in this Policy on the building; and

(2) Less than \$2,500;

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

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

F. Loss To A Pair Or Set

In case of loss to a pair or set, we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

G. Appraisal

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

Each party will:

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

H. Other Insurance And Service Agreement

If property covered by this Policy is also covered by:

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

I. Subrogation

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

J. Suit Against Us

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

K. 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.

L. Loss Payment

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

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

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. Mortgage Clause

1. If a mortgagee is named in this Policy, any loss payable under Coverage **A or B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this Policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to:
 - (1) Appraisal;
 - (2) Suit Against Us; and
 - (3) Loss Payment;also apply to the mortgagee.
3. If we decide to cancel or not to renew this Policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

O. 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.

P. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the Policy; or
 - (2) If the risk has changed substantially since the Policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.
 - d. When this Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this Policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

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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.

Q. 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.

R. 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.

S. 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.

T. Assignment

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

U. Death

If you die, we insure:

1. Your legal representatives but only with respect to the property of the deceased covered under the Policy at the time of death;

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

V. Nuclear Hazard Clause

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

W. 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.

X. Volcanic Eruption Period

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

Y. Loss Payable Clause

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

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

Z. Policy Period

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

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

CONDEMNATION ENDORSEMENT

We do not provide coverage under this policy if, prior to the date of a covered loss, the dwelling is declared condemned pursuant to:

1. Local;
2. City;
3. State;
4. Federal; or
5. Other government regulation.

Upon the date of condemnation, coverage will cease.

All other provisions of the policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PROPERTY MANAGER - PREMISES LIABILITY

This endorsement amends the Premises Liability endorsement:

II. COVERAGES

The following is added to Coverage A. **Premises Liability**:

3. With respect to **A. Premises Liability**, the property manager is covered only where the property manager is held liable for an act or failure to act by the **insured** that is named on the Declarations page for the policy. Any act or failure to act by the property manager is not covered under the provisions of the policy. This coverage applies only to the insured location as shown on the Declarations page. This coverage does not apply to **bodily injury** to any employee of the property manager arising out of or in the course of the employee's employment by the property manager.

VI. DEFINITIONS

The following is added to Definition **3. Insured**:

Insured is extended to include the property manager but only with respect to the insured **premises** shown on the Declarations page, and only with respect to **A. Premises Liability** and **B. Medical Payments**.

VIII. CONDITIONS

The following condition is added:

Cancellation And Nonrenewal Notification

If we decide to cancel or not renew the policy, the property manager will be notified in writing.

All other provisions of the policy apply.

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PREMISES LIABILITY LEAD PAINT LIABILITY EXCLUSION

IV. EXCLUSIONS

The following Exclusion **C.** is added:

C. Premises Liability and **Premises Medical Payments** coverages do not apply to:

1. **Bodily injury** arising from the ingestion, inhalation or absorption of lead paint in any form.
2. **Property damage** arising from any form of lead paint contamination.
3. Any loss, cost or expense arising from any request, demand or order that any **insured** or others:
 - a. Test for;
 - b. Monitor;
 - c. Clean up;
 - d. Remove;
 - e. Contain;
 - f. Treat;
 - g. Detoxify or neutralize; or
 - h. In any way respond to, or assess the effects of lead paint.
4. Any loss, cost or expense arising from any claim or suit by or on behalf of a governmental authority for damages because of:
 - a. Testing for;
 - b. Monitoring;
 - c. Cleaning Up;
 - d. Removing;
 - e. Containing;
 - f. Treating;
 - g. Detoxifying or neutralizing; or
 - h. In any way responding to, or assessing the effects of lead paint.

All other provisions of the policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PREMISES LIABILITY SWIMMING POOL SLIDE AND DIVING BOARD EXCLUSION

IV. EXCLUSIONS

The following Exclusion is added:

Premises Liability and **Premises Medical Payments** do not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any swimming pool when such **bodily injury or property damage results** from the use of:

- a. One or more slides; and/or
- b. One or more diving boards.

All other provisions of the policy apply.

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

REINSTATEMENT OF LIMIT

A loss to your property reduces our liability limit by the amount of the loss under the appropriate coverage. Upon repair or replacement of the property, the limit will return to the limit shown on the Declarations.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

CONSTRUCTION COST INDEX

In accordance with the construction cost index data, the dwelling, other structures, personal property, loss of use, additional living expenses, and fair rental value amounts of coverage, if provided by the policy, may increase or decrease annually to reflect the changes in the cost of materials and labor for homes in your location.

If you believe this adjustment has left you with:

- Coverage in excess of the actual replacement cost of your home; or
- Insufficient coverage due to improvements or additions that you may have made in the last few years;

Then please contact your agent as this adjusted value may need updated.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - TEXAS

DEFINITIONS

The following definitions are added:

"Fungi"

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

"Business Day"

"Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

"Pollutants"

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

Where used in this policy, the term pollutant does not include the following:

- a. Loss caused by pollutants that escape from heating and air conditioning systems and appliances (HVAC);
- b. Loss caused by common household chemicals used to maintain the residence premises.
- c. Loss caused by pollutants released from a hostile fire. A hostile fire is a fire which becomes uncontrollable or breaks out from where it was intended to be.

COVERAGES

The following is added to Paragraph **F.12. Ordinance Or Law**:

- f. If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above also applies to the increased cost you incur due to repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

PERILS INSURED AGAINST

Paragraph **A.2.c.(8)(c)** is replaced by the following:

- (c) Smog, rust or other corrosion, wet or dry rot;

GENERAL EXCLUSIONS

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

- a. Intentional Loss means any loss arising out of any act you or any person named as an additional insured commits or conspires to commit with the intent to cause a loss.
In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.
- b. However, this exclusion does not apply to an insured who did not cooperate in or contribute to the creation of the loss if that insured has:
 - (1) Filed a police report; and
 - (2) Cooperated with law enforcement investigation or prosecution relating to any other insured causing the intentional loss.
- c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the person insured is limited to their insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the Policy. In no event will we pay more than the limit of liability. As a condition of payment for intentional loss caused by another insured under this exception to the exclusion, we may require an assignment of rights of recovery to the extent that payment is made by us.

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The following exclusion is added:

10. "Fungi" Or Microbes

- a. "Fungi" or microbes, means the presence, growth, proliferation, spread or any activity of "fungi" or microbes.

This exclusion also applies to the cost:

- (1) To remove "fungi" or microbes from property covered under Coverages;
 - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi" or microbes; and
 - (3) Of testing of air or property to confirm the absence, presence or level of "fungi" or microbes;
- b. Exclusion **10.a.** applies unless the "fungi" or microbes are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water, or any peril, which would otherwise be covered under this Policy. For purposes of this exclusion, sudden and accidental shall include a loss event that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.
- c. However, the exception to the exclusion described in **10.b.** does not include:
- (1) The cost to treat, contain, remove or dispose of the "fungi" or microbes beyond that which is required to repair or replace the covered property physically damaged by water;
 - (2) The cost of any testing of air or property to confirm the absence, presence or level of "fungi" or microbes, whether performed prior to, during or after removal, repair, restoration or replacement;
 - (3) The cost of any decontamination of the Described Location; and
 - (4) Any increase in loss under Coverage **D** - Fair Rental Value and Coverage **E** - Additional Living Expense, if applicable, and Other Coverage **2**. Debris Removal resulting from **c.(1), (2) or (3)**.

Direct loss by fire, smoke or explosion resulting from "fungi" or microbes is covered.

CONDITIONS

The following paragraph is added to Paragraph **A. Insurable Interest And Limit Of Liability**:

Policy A Liquidated Demand

A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. This provision shall not apply to personal property.

Paragraph **C. Concealment or Fraud** is replaced by the following:

C. Concealment or Fraud

To the extent permitted by Texas Insurance Code sections 705.003 and 705.004, this policy is void as to you and any other insured, if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.

1. If the misrepresentation was made in a proof of loss, the policy is void if it is shown at trial that the misrepresentation:
 - a. was fraudulently made;
 - b. misrepresented a fact material to the question of our liability under the policy; and
 - c. misled us and caused us to waive or lose a valid defense to the policy.
2. If the misrepresentation was made in the application for the policy, the policy is void if it is shown at trial that the matter misrepresented:
 - a. was material to the risk; or
 - b. contributed to the contingency or event on which the policy became due and payable.

Paragraph **D. Duties After Loss** is replaced by the following:

D. Duties After Loss

1. Your Duties After Loss

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

- a. Give prompt notice to us or our agent. With respect to loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss that is the subject of the claim. However, any such claim may be filed after the first anniversary of the date of the loss for good cause shown by the person filing the claim;
- b. 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;
 - (2) Keep an accurate record of repair expenses;
- c. Cooperate with us in the investigation of a claim;
- d. 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;
- e. 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 named insured, and sign the same. If the insured under oath is a minor, a parent or guardian is permitted to be present;
- f. Send to us, within 91 days after our request, your signed, sworn proof of loss on a standard form supplied by us. We must request a signed, sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this Policy.
 - (1) This proof of loss shall set forth, to the best of your knowledge and belief:
 - (a) The time and cause of loss;
 - (b) Your interest and that of all others in the property involved and all liens on the property;
 - (c) Other insurance which may cover the loss;
 - (d) Changes in title or occupancy of the property during the term of the Policy;
 - (e) Specifications of damaged buildings and detailed repair estimates;
 - (f) The inventory of damaged personal property described in **D.1.d.**; and
 - (g) Receipts for additional living expenses incurred and records that support the fair rental value loss.
 - (2) If you elect to make claim under the Replacement Cost Coverage of this Policy, this proof of loss shall also state, to the best of your knowledge and belief:
 - (a) The replacement cost of the described dwelling;
 - (b) The replacement cost of any other building on which loss is claimed; or
 - (c) The full cost of repair or replacement of loss without deduction for depreciation.

2. Our Duties After Loss

- a. No later than 15 days after we receive your written notice of claim, we must:
 - (1) Acknowledge receipt of the claim;
If our acknowledgment of the claim is not in writing, we will keep a record of the date, means and content of our acknowledgment;
 - (2) Begin an investigation of the claim; and
 - (3) Specify the information you must provide in accordance with Paragraph **D.1. Your Duties After Loss** above;
We may request more information if during the investigation of the claim such additional information is necessary.

- b. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:
 - (1) Within 15 "business days"; or
 - (2) Within 30 days if we have reason to believe the loss resulted from arson.
- c. If we do not approve payment of your claim or require more time for processing your claim, we must:
 - (1) Give the reason for denying your claim; or
 - (2) Give the reasons we require more time to process your claim. But we must either approve or deny your claim within 45 days after requesting more time.

Paragraph **E.1.** in Loss Settlement is replaced by the following:

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

Paragraph **3.** is added to **E. Loss Settlement:**

3. Jewelry at replacement cost at the time of loss without deduction for depreciation.

Paragraph **F. Loss To A Pair Or Set** is replaced by the following:

F. Loss To A Pair Or Set

1. In case of loss to a pair or set other than jewelry, 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.
2. Loss to a jewelry pair or set will be settled at replacement cost at the time of loss without deduction for depreciation.

Paragraph **J. Suit Against Us** is replaced by the following:

J. Suit Against Us

1. Except as provided in Paragraph **2.**, no suit or action can be brought unless there has been full compliance with all of the terms under this Policy. Action must be brought against us within two years and one day after the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
2. With respect to suits brought in connection with claims for loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code:
No action can be brought against us unless there has been compliance with all of the terms of this Policy. The action must be brought within the earlier of the following:
 - a. Two years and one day from the date we accept or reject the claim; or
 - b. Three years and one day from the date of the loss that is the subject of the claim.

Paragraph **L. Loss Payment** is replaced by the following:

L. 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 payment.

If we notify you that we will pay your claim, or part of your claim, we must pay within five "business days" after we notify you. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within five "business days" after the date you perform the act.

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Paragraph **N. Mortgage Clause** is replaced by the following:

N. Mortgage Clause (Without Contribution)

1. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the Declarations page as interests appear;
2. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure;
3. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgagee has the right to receive loss payment if the mortgagee:
 - a. At our request, pays any premium due under this Policy, if you have failed to do so;
 - b. Submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so;
 - c. Has notified us of any changes in ownership, occupancy or substantial changes in risk known to the mortgagee.

All of the terms of this Policy will then apply directly to the mortgagee.

Failure of the mortgagee to comply with **3.a.**, **3.b.** or **3.c.** above shall void this Policy as to the interest of the mortgagee.

4. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:
 - a. The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
 - b. The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

5. If this Policy is cancelled, we will give the mortgagee specifically named on the Declarations page written notice of cancellation.

If we cancel the Policy, we will give the mortgagee the same number of days' notice of cancellation we give you.

If you cancel the Policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after we mail the notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in the Policy.

6. If the property described under Coverage **A** - Dwelling or Coverage **B** - Other Structures is foreclosed upon under the deed of trust, the mortgagee may cancel this Policy of insurance and will be entitled to any unearned premium from this Policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

7. If we elect not to renew this Policy, the mortgagee specifically named on the Declarations page will be given 30 days' written notice of the nonrenewal.

Paragraph **P. Cancellation** is replaced by the following:

P. 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 at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
 - a. If this Policy has been in effect for less than 90 days and is not a renewal policy, we may cancel this Policy for any reason.

The effective date of cancellation cannot be before:

- (1) The 10th day after we mail notice if we cancel for nonpayment of premium.
 - (2) The 30th day after we mail notice if we cancel for any other reason.
- b. If this Policy has been in effect 90 days or more, or at any time if it is a renewal policy, we may not cancel this Policy unless:
- (1) You do not pay the premium or any portion of the premium due.
 - (2) The Texas Department of Insurance determines that continuation of the Policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (3) You submit a fraudulent claim.
 - (4) There is an increase in the hazard covered by this Policy that is within your control and that would produce an increase in the premium rate of this Policy.

The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

3. When this Policy is canceled, we will send you any refund due not later than the 15th "business day" after the effective date of cancellation. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand or not later than the 15th "business day" after the date of cancellation.
5. We may not cancel this Policy solely because you are an elected official.

Paragraph **Q. Nonrenewal** is replaced by the following:

Q. Refusal To Renew

1. We may not refuse to renew this Policy because of claims for losses resulting from natural causes.
2. We may not refuse to renew this Policy solely because you are an elected official.
3. We may refuse to renew this Policy if you have filed three or more claims under the Policy in any three-year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing that if you file a third claim during the three-year period, we may refuse to renew this Policy by providing you proper notice of our refusal to renew as provided in **4.** below. If we do not notify you after the second claim, we may not refuse to renew this Policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the Policy.

4. If we refuse to renew this Policy, we must deliver to you, or mail to you at your mailing address shown on the Declarations page and any mortgagee named on the Declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this Policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the Policy.

The following conditions are added:

Residential Community Property Clause

This Policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this Policy until the expiration of the Policy or until canceled in accordance with the terms and conditions of this Policy.

Catastrophe Claims

If a claim results from a weather-related catastrophe or a major natural disaster, each claim-handling deadline shown in **D. Duties After Loss** and **L. Loss Payment** is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather-related event which:

1. Is declared a disaster under the Texas Disaster Act of 1975; or
2. Is determined to be a catastrophe by the Texas Department of Insurance.

All other provisions of this Policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

WATER DAMAGE COVERAGE

DEFINITIONS

The following Definitions are added:

Remediation means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose of, or in any way respond to or assess the effects of **fungi**.

COVERAGES

The following limitations are added:

Water Damage Limit

- a. Regardless of cause, the most we will pay under all coverages combined, for the repair of covered water damage is the Water Damage Limit amount shown in the Declarations Page.

When Full is shown in the Declarations as the **Water Damage Limit**, the full amount of Coverage **A** - Dwelling, Coverage **B** - Other Structures, Coverage **C** - Personal Property, Coverage **D** - Fair Rental Value and Coverage **E** - Additional Living Expense may be used for any covered water damage loss.

- b. This is not additional insurance, and does not increase the limit of liability for Coverage **A** - Dwelling, Coverage **B** - Other Structures, Coverage **C** - Personal Property, or Coverage **D** - Fair Rental Value or any other coverage part.

Fungi, Wet or Dry Rot, or Bacteria Sublimit

- a. Regardless of the cause, the most we will pay under all coverages combined, for ensuing loss, damage or **remediation** expenses caused by **fungi**, wet or dry rot, or bacteria is the Mold and Remediation sublimit as shown in the Declarations Page.

- b. This is a sublimit of the **Water Damage Limit**, it is not additional insurance, and does not increase the **Water Damage Limit** or the limit of liability for Coverage **A** - Dwelling, Coverage **B** - Other Structures, Coverage **C** - Personal Property, or Coverage **D** - Fair Rental Value or any other coverage part.

PERILS INSURED AGAINST

Coverage A - Dwelling and Coverage B - Other Structures

Under Paragraph **A.2.c.(1)** the following paragraph is added:

Any covered loss resulting from freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance will be subject to the **Water Damage Limit** shown in the Declarations.

Paragraph **A.2.c.(7)** is replaced by the following:

- (7) Continuous or repeated seepage or leakage of water.

Under Item **A.2.c.**, the following paragraphs are added:

- (9) 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. However, we do cover water damage resulting from ice dams;
- (10) The presence of condensation or humidity, moisture or vapor unless caused by a covered loss.

EXCLUSIONS

Please note that the section of your policy entitled, **General Exclusions**, Exclusion **3. Water** is still applicable.

Exclusion **10. Fungi Or Microbes** does not apply to the extent coverage is provided by this endorsement.

All other terms of the policy apply.

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THIS ENDORSEMENT IS ATTACHED TO AND FORMS PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

CRIMINAL ACTS EXCLUSION

The following exclusion is added.

Criminal Acts

Criminal Acts means any expected or intended loss caused by an illegal activity, trade or business conducted by you or at your direction whether or not the person conducting the activity, trade or business is charged or convicted in criminal court.

However, this exclusion does not apply to an insured or spouse who does not commit or contribute to the loss.

For the purposes of this endorsement, illegal means forbidden by law or unlawful.

All other provisions of the policy apply.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PREMISES LIABILITY ENDORSEMENT

WE WILL PROVIDE THIS INSURANCE IF PREMISES LIABILITY IS SHOWN IN THE DECLARATIONS.

It is agreed the Conditions section of your Dwelling Policy shall continue to apply unless amended in this endorsement.

I. AGREEMENT

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

II. COVERAGES

A. Premises Liability

1. We cover the **insured's** legal liability for **bodily injury** or **property damage** arising out of the ownership, maintenance or use of the **insured premises**. The **bodily injury** or **property damage** must be caused by an **occurrence** during the policy period.

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** 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. We may make any investigation and settle any claim or suit that we decide is appropriate.
2. Our duty to settle or defend ends when the amount we pay for damages equals our Limit of Liability. We will not reimburse you for defense costs or attorney fees incurred by you prior to giving us notice of the accident or **occurrence**.

B. Premises Medical Payments

1. We will pay up to the Limit of Liability for all reasonable **medical expense** for **bodily injury** provided:
 - a. The **medical expense** is incurred within one year from the date of the accident; and
 - b. The **bodily injury** arises out of a condition on the **insured premises** for which you are afforded coverage for **bodily injury** liability.

III. LIMITS OF LIABILITY

A. Premises Liability

Regardless of the number of:

1. **Insureds**;
2. Claims made; or
3. Persons injured;

our total liability for all damages resulting from any one **occurrence** shall not exceed the Limit of Liability stated in the Declarations.

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All bodily injury or property damage resulting from any:

1. One accident; or
2. From continuous or repeated exposure to substantially the same general conditions;

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

B. Premises Medical Payments

The Limit of Liability shown in the Declarations for each person is our maximum Limit of Liability for all **medical expense** payable for **bodily injury** to one person as the result of one accident.

Subject to this limit for each person, the Limit of Liability shown in the Declarations for each accident is our maximum Limit of Liability for two or more persons injured in any one **occurrence**.

IV. EXCLUSIONS

A. This insurance does not apply to **bodily injury or **property damage**:**

1. Arising out of the ownership, maintenance, use, loading or unloading of an:
 - a. Aircraft;
 - b. **Motor vehicle**;
 - c. Motorized bicycle; or
 - d. Watercraft;owned or operated by, or rented or loaned to any **insured**.
2. Arising out of the ownership, maintenance or use of:
 - a. Public roads or right of ways;
 - b. Common facilities. This includes but is not limited to swimming pools, laundry facilities, meeting rooms, game rooms, playgrounds or other structures;
 - c. Common land or bodies of water.
3. Arising out of diseases or sickness that:
 - a. May have been transmitted by you; or
 - b. May have arisen from your activities.
4. Arising out of any sexual act. This includes, but is not limited to, assault, molestation, abuse, incest or rape.
5. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants. Nor do we provide coverage for any resultant cleanup costs.
6. Arising out of your **business** activities. This does not apply to the rental or holding for rental of the **insured premises**, or dwellings purchased to repair and renovate for resale.
7. Arising from:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.

This exclusion applies whether such are controlled or uncontrolled. It also applies to any consequence of these.

8. Intended by you and caused by your illegal act.
 9. Due to war, declared or not; civil war or insurrection; rebellion or revolution; or any consequence thereof.
 10. Which is expected or intended by any **insured**, or which is the foreseeable result of an act of omission intended by any **insured**.
 11. For which any **insured** may be held liable for violation of any law:
 - a. Pertaining to the distribution or use of any alcoholic beverage; or
 - b. By reason of selling, serving or giving any alcoholic beverage;
 - (1) To a minor;
 - (2) To a person under the influence of alcohol; or
 - (3) Which causes or contributes to the intoxication of any person.
 12. Arising out of rendering or failure to render professional services.
 13. For any claim made or suit brought against any **insured** for **bodily injury** or **property damage** caused by or contributed to by any animal. This exclusion applies whether the animal is:
 - a. Located on or off the **insured premises**; or
 - b. Owned by, or in the care or custody of any **insured** or tenant of the **insured premises**.
- B.** In addition, this insurance does not apply:
1. To liability for your share of any loss assessment charged against all members of an association of property owners.
 2. To liability assumed by you except a written lease of the **insured premises**.
 3. To **bodily injury** to you, your partner or employee arising out of or in the course of your or his employment.
 4. To **property damage** to:
 - a. Property owned or occupied by or rented to you or your employee;
 - b. Property used by you or your employee; or
 - c. Property in the care, custody or control of you or your employee;
 - d. Premises alienated by you.
 5. With respect to Premises Medical Payments, **bodily injury** to:
 - a. You or any other **insured**;
 - b. A tenant or other person living on the **insured premises**;
 - c. A person at the **insured premises** without permission;
 - d. An employee of the foregoing arising out of the course of his employment; or
 - e. Any person participating in an athletic activity.

6. Bodily injury:

a. To any person eligible to receive any benefits:

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

b. By the **insured** under any:

- (1) Workers' compensation law;
- (2) Nonoccupational disability law; or
- (3) Occupational disease law.

7. Bodily injury to you or any other insured.

8. To claims or damages alleging or resulting in punitive or exemplary damages. It does not apply to statutory fines or other similar types of damages.

V. POLICY PERIOD

This insurance applies only to accidents which occur during the policy period.

VI. DEFINITIONS

When used in this endorsement:

1. **We, us, and our** refer to the company providing this insurance.
2. **You, your or yours** means each of the following to the extent set forth below:
 - a. The named **insured**, and if the named **insured** is an individual, only with respect to the conduct of a **business** which he is the sole proprietor, and the spouse of the named **insured** with respect, to the conduct of such a **business**;
 - b. If the named **insured** as designated in the Declarations is a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
 - c. If the named **insured** as designated in the Declarations is other than an individual, partnership or joint venture, the organization or corporation so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.
3. **Insured** means you and, if an individual, the following residents of your household:
 - a. Your relatives;
 - b. Any other person under the age of twenty-one who is in the care of any person named above.
4. **Insured premises** means the premises designated in the Declarations or the Dwelling Schedule attached to the policy.
5. **Bodily injury** means bodily harm, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom.
6. **Property damage** means:
 - a. Physical injury to or destruction of tangible property which occurs during the policy period; including the loss of use thereof at any time resulting therefrom; or
 - b. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

7. **Medical expense** means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services.
8. **Occurrence** means an accident, including continuous or repeated events or exposure to conditions, which results in **bodily injury** or **property damage** neither expected nor intended by any **insured**.
9. **Business** includes trade, profession or occupation.
10. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste include materials to be recycled, reconditioned or reclaimed.

However, **pollutants** do not include **bodily injury** or **property damage** arising out of heat, smoke or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

However, **pollutants** do not include:

- a. Loss caused by **pollutants** that escape from heating and air conditioning systems and appliances (HVAC);
 - b. Loss caused by common household chemicals used to maintain the **residence premises**; and
 - c. Loss caused by hostile fire.
11. **Motor vehicle** means:
- a. A motorized land vehicle designed for travel on public roads or subject to motor vehicle registration;
 - b. A trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
 - c. A snow mobile or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads. A motorized wheel chair designed for the handicapped is not a **motor vehicle**;
 - d. Any vehicle while being towed by or carried on a vehicle included in **11.a.**, **11.b.**, or **11.c.** above.

VII. SUPPLEMENTARY PAYMENTS

- A. We will pay in addition to our Limit of Liability:
1. Expenses incurred by us;
 2. All costs taxed against you in any suit we defend;
 3. All interest on the entire amount of any judgment in any suit we defend. We will pay only that which occurs after the judgment and before we have paid our part of the judgment;
 4. Premiums on appeal bonds required in any such suit. We will not apply for or furnish any bond;
 5. Premiums on bonds to release attachments in any such suit. This applies only to suits for an amount not in excess of our Limit of Liability. We will not apply for or furnish any bond; and
 6. Reasonable expenses incurred by you at our request to assist us in the defense of any claim or suit. This includes actual loss of earnings not to exceed \$25.00 per day.

VIII. CONDITIONS

A. Rights And Duties In Case Of Loss

1. What To Do In Case Of Bodily Injury Or Property Damage

In case of an accident or **occurrence**, the **insured** must perform the following duties that apply. You are obligated to see 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 the **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, process or other legal papers relating to the accident or **occurrence**;
- c. Cooperate with us and assist us in any matter relating to a claim or suit. Your duty to cooperate with us includes, but is not limited to, a duty to submit to examinations under oath by any person named by us concerning matters relating both to circumstances surrounding a claim or **occurrence** and with respect to any matter affecting an actual or potential coverage dispute. Your duty to cooperate continues and does not cease until both claims by third parties and coverage disputes have been resolved;
- d. At our request, submit to examination under oath, as often as we require, while not in the presence of any other **insured**, and sign the same;
- e. 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; and
 - (4) Securing and giving evidence and obtaining the attendance of witnesses.
- f. An **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**.

2. Duties Of An Injured Person - Premises Medical Payments

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 which are reasonably related to the accident.

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

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. Suit Against Us

No action may be brought against us unless there has been full compliance with all 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 Premises Liability Coverage can be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

D. Bankruptcy

Bankruptcy or insolvency of an **insured** will not relieve us of our obligations under this policy for the period of time your premium was paid.

E. Other Insurance - Premises Liability Coverage

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.

F. Payment Of Claim - Premises Medical Payment Coverage

Payment under this coverage is not an admission of liability by an **insured** or us.

G. Inspection

We shall be permitted but not obligated to inspect your property at any time. Our inspection shall not constitute an undertaking to determine or warrant your property is:

1. Safe or healthful; or
2. In compliance with any law.

All other provisions of the policy apply.

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THIS ENDORSEMENT IS ATTACHED TO AND FORMS PART OF THE POLICY.
PLEASE READ IT CAREFULLY.

PREMISES LIABILITY

FUNGI, WET OR DRY ROT, OR BACTERIA EXCLUSION

DEFINITIONS

The following Definitions are added:

Fungi means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

Remediation means to

1. Test for,
2. Monitor,
3. Clean up,
4. Treat,
5. Eliminate,
6. Prevent,
7. Detoxify,
8. Neutralize,
9. Contain,
10. Remove,
11. Dispose of,

or in any way respond to or assess the effects of **fungi**.

EXCLUSIONS

The following Exclusion is added:

Premises Liability and **Premises Medical Payments** do not apply to **bodily injury** or **property damage** arising directly or indirectly, in whole or in part, from or associated in any way with the actual, alleged or threatened inhalation of, ingestion of, contact with, occurrence of, growth of, release of, transmission of, migration of, dispersal of, decontamination of, **remediation** of or exposure to **fungi**, wet or dry rot, or bacteria. This includes, but is not limited to **bodily injury** or **property damage** arising from or associated in any way with one or more of the following:

1. Actual or threatened **fungi**, wet or dry rot, or bacteria at or upon any real property, personal property, product or any other tangible property of any **insured** or any other person(s) or organization(s) located anywhere in the world.
2. Actual or threatened inhalation of, exposure to, absorption or ingestion of or physical contact with **fungi**, wet or dry rot, or bacteria.

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3. Any testing, monitoring, clean-up, remediation, treatment, removal or neutralization of **fungi**, wet or dry rot, or bacteria, including any associated costs or expenses.
4. Any error or omission in supervision, instructions, recommendations, notices, warnings or advice, given or which should have been given in connection with **fungi**, wet or dry rot, or bacteria.

All other provisions of the policy apply.

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CONSUMER BILL OF RIGHTS

Homeowners, Dwelling and Renters Insurance

AVISO: Este documento es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compañía y pedir una copia de estos derechos en español.

What is the Bill of Rights?

This Bill of Rights is a summary of our rights and does not become a part of your policy, The Texas Department of Insurance (TDI) adopted the Bill of Rights and requires insurance companies to provide you a copy when they issue your policy.

Texas law gives you certain rights regarding your homeowners, dwelling and renters insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all of your rights. Also, some exceptions to the rights are not listed here. Legislative or regulatory changes to statutes or rules may affect your rights as an insured. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact TDI's Consumer Protection Program at 1-800-252-3439 (512-463-6515 in Austin), by mail at Mail Code 111-1A, P.O. Box 149091, Austin, TX 78714-9091, or by email at ConsumerProtection@tdi.state.tx.us. For a list of the specific law(s) and/or rule(s) summarized in each item of this Bill of Rights, or if you have questions or comments contact the Office of Public Insurance Counsel (OPIC) toll free at 1-877-611-6742, by mail at 333 Guadalupe, Suite 3-120, Austin, TX 78701. or visit the OPIC website at www.opic.state.tx.us.

This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights.

Getting information from the Department of Insurance and your insurance company

1. INFORMATION FROM TDI. You have the right to call TDI free of charge at 1-800-252-3439 or 512-463-6515 in Austin to learn more about:

- your rights as an insurance consumer;
- the license status of an insurance company or agent;
- the financial condition of an insurance company;
- the complaint ratio and type of consumer complaints filed against an insurance company;
- use of credit information by insurance companies, including which insurance companies use it and access to each company's credit scoring model;
- an insurance company's rates filed with the state;
- an insurance company's underwriting guidelines (subject to exemptions in the Public Information Act, also Known as the Open Records Act);
- the Texas FAIR Plan, designed to help consumers who have been denied coverage by at least to insurance companies; and
- other consumer concerns.

You can also find some of this information on the TDI website at www.tdi.texas.gov.

At www.helpinsure.com, Texans can find more detailed information on their current and prospective insurers. TDI, in conjunction with OPIC, maintains this website to help Texans shop for residential property insurance and personal automobile insurance. For companies writing in Texas that are in the top 25 company groups nationally, the site also includes:

- a list of insurers by county and/or **ZIP** code;
- detailed contact information for each insurer;
- sample rates and a brief history of increases and/or decreases in the rates;
- policy form comparisons;
- a list of policy forms, exclusions, endorsements, and discounts offered by each insurer; and
- nonconfidential disciplinary actions against each insurer.

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2. INFORMATION FROM YOUR INSURANCE COMPANY. You have the right to a toll-free number to call your insurance company free of charge with questions or complaints. You can find this number on a notice accompanying your policy. This requirement does not apply to small insurance companies.

What you should know before you buy insurance

3. PROHIBITED STATEMENTS. Your insurance company or agent is prohibited from making false, misleading, or deceptive statements to you relating to insurance.

4. LENDER-REQUIRED INSURANCE. A lender cannot require you to purchase insurance on your property in an amount that exceeds the replacement cost of the dwelling and its contents as a condition of financing a residential mortgage or providing other financing arrangements for the property, regardless of the amount of the mortgage or other financing arrangements. In determining the replacement cost of the dwelling, a lender cannot include the fair market value of the land on which a dwelling is located.

5. CREDIT INFORMATION. An insurance company cannot deny you insurance solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to offer coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information*).

6. APPLIANCE-RELATED WATER DAMAGE CLAIMS. An insurance company cannot deny you insurance or increase your premium based on a prior appliance-related water damage claim if:

- the damage has been properly repaired or remediated; and
- the repair or remediation was inspected and certified.

NOTE: A company can use an appliance-related water damage claim if you file three or more such claims in a 3-year period and the company has paid the claims. A claim includes a claim filed by you or a claim filed on your property.

7. WATER CLAIMS/MOLD DAMAGE OR CLAIMS. An insurance company cannot deny you insurance based solely on a single prior water damage claim. An insurance company also cannot deny you insurance because of prior mold damage or a prior mold claim if:

- the damage or claim was properly repaired or remediated; and
- the repair or remediation was inspected and certified.

NOTE: A claim includes a claim filed by you or a claim filed on your property.

8. PROPERTY CONDITION. Voluntary Inspection Program: You have the right to have an independent inspection of your property by any person authorized by the Commissioner of Insurance to perform inspections. Once the inspector determines that your property meets certain minimum requirements and issues you an inspection certificate, no insurer may deny coverage based on property conditions without reinspecting your property. If an insurer then denies coverage, the insurer must identify, in writing, the specific problem(s) that makes your property uninsurable. You can find a list of available inspectors on the TDI website at www.tdi.texas.gov/company/vipagnt.html or you can contact TSI for the list directly at 1-800-252-3439.

9. SAFETY NET. You may have the right to buy basic homeowners insurance through the Texas Fair Access to Insurance Requirements Plan, also known as the Texas FAIR Plan, if you have been denied coverage by two insurance companies. Your property must meet certain requirements, and eligibility for FAIR Plan coverage must be re-established every two years. You can access a list of insurance agents who are authorized to sell this coverage on the Texas FAIR Plan Association website at www.texasfairplan.org or by calling 1-800-979-6440 (512-505-2200 in Austin).

10. WINDSTORM COVERAGE. For property located in areas designated by Commissioner in certain counties on or near the coast, you may have the right to buy windstorm and hail coverage from the Texas Windstorm Insurance Association (TWIA), if you have been denied windstorm coverage by one insurance company in the standard market currently providing windstorm coverage. Your property must meet certain requirements, and eligibility for TWIA coverage must be re-established every three years. You may have to re-establish eligibility sooner than every three years if you have made any repairs or alterations to your home. Windstorm coverage through TWIA is limited to a maximum amount set each year by the Commissioner of Insurance. This right applies whether or not you buy other insurance for your house. In all other counties your homeowners or dwelling policy includes windstorm and hail coverage unless you request that this coverage be removed from your policy.

NOTE: If you live in a certain flood zone (Zone V, Zone VE and Zone V1-130) and your dwelling was constructed, altered, remodeled, or enlarged after September 1, 2009, you must purchase flood insurance through the National Flood Insurance Program (NFIP) in order to be eligible to purchase windstorm coverage through TWIA. However, if NFIP does not provide flood insurance in your area, you are not required to purchase it.

11. ELECTRONIC PAYMENTS. If you authorize your insurer to withdraw your premium payments directly from your financial institution, including your escrow account, your insurer cannot increase the amount withdrawn unless:

- the insurer notifies you by U.S. mail of the increase in premium at least 30 days prior to its effective date; and
- you do not notify the insurer that you object to the increase in the amount to be withdrawn at least five days prior to the increase.

The notice provided by the insurer must include a toll-free number, a mailing address and an email address (if applicable), through which you can contact the insurer to object to the increase.

NOTE: This does not apply to premium increases specifically scheduled in the original policy, to increases based on policy changes you request, or to an increase that is less than \$10 or 10 percent of the previous month's payment.

12. NOTICE OF REDUCED COVERAGE. If an insurer uses an endorsement to reduce the amount of coverage provided by your policy, the insurer must give you a written explanation of the change made by the endorsement. The insurer must provide the explanation not later than the 30th day before the effective date of the new or renewal policy. An insurance company cannot reduce coverage during the policy period unless you request the change. If you request the change, the company is not required to provide notice.

13. NOTICE OF PREMIUM INCREASE. If your insurer intends to increase your premium by 10 percent or more upon renewal, the insurer must send you notice of the rate increase at least 30 days before your renewal date.

14. EXPLANATION OF DENIAL. Upon request, you have the right to be told in writing why you have been denied coverage. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

NOTE: The obligation to provide a written explanation applies to insurance companies directly. An independent agent does not have a specific duty to quote the lowest possible rate to a consumer or to provide a written statement explaining why the agent did not offer the consumer the lowest possible rate.

15. CUSTOMER INQUIRY. An insurance company cannot use a customer inquiry as a basis for denying you coverage or determining your premium.

NOTE: A customer inquiry includes:

- general questions about your policy;
- questions concerning the company's claims filing process; and
- questions about whether the policy will cover a loss unless the question concerns specific damage that has occurred and that results in an investigation or claim.

16. RATE DIFFERENTIAL WITHIN A COUNTY. If an insurer subdivides a county for the purposes of charging different rates for each subdivision, the difference between the lowest and the highest rate cannot exceed 15 percent unless actuarially justified.

17. RIGHT TO PRIVACY. You have the right to prevent an insurance company, agent, adjuster, or financial institution from disclosing your personal financial information to companies that are not affiliated with the insurance company or financial institution. Some examples are income, social security number, credit history, and premium payment history.

If you apply for a policy, the insurance company or financial institution must notify you if it intends to share financial information about you and give you at least 30 days to refuse. This refusal is called "opting out." If you buy a policy, the insurance company or financial institution must tell you what information it collects about you and whether it intends to share any of the information, and give you at least 30 days to opt out. Agents and adjusters who intend to share your information with anyone other than the insurance company or financial institution must give you similar notices.

You can opt out at any time. Your decision to opt out remains in effect unless you revoke it.

These protections do not apply to information:

- publicly available elsewhere;
- insurance companies or financial institutions are required by law to disclose; or
- insurance companies or financial institutions must share in order to conduct ordinary business activities.

What you should know about cancellation and nonrenewal

Cancellation means that **before the end** of the policy period the insurance company:

- terminates the policy;
- reduces or restricts coverage under the policy; or
- refuses to provide additional coverage to which you are entitled under the policy.

Refusal to renew and **nonrenewal** mean the policy terminates **at the end** of the policy period.

The policy period is shown on the declarations page at the front of your policy.

18. LIMITATION ON CANCELLATION FOR HOMEOWNERS AND RENTERS

POLICIES. After your initial homeowners or renters policy with your company has been in effect for 60 days or more, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- there is an increase in the hazard covered by the policy that is within your control and results in an increase in the premium rate of your policy; or
- TDI determines continuation of the policy would result in violation of insurance laws.

If your policy has been in effect for less than 60 days, your insurance company cannot cancel your policy unless:

- one of the reasons listed above applies;
- the insurance company identifies a condition that:
 - creates an increase in hazard;
 - was not disclosed on your application; and
 - is not the subject of a prior claim; or
- the insurance company rejects a required inspection report within 10 days after receiving the report. The report must be completed by a licensed or authorized inspector and cannot be more than 90 days old.

19. LIMITATION ON CANCELLATION FOR DWELLING POLICIES. After your initial dwelling policy with your company has been in effect for 90 days, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- there is an increase in the hazard covered by the policy that is within your control and results in an increase in the premium rate of your policy; or
- TDI determines continuation of the policy would result in violation of insurance laws.

20. NOTICE OF CANCELLATION. To cancel your policy, your insurance company must mail notice at least 10 days prior to the effective date of the cancellation. Your policy may provide for even greater notice.

21. POLICYHOLDER'S RIGHT TO CANCEL. You have the right to cancel your policy at any time and receive a refund of the remaining premium.

22. CHANGE IN MARITAL STATUS. If your marital status changes, you have the right to continue your insurance coverage. You have a right to a new policy in your name with coverages that most nearly approximate the coverages of your prior policy, including the same expiration date. The insurance company cannot date the new policy so that a gap in coverage occurs.

23. USE OF CLAIMS HISTORY TO NONRENEW OR DETERMINE RENEWAL

PREMIUM. Your insurance company cannot use claims you filed as a basis to nonrenew your policy unless:

- you file three or more claims in any 3-year period: and
- your insurer notified you in writing after the second claim that filing a third claim could result in nonrenewal of your policy.

Your insurance company cannot use the following types of claims to determine the number of claims you have filed or to determine your premium if your policy is renewed:

- claims for damage from natural causes, including weather-related damage;
- appliance-related water damage claims where the repairs have been inspected and certified, or
- claims filed but not paid or payable under the policy.

NOTE: An insurance company can count appliance-related claims if three or more such claims are filed and paid within a 3-year period.

24. USE OF CREDIT INFORMATION TO NONRENEW. An insurance company cannot refuse to renew your policy solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to renew coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information.*)

25. NOTICE OF CHANGE IN POLICY FORM. Your insurer must notify you in writing of any difference between your current policy and each policy offered to you when the policy renews. In certain instances your insurance company must also provide a comparison between the policy offered and policies adopted by the Commissioner of Insurance.

26. NOTICE OF NONRENEWAL If the insurance company does not mail you notice of nonrenewal at least 30 days before your policy expires, you have the right to require the insurance company to renew your policy.

27. EXPLANATION OF CANCELLATION OR NONRENEWAL. Upon request, you have the right to a written explanation of an insurance company's decision to cancel or nonrenew your policy. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

What you should know when you file a claim

28. FAIR TREATMENT. You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call TDI at 1-800-252-3439 (512-463-6515 in Austin) or download a complaint form from the TDI website at www.tdi.texas.gov. You can complete a complaint form on-line via the internet or fax a completed form to TDI at 512-475-1771.

29. SETTLEMENT OFFER. You have the right to reject any settlement amount, including any unfair valuation offered by the insurance company. If you reject a settlement offer, your options include continuing to negotiate with the insurer or pursuing legal remedies, such as mediation, arbitration, or filing a lawsuit. You have the right to have your home repaired by the repair person of your choice.

30. EXPLANATION OF CLAIM DENIAL. Your insurance company must tell you in writing why your claim or part of your claim was denied.

31. TIMEFRAMES FOR CLAIM PROCESSING AND PAYMENT. When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18 percent annual interest and attorney's fees in addition to your claim amount.

Generally, within 15 calendar days, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within 15 business days (30 days if the company reasonably suspects arson) after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to 45 days if it notifies you that more time is needed and tells you why.

After notifying you that your claim is approved, your insurance company must pay the claim within five business days.

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, these claims handling deadlines are extended for an additional 15 days.

32. RELEASE OF CLAIM FUNDS. Often an insurance company will make a claim check payable to you and your mortgage company or other lender and will send it to the lender. In that case, the lender must notify you within 10 days of receipt of the check and tell you what you must do to get the funds released to you.

Once you request the funds from the lender, within 10 days the lender must:

- release the money to you; or
- tell you in specific detail what you must do to get the money released.

If the lender does not provide the notices mentioned above or pay the money to you after all requirements have been met, the lender must pay you interest on the money at 10 percent per year from the time the payment or the notices were due.

33. NOTICE OF LIABILITY CLAIM SETTLEMENT. Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of the settlement.

34. INFORMATION NOT REQUIRED FOR CLAIM PROCESSING. You have the right to refuse to provide your insurance company with information that does not relate to your claim. In addition, you may refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

What you should know about prohibited discrimination

35. PROTECTED CLASSES. An insurance company cannot discriminate against you by refusing to insure you; limiting the amount, extent or kind of coverage available to you; charging you a different rate for the same coverage; or refusing to renew your policy:

- because of race, color, religion, gender, marital status, disability or partial disability, or national origin; or
- unless justified by actual or anticipated loss experience, because of age or geographic location.

36. AGE OF HOUSE. An insurance company cannot refuse to insure your property based on the age of your house. However, an insurance company may refuse to sell you insurance coverage based on the condition of your property, including the condition of your plumbing, heating, air conditioning, wiring, and roof.

37. VALUE OF PROPERTY. An insurance company cannot refuse to insure your property because the value is too low or because the company has established minimum coverage amounts.

38. UNDERWRITING GUIDELINES. Underwriting guidelines may not be unfairly discriminatory and must be based on sound actuarial principles.

39. EQUAL TREATMENT. Unless based on sound actuarial principles, an insurance company may not treat you differently from other individuals of the same class and essentially the same hazard. If you sustain economic damages as a result of such unfair discrimination, you have the right to sue that insurance company in Travis County District Court.

If your suit prevails, you may recover economic damages, court costs and attorney and necessary expert witness fees. If the court finds the insurance company knowingly violated your rights, it may award up to an additional \$25,000 per claimant.

You must bring the suit on or before the second anniversary of the date you were denied insurance or the unfair act occurred or the date you reasonably should have discovered the occurrence of the unfair act. If the court determines your suit was groundless and you brought the lawsuit in bad faith, or brought it for the purposes of harassment, you will be required to pay the insurance company's court costs and attorney fees.

What you should know about insurance companies' use of credit information

40. REQUIRED DISCLOSURE. If an insurance company uses credit information to make underwriting or rating decisions, the company must provide you a disclosure statement within 10 days after receiving your completed application for insurance.

The disclosure indicates whether the insurer will obtain and use your credit information and lists your specific legal rights, including:

- credit information insurance companies cannot use against you;
- how you can get reasonable exceptions that your insurer is required to make to its use of credit information if certain life events, such as divorce, death of a close family member, or identity theft, hurt your credit;
- the notice* an insurer must send you when making a credit-based decision that harms your ability to get or keep insurance or requires you to pay a higher premium; and
- how you can dispute credit information and require an insurer to re-rate your policy if the rate was increased because of inaccurate or unverifiable credit information.

*The notice must include a description of up to four primary factors that influenced the action taken by the insurer.

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41. FILING COMPLAINTS. You have the right to complain to TDI about any insurance company and/or insurance matter and to receive a prompt investigation and response to your complaint. To do so, you should:

- call TDI's **Consumer Help Line** at 1-800-252-3439, (512-463-6515 in Austin) for service in both English and Spanish;
- write to the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P.O. Box 149091, Austin, Texas 78714-9091;
- email TDI at ConsumerProtection@tdi.state.tx.us;
- fax your complaint to 512-475-1771;
- download or complete a complaint form online from the TOI website at www.tdi.texas.gov; or
- call the TDI Publications/Complaint Form order line at 1-800-599-SHOP (7467), (512-305-7211 in Austin). The order line is available 24 hours a day, 7 days a week.

NOTE: TDI offers interpreter services and publications in alternate formats. Persons needing more information in alternate layouts or languages can call the TDI Consumer Help Line listed above.

42. RIGHT TO SUE. If an insurance company violates your rights, you may be able to sue that company in court, including small claims court, with or without an attorney.

43. BURDEN OF PROOF. If you sue to recover under your insurance policy, the insurance company has the burden of proof as to any application of an exclusion in the policy and any exception to or other avoidance of coverage claimed by the insurer.

44. REQUESTING NEW RULES. You have the right to ask in writing that TDI make or change rules on any residential property insurance issue that concerns you. Send your written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O.Box 149104, Austin, TX 78714-9104.

IMPORTANT NOTICE

To obtain or make a complaint:

You may contact your agent at the number shown on the Declarations page.

You may call Tower Hill Prime Insurance Company at:

1-888-795-7256

You may also write to Tower Hill Prime Insurance Company at:

PO Box 147018
Gainesville, FL 32614

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

PO Box 149104
Austin, TX 78714-9104

Fax: (512) 490-1007
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

To obtain price and policy form comparisons and other information relating to residential property insurance or personal automobile insurance, you may visit the Texas Department of Insurance/Office of Public Insurance Counsel website:

www.helpinsure.com

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact your agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY. This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para presentar una queja:

Usted puede comunicarse con su agente el número que aparece en la página de Declaraciones.

Usted puede llamar al número de teléfono gratuito de Tower Hill Prime Insurance Company para obtener información o para presentar una queja al:

1-888-795-7256

Usted también puede escribir a Tower Hill Prime Insurance Company:

PO Box 147018
Gainesville, FL 32614

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre, compañías, coberturas, derechos, o quejas al:

1-800-252-3439

Usted puede escribir al Departamento de Seguros de Texas a:

PO Box 149104
Austin, TX 78714-9104

Fax: (512) 490-1007
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

Para obtener formas para la comparación de precios y pólizas y para obtener otra información sobre el seguro de propiedad residencial y de seguro de automóvil personal, visite el sitio web del Departamento de Seguros de Texas/Oficina del Asesor Público de Seguros:

www.helpinsure.com

DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:

Si tiene una disputa relacionada con su prima de seguro o con una reclamación usted debe comunicarse con el agente o la compañía primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

ADJUNTE ESTE AVISO A SU PÓLIZA: Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.



Texas Department of Insurance

Regulatory Policy Division - Personal and Commercial Lines Office (104-PC)
333 Guadalupe, Austin, Texas 78701 | PO Box 149104, Austin, Texas 78714-9104
(512) 676-6710 | F: (512) 490-1014 | (800) 578-4677 | TDI.texas.gov | @TexasTDI

PC328 CD-1 | 0710

USE OF CREDIT INFORMATION DISCLOSURE

| | |
|---|---|
| Insurer's Name | <u>Tower Hill Prime Insurance Company</u> |
| Address | <u>P O Box 147018 Gainesville, FL 32614</u> |
| Telephone Number (toll free if available) | <u>1-888-795-7256</u> |

We **will** **will not** (choose one) obtain and use credit information on you or any other member(s) of your household as a part of the insurance credit scoring process.

If you have questions regarding this disclosure, contact the insurer at the above address or phone number. For information or other questions, contact the Texas Department of Insurance at 1-800-578-4677 or PO Box 149104, MC 104-PC, Austin, Texas 78714.

Section 559.053 of the Texas Insurance Code requires an insurer or its agents to disclose to its customers whether credit information will be obtained on the applicant or insured or on any other member(s) of the applicant's or insured's household and used as part of the insurance credit scoring process.

If credit information is obtained or used on the applicant or insured, or on any member of the applicant's or insured's household, the insurer shall disclose to the applicant the name of each person on whom credit information was obtained or used and how each person's credit information was used to underwrite or rate the policy. An insurer may provide this information with this disclosure or in a separate notice.

Adverse effect means an action taken by an insurer in connection with the underwriting of insurance for a consumer that results in the denial of coverage, the cancellation or nonrenewal of coverage, or the offer to and acceptance by a consumer of a policy form, premium rate, or deductible other than the policy form, premium rate, or deductible for which the consumer specifically applied.

Credit information is any credit related information derived from a credit report itself, or provided in an application for personal insurance. The term does not include information that is not credit-related, regardless of whether the information is contained in a credit report or in an application for insurance coverage or is used to compute a credit score.

Credit score or insurance score is a number or rating derived from a mathematical formula, computer application, model, or other process that is based on credit information and used to predict the future insurance loss exposure of a consumer.

SUMMARY OF CONSUMER PROTECTIONS CONTAINED IN CHAPTER 559

PROHIBITED USE OF CREDIT INFORMATION. An insurer may not:

- (1) use a credit score that is computed using factors that constitute unfair discrimination;

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- (2) deny, cancel, or nonrenew a policy of personal insurance solely on the basis of credit information without consideration of any other applicable underwriting factor independent of credit information; or
- (3) take an action that results in an adverse effect against a consumer because the consumer does not have a credit card account without consideration of any other applicable factor independent of credit information.

An insurer may not consider an absence of credit information or an inability to determine credit information for an applicant for insurance coverage or insured as a factor in underwriting or rating an insurance policy unless the insurer:

- (1) has statistical, actuarial, or reasonable underwriting information that: (A) is reasonably related to actual or anticipated loss experience; and (B) shows that the absence of credit information could result in actual or anticipated loss differences;
- (2) treats the consumer as if the applicant for insurance coverage or insured had neutral credit information, as defined by the insurer; or
- (3) excludes the use of credit information as a factor in underwriting and uses only other underwriting criteria.

NEGATIVE FACTORS. An insurer may not use any of the following as a negative factor in any credit scoring methodology or in reviewing credit information to underwrite or rate a policy of personal insurance:

- (1) a credit inquiry that is not initiated by the consumer;
- (2) an inquiry relating to insurance coverage, if so identified on a consumer's credit report; or
- (3) a collection account with a medical industry code, if so identified on the consumer's credit report.

Multiple lender inquiries made within 30 days of a prior inquiry, if coded by the consumer reporting agency on the consumer's credit report as from the home mortgage or motor vehicle lending industry, shall be considered by an insurer as only one inquiry.

EFFECT OF EXTRAORDINARY EVENTS. An insurer shall, on written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, or underwriting rules for a consumer whose credit information has been directly influenced by a catastrophic illness or injury, by the death of a spouse, child, or parent, by temporary loss of employment, by divorce, or by identity theft. In such a case, the insurer may consider only credit information not affected by the event or shall assign a neutral credit score.

An insurer may require reasonable written and independently verifiable documentation of the event and the effect of the event on the person's credit before granting an exception. An insurer is not required to consider repeated events or events the insurer reconsidered previously as an extraordinary event.

An insurer may also consider granting an exception to an applicant for insurance coverage or an insured for an extraordinary event not listed in this section. An insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception under this article.

NOTICE OF ACTION RESULTING IN ADVERSE EFFECT. If an insurer takes an action resulting in an adverse effect with respect to an applicant for insurance coverage or insured based in whole or in part on information contained in a credit report, the insurer must provide to the applicant or insured within 30 days certain information regarding how an applicant or insured may verify and dispute information contained in a credit report.

DISPUTE RESOLUTION; ERROR CORRECTION. If it is determined through the dispute resolution process established under Section 611(a)(5), Fair Credit Reporting Act (15 U.S.C. Section 1681i), as amended, that the credit information of a current insured was inaccurate or incomplete or could not be verified and the insurer receives notice of that determination from the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured not later than the 30th day after the date of receipt of the notice.

After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary within 30 days, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that the insured has overpaid premium, the insurer shall credit the amount of overpayment. The insurer shall compute the overpayment back to the shorter of the last 12 months of coverage; or the actual policy period.

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IMPORTANT NOTICE
TOTAL POLLUTION, ASBESTOS, AND LEAD CONTAMINATION
EXCLUSION - TEXAS

This policy excludes coverage for loss or damage due to Total Pollution, Asbestos, And Lead Contamination.

If you have questions, please contact us or your agent.

Carefully, read your policy, including its endorsements attached to the policy.

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**