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DWELLING PROPERTY 3 – SPECIAL FORM

TABLE OF CONTENTS

GENERAL

Agreement	1
Definitions	1

COVERAGES

A. Coverage A - Dwelling	2
B. Coverage B - Other Structures	2
C. Special Limit of Liability - Coverages A, B, D & E	3
D. Coverage C - Personal Property	3
1. Covered Property	3
2. Property Not Covered	3
3. Property Removed To A Newly Acquired Principal Residence	4
E. Coverage D – Fair Rental Value	4
F. Coverage E – Additional Living Expense	5
G. Other Coverages	
1. Debris Removal	5
2. Improvements, Alterations And Additions	5
3. World Wide Coverage	5
4. Temporary And Emergency Measures	5
5. Property Removed	5
6. Trees, Shrubs And Other Plants	5
7. Fire Department Service Charge	6
8. Collapse	6
9. Glass Or Safety Glazing Material	7
10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	7

PERILS INSURED AGAINST

A. Coverages A & B	8
B. Coverage C	11

GENERAL EXCLUSIONS

A.1. Ordinance Or Law	12
A.2. Earth Movement And Settlement	12
A.3. Water Damage	12
A.4. Power Failure	13
A.5. Neglect	13
A.6. War	13
A.7. Nuclear Hazard	13
A.8. Intentional Loss	13
A.9. Loss Caused By "Sinkhole"	13
A.10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	13

A.11 Existing Damage	13
A.12. Smog, Rust, Decay Or Other Corrosion	13
A.13. Inherent Vice, Latent Defect, Defect Or Mechanical Breakdown	13
A.14. Constant Or Repeated Seepage Or Leakage Of Water Or Steam	14
A.15. Accidental Discharge Or Overflow Of Water Or Steam	14
B.1. Weather conditions	14
B.2. Acts or decisions	14
B.3. Faulty, inadequate or defective	14

CONDITIONS

A. Policy Period	14
B. Insurable Interest And Limit of Liability	14
C. Concealment Or Fraud	14
D. Duties After Loss	14
E. Loss Settlement	16
F. Loss To A Pair Or Set	17
G. Glass Replacement	17
H. Mediation Or Appraisal	17
I. Other Insurance And Service Agreement	18
J. Subrogation	18
K. Suit Against Us	18
L. Our Option	18
M. Loss Payment	18
N. Abandonment Of Property	18
O. Mortgage Clause	18
P. No Benefit To Bailee	19
Q. Cancellation	19
R. Nonrenewal	21
S. Liberalization Clause	22
T. Waiver Or Change Of Policy Provisions	22
U. Assignment	22
V. Death	22
W. Nuclear Hazard Clause	22
X. Recovered Property	23
Y. Volcanic Eruption Period	23
Z. Renewal Notification	23
AA. Adjustment To Property Coverage Limits	23
BB. Salvage	23
CC. Inspections And Surveys	23
DD. Notification Regarding Access	23
EE. Deductible	23

DWELLING PROPERTY 3 - SPECIAL FORM

AGREEMENT

This Policy is issued on behalf of the Citizens Property Insurance Corporation and, by acceptance of this Policy you agree:

1. That the statements in the Application(s) are your representations;
2. That this Policy is issued in reliance upon the truth of those representations;
3. That this Policy embodies all agreements existing between you and the Citizens Property Insurance Corporation relating to this Policy.

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

DEFINITIONS

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

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

1. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
 - a. The abrupt collapse of ground cover;
 - b. A depression in the ground cover clearly visible to the naked eye;
 - c. "Structural damage" to the "principal building", including the foundation; and
 - d. The "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building".
2. "Fungi" means any type or form of fungus, including:
 - a. Mold or mildew; and
 - b. Any mycotoxins, toxins, spores, scents or byproducts produced or released by fungi.

Under **CIT DP-3** with **CIT DL 24 01**, this does not include any fungi, yeast or bacteria that are, are on, or are contained in a good or product intended for consumption.

3. "Personal watercraft" means:

- a. A watercraft that the rider sits, kneels or stands on, rather than inside of, designed to carry one to four people, propelled by a water jet pump; or
- b. A watercraft designed to be partially or fully submersible.

4. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

5. "Primary structural system" means an assemblage of "primary structural members".

6. "Principal building" means that part of your dwelling on the Described Location shown in the Declarations as the "Location of Residence Premises", including structures attached to the dwelling as described under Coverage **A**.

However, "principal building" does not include:

- a. Appurtenant structures, driveways, sidewalks, walkways, decks, patios, pools, spas, or fences;
- b. Buildings or other structures covered under Coverage **B**;
- c. Buildings, structures and other property excluded or not covered in your Policy;
- d. That part of other premises, other buildings, other structures and grounds not located at the Described Location; or
- e. Materials and supplies located on or next to the Described Location used to construct, alter or repair any property other than the "principal building" on the Described Location.

7. "Structural damage" means a "principal building", regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;

- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the “primary structural members” or “primary structural systems” that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those “primary structural members” or “primary structural systems” exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical “primary structural members” to an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
 - d. Damage that results in the building, or any portion of the building containing “primary structural members” or “primary structural systems”, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
 - e. Damage occurring on or after October 15, 2005, that qualifies as “substantial structural damage” as defined in the Florida Building Code.
8. “Unoccupied” means the dwelling is not being inhabited as a residence.
9. “Vacant” means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy as a residence.

COVERAGES

This insurance applies to the Described Location shown in the Declarations as “Location of Residence Premises”, 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.

This coverage is limited to the “principal building” for the peril of “catastrophic ground cover collapse”.

2. We do not cover:

- a. Land, including land on which the dwelling is located;
- b. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:
 - (1) Aluminum;
 - (2) One or more fiberglass panels;
 - (3) Plastic;
 - (4) Vinyl;
 - (5) Fabric; or
 - (6) Screening;
- c. Awnings;
- d. Any structure whether attached or separate from the covered dwelling, that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material;
- e. Any attachment on the covered dwelling comprised of thatch, grass, palm, lattice, slats, or similar material; or
- f. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

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.

This coverage does not apply to loss or damage resulting from the peril of “catastrophic ground cover collapse”.

2. We do not cover:

- a. Land, including land on which the other structures are located;

- b. Other Structures used in whole or in part for commercial, manufacturing or farming purposes;
- c. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- d. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:
 - (1) Aluminum;
 - (2) One or more fiberglass panels;
 - (3) Plastic;
 - (4) Vinyl;
 - (5) Fabric; or
 - (6) Screening;
- e. Awnings;
- f. Any structure whether attached or separate from the covered dwelling, that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material; or
- g. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

C. Coverage A – Dwelling, Coverage B – Other Structures, Coverage D - Fair Rental Value and Coverage E - Additional Living Expense

1. Special Limit Of Liability

- a. The total limit of liability for Coverages **A**, **B**, **D** and **E** combined is \$10,000 per policy period for cosmetic or aesthetic damages to floors.
- b. Cosmetic or aesthetic damage includes damage that covers less than 5% of the total floor surface area of the building and does not prevent typical use of the floor.
- c. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.

- d. Unless otherwise excluded, \$10,000 is the most we will pay for the total of all loss or costs payable, including Coverages **D** and **E** under this Special Limit of Liability regardless of the:
 - (1) Number of locations insured;
 - (2) Number of occurrences or claims made; or
 - (3) Number of insureds.
- e. This coverage does not increase the limit of liability applying to Coverages **A**, **B**, **D** and **E**.
- f. This limit does not apply and does not create coverage for damage to floors caused by wear and tear, marring, chipping, scratches, dents, deterioration, dropped objects or loss excluded elsewhere in this Policy.
- g. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described under Coverage **C** – Personal Property.

D. 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. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, letters of credit, notes, bank notes, manuscripts, medals, money, securities, personal records, passports, tickets, stamps, trading cards, comic books, scrip, stored value cards and smart cards;

- b. Jewelry, watches, furs, precious and semi-precious stones, firearms, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware and platinum-plated ware.

This includes flatware, hollowware, tea sets, trays, and trophies made of or including silver, gold, platinum or pewter;

- c. Animals, birds or fish;
- d. Aircraft and parts.
Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
- e. Motor vehicles or all other motorized land conveyances. This includes:

- (1) Their equipment and accessories; or
- (2) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
 - (a) Accessories or antennas; or
 - (b) Tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

- (3) We do cover vehicles or conveyances not subject to motor vehicle registration which are:
 - (a) Located on the Described Location and used solely to service the Described Location;
 - (b) A motorized golf cart located on the Described Location or while being operated to or from, or on the premises of a golf course; or
 - (c) Designed for assisting the handicapped;

The coverage described in e.(3) above does not apply to land conveyances, including but not limited to, all terrain vehicles, utility terrain vehicles, mopeds, scooters not designed to assist the handicapped, motorcycles, and motorized bicycles, whether subject to motor vehicle registration or not.

- f. Watercraft or "personal watercraft", other than rowboats and canoes;

- g. Data, including data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Electronic data processing tapes, wires, records, discs or other software media.

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

- h. Credit cards or fund transfer cards; or
- i. Water or steam.

However, we cover the removal and replacement of water in a swimming pool located on the Described Location, when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.

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.

E. Coverage D – Fair Rental Value

- 1. If a loss to covered 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 its:

Fair Rental Value, meaning 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.

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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 2 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.
5. The amount of insurance shown in the Declarations for either Coverage **D** or Coverage **E** below is the total amount we will pay in any one loss for both Coverage **D** and Coverage **E** combined.

Use of Coverage **D** does not reduce the Coverage **A** limit of liability or Coverage **C** limit of liability.

F. Coverage E – Additional Living Expense

1. If a loss to covered 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 your:

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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 2 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.
5. The amount of insurance shown in the Declarations for either Coverage **D** above or Coverage **E** is the total amount we will pay in any one loss for both Coverage **D** and Coverage **E** combined.

Use of Coverage **E** does not reduce the Coverage **A** limit of liability or Coverage **C** limit of liability.

G. Other Coverages

1. Debris Removal

We will pay the reasonable expense you incur 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.

Debris removal expense is included in the limit of liability applying to the damaged property.

2. 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.

Use of this coverage does not reduce the Coverage **C** limit of liability for the same loss.

3. 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.

4. Temporary And Emergency Measures

- a. We will pay up to \$3,000 for the reasonable costs incurred by you for necessary and temporary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.
- b. We will not pay more than the amount in **a.** above, unless we provide you written approval to exceed the limit, but only up to the additional amount for the services we authorize.

However, if form **CIT 25** is part of your Policy and a covered loss occurs during a hurricane, as described in form **CIT 25**, the amount we pay under this other coverage is not limited to the amount in **a.** above.

- c. This coverage does not:
- (1) Increase the limit of liability that applies to the covered property;
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition **D.**
 - (3) Pay for property not covered, or for temporary or permanent repairs resulting from a peril not covered, or for loss excluded in this Policy.

This other coverage does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.

5. Property Removed

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

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

6. 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.

7. 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.

8. Collapse

a. The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.

b. For the purposes 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 building or any part of a building that is standing even if it has separated from another part of the building;
- (3) A building or any part of a building that is standing, even if it shows evidence of spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or
- (4) The plumbing system or a septic system, or any part of these systems, whether above or below the ground, when these system(s) or any part of these systems are:
 - (a) Collapsed;
 - (b) In danger of collapsing or caving in; or
 - (c) Separated from another part of the system;due to:
 - (a) Age, obsolescence, wear, tear;
 - (b) Fading, oxidization, weathering;
 - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;

- (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (e) Shrinkage, expansion, contraction, bellying, corrosion; or
 - (f) Any other age or maintenance related issue.
- 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 in Coverage C - Personal Property;
 - (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 an "insured" 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 an "insured" prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- e. Loss to a:
- (1) Fence, awning, patio, pavement;
 - (2) Swimming pool, underground pipe, flue, drain, cesspool;
 - (3) Foundation, retaining wall, bulkhead, pier, wharf, dock;
 - (4) Cistern, plumbing system, septic system, or any part of a plumbing or septic system, or similar structure;
- whether above or below the ground, is not included under items **d.(2)** through **(6)** above; unless the loss is a direct result of the collapse of a building or any part of the building.
- f. This coverage does not increase the limit of liability applying to the damaged covered property.

9. Glass Or Safety Glazing Material

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (2) The breakage caused directly by Earth Movement And Settlement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; 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 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement And Settlement as provided for in **a.(2)** above.

A dwelling being constructed is not considered "vacant".

c. Loss to glass covered under this Other Coverage 9. will be settled on the basis of replacement with safety glazing materials when required.

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

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

a. We will pay up to \$10,000 for:

- (1) The total of all loss payable under the Coverages section of your Policy caused by "fungi", wet or dry rot, yeast or bacteria;
- (2) The cost to remove "fungi", wet or dry rot, yeast or bacteria from property covered under the Coverages section of your Policy;

- (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, yeast or bacteria; and
 - (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, yeast or bacteria whether performed prior to, during or after removal, repair, restoration or replacement.
The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, yeast or bacteria.
- b. The coverage described in a. only applies:
- (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and
 - (2) Only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Additional Living Expense or Fair Rental Value under this Other Coverage resulting from any one loss regardless of the:
- (1) Number of locations insured; or
 - (2) Number of occurrences or claims made; or
 - (3) Number of insureds.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, yeast or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that "fungi", wet or dry rot, yeast or bacteria causes an increase in the loss.
Any such increase in the loss will be subject to the terms of this Other Coverage.
- e. This coverage does not increase the limit of liability applying to the damaged covered property.

PERILS INSURED AGAINST

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

1. We insure against direct loss to property described in Coverages A and B only if that loss is a physical loss to property.
This includes the peril of "catastrophic ground cover collapse" as provided in Part A. below.

2. We do not insure, however, for loss:
 - a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:
 - (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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;
except as provided in G.8. Collapse under Other Coverages;
 - b. 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 exclusion applies only while the dwelling is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain the system and appliances of water;
 - (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) Foundation, retaining wall, or bulkhead; or
 - (c) Pier, wharf or dock;
 - (3) Theft of property not part of a covered building or structure;
 - (4) Theft in or to a dwelling or structure under construction;
 - (5) Wind, hail, ice, snow or sleet to:
 - (a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
 - (b) Trees, shrubs, plants or lawns;

- (6)** Vandalism and malicious mischief, theft or attempted theft if the dwelling has been “vacant” for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered “vacant”;

- (7)** Accidental discharge or overflow of water or steam;

Unless loss to property covered under Coverage **A** or **B** results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

Loss to property covered under Coverage **A** or **B** that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location includes the cost to tear out and repair only that part of a building or only that part of an other structure covered under Coverage **A** or **B**, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

However, we do not cover loss:

- (a)** To the system or appliance from which this water or steam escaped;
- (b)** On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- (c)** Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years; or

- (d)** To a plumbing system or a septic system, whether above or below the ground, caused by:

- (i)** Age, collapse, obsolescence, wear, tear;
- (ii)** Fading, oxidization, weathering;
- (iii)** Deterioration, decay, marring, delamination, crumbling, settling, cracking;
- (iv)** Shifting, bulging, racking, sagging, bowing, bending, leaning;
- (v)** Shrinkage, expansion, contraction, bellying, corrosion;
- (vi)** The unavailability or discontinuation of a part or component of the system; or
- (vii)** Any other age or maintenance related issue;

- (e)** Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or

- (d)** Otherwise excluded or limited elsewhere in the Policy.

For purposes of this provision, a plumbing system or household appliance does not include:

- (a)** A sump, sump pump, irrigation system, or related equipment; or
 - (b)** A roof drain, gutter, down spout, or similar fixtures or equipment.
- (8)** Dropped objects to the interior of a building, property contained in a building, or flooring located outside of a building, unless the roof or an outside wall of the building is first damaged by a dropped object.

Damage to the dropped object itself is not covered.

- (9) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
- (10) Any of the following:
- (a) Wear and tear, marring, chipping, scratches, dents, or deterioration;
 - (b) Inherent vice, latent defect, defect or mechanical breakdown;
 - (c) Smog, rust, decay or other corrosion;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:
 - (i) Smoke;
 - (ii) Vapor;
 - (iii) Soot;
 - (iv) Fumes;
 - (v) Acids;
 - (vi) Alkalis;
 - (vii) Chemicals; and
 - (viii) Waste.Waste includes materials to be recycled, reconditioned or reclaimed;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
 - (g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and repairing only that part of a building or only that part of an other structure covered under Coverage A or B, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

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

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

c. Excluded under General Exclusions.

Under Paragraphs 2.a. and 2.b. above, any ensuing loss to property described in Coverages A and B not excluded or otherwise precluded in this Policy is covered.

Part A.

Catastrophic Ground Cover Collapse

1. We insure for direct physical loss to the "principal building" under Coverage A caused by the peril of "catastrophic ground cover collapse".

Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

2. Direct physical loss from “catastrophic ground cover collapse” does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

If we at our option repair the “principal building” under Coverage **A** for direct physical loss resulting from the peril of “catastrophic ground cover collapse”, we will stabilize the “principal building’s” land in accordance with our professional engineers recommended repairs.

3. This peril does not increase the limit of liability that applies to the damaged property.
4. This peril does not apply to property covered under Coverage **B** – Other Structures.

The GENERAL EXCLUSION Earth Movement And Settlement **A.2.** does not apply to “catastrophic ground cover collapse”.

The GENERAL EXCLUSION Loss Caused By “Sinkhole” **A.10.** does not apply to “catastrophic ground cover collapse”.

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 first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;
 - b. Canoes and rowboats; or
 - c. Trees, shrubs or plants.
3. **Explosion**
 4. **Riot Or Civil Commotion**
 5. **Aircraft**, including self-propelled missiles and spacecraft.
 6. **Vehicles**
 7. **Smoke, meaning sudden and accidental damage from smoke**

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

8. **Vandalism Or Malicious Mischief**

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

9. **Damage by Burglars, meaning damage to covered property caused by Burglars**

This peril does not include:

- a. Theft of property; or
- b. Damage caused by burglars to property on the Described Location if the dwelling has been “vacant” for more than 30 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** which causes damage to property contained in the building.

12. **Accidental Discharge Or Overflow Of Water Or Steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below;
- c. On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- d. Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor which occurs over a period of weeks, months or years; or
- e. Otherwise excluded or limited elsewhere in the Policy.

In this peril, a plumbing system or household appliance does not include:

- a. A sump, sump pump, irrigation system or related equipment; or
- b. A roof drain, gutter, down spout, or similar fixtures or equipment.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water. This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

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

This peril does not include loss on the Described Location while the dwelling is "vacant" or "unoccupied" or being constructed, unless you have used reasonable care to:

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to a tube, transistor or similar electronic component.

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

17. Catastrophic Ground Cover Collapse

a. We insure for direct physical loss to property covered under Coverage **C** located within the "principal building" resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this Policy.

b. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

c. Direct physical loss to property covered under Coverage **C** from the peril of "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

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

The GENERAL EXCLUSION Earth Movement And Settlement **A.2.** does not apply to "catastrophic ground cover collapse".

The GENERAL EXCLUSION Loss Caused By "Sinkhole" **A.10.** does not apply to "catastrophic ground cover collapse".

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.

1. Ordinance Or Law, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this Policy.

2. Earth Movement And Settlement, meaning:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide;
- c. Mine subsidence;
- d. Mudflow or mudslide;
- e. Earth sinking, rising or shifting;
- f. Clay shrinkage or other expansion or contraction of soils or organic materials;
- g. Decay of buried or organic materials;
- h. Settling, cracking or expansion of foundations; or
- i. Scouring;

Whether caused by natural or man made activities; unless direct loss by:

- a. Fire; or
- b. Explosion;

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

3. Water Damage, meaning:

a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge, wave wash, 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;
- (2) Backs up or is otherwise discharged from a septic system or drain field, or related equipment or similar systems; or
 - (a) Overflows or is otherwise discharged from:
 - (b) A sump, sump pump, irrigation system, or related equipment; or
 - (c) A roof drain, gutter, down spout, or similar fixtures or equipment;

- c. Water below the surface of the ground, including water which exerts pressure on, seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material, sewage or any other substance, carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this General Exclusion.

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

This Exclusion **A.3.** applies regardless of whether any of the above in **A.3.a.** through **A.3.d.** is caused by or results from human or animal forces or any act of nature.

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

4. Power Failure, meaning:

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 or damage caused by that Peril Insured Against.

5. Neglect, meaning your or any other insured's neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these.

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

7. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss, meaning any loss arising out of any act committed:

- a. By or at the direction of you or any person or organization named as an additional insured; and
- b. With the intent to cause a loss.

9. Loss Caused By "Sinkhole"

a. "Sinkhole" means:

- (1) A landform created by subsidence of soils, sediment, or rock as underlying strata are dissolved by ground water.
- (2) A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria meaning:

The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, yeast or bacteria.

This Exclusion **A.10.** does not apply:

- a. When "fungi", wet or dry rot, yeast or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Other Coverage with respect to loss caused by a Peril Insured Against other than fire or lightning.

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

11. Existing Damage, meaning:

- a. Damages which occurred prior to Policy inception regardless of whether such damages were apparent at the time of the inception of this Policy or discovered at a later date; or
- b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This Exclusion **A.11.** does not apply in the event of a total loss caused by a Peril Insured Against.

12. Smog, Rust, Decay Or Other Corrosion

This Policy does not include loss caused by smog, rust, decay or other corrosion.

13. Inherent Vice, Latent Defect, Defect Or Mechanical Breakdown

This Policy does not include loss caused by inherent vice, latent defect, defect or mechanical breakdown.

- 14. Constant Or Repeated Seepage Or Leakage Of Water Or Steam**, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years.
- 15. Accidental Discharge Or Overflow Of Water Or Steam** from:
- Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
 - Within a household appliance for heating water; or
 - Within a household appliance.
- This Exclusion **A.15.** applies only while the dwelling is "vacant" or "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:
- Shut off the water supply; and
 - Drain the system and appliances of water.
- Systems and appliances do not include outdoor swimming spas or outdoor irrigation wells.
- 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 otherwise excluded or excepted 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:**
 - Planning, zoning, development, surveying, siting;
 - Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - Materials used in repair, construction, renovation or remodeling; or
 - Maintenance;of part or all of any property whether on or off the Described Location.

CONDITIONS

A. Policy Period.

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

B. 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:

- For an amount greater than the interest of a person insured under this Policy; or
- For more than the applicable limit of liability.

C. Concealment or Fraud

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

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

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an insured on the basis of credit information available in public records.

D. Duties After Loss

We do not insure for loss caused directly or indirectly by your failure to perform the duties described in paragraphs **D.1.** and **2.** below. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

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

- Give prompt notice to us or your insurance agent within 72 hours after you discover the loss or damage, or within 72 hours after you knew or should have known of the loss or damage;

In the event of an emergency circumstance preventing your notification to us or to your insurance agent as described above, you must:

- Give us prompt notice; and

- b.** Provide supporting documentation explaining why you were unable to report your loss or damage to us or your insurance agent within 72 hours.

If in the event of an emergency circumstance, you or your representative notifies another party who provides claim support or expert claim advice regarding the loss or damage, you must provide immediate notice to us or your insurance agent.

- 2.** Protect the covered property from further damage. If emergency measures are required, you must:
 - a.** Take those temporary measures that are necessary to protect the covered property from further damage, as provided under Other Coverage **G.4.**;
 - b.** Permit us to inspect the property before you make permanent repairs; and
 - c.** Keep an accurate record of repair expenses.

Our payment for emergency measures or repairs under this condition does not increase the limit of liability applying to the covered property.

- 3.** Cooperate with us in the investigation of a claim;
- 4.** Prepare an inventory of damaged personal property showing the:
 - a.** Quantity;
 - b.** Description;
 - c.** Actual cash value; and
 - d.** 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;
 - c.** You or any insured under this Policy must:
 - (1)** Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and
 - (2)** Sign the same;

- d.** If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

- (1)** Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and
- (2)** Sign the same;

- e.** Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this Policy other than an insured in **5.c.** or **5.d.** above; must:

- (1)** Submit to examinations under oath and recorded statements, while not in the presence of any insured; and
- (2)** 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.**;
 - g.** Receipts for additional living expenses incurred and records that support the fair rental value loss.

- 7.** A claim, supplemental claim, or reopened claim for loss or damage caused by the peril of windstorm or hurricane is barred unless notice of the claim, supplemental claim, or reopened claim is given to us in accordance with the terms of the Policy within 3 years after the date the hurricane first made landfall in Florida or the windstorm caused the covered damage.

A supplemental claim or reopened claim means any additional claim for recovery from us for losses from the same hurricane or windstorm which we have previously adjusted pursuant to the initial claim.

E. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
- b. 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, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this Policy that applies to the building;
- (2) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
- (3) The necessary amount to repair or replace the damaged building.

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, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this Policy on the damaged building bears to 80% of the replacement cost of the building.

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

- (1) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
- (2) Those supports in c.(1) above which are below the surface of the ground inside the foundation walls, if there is no basement;
- (3) Underground flues, pipes, wiring and drains; and
- (4) Structures and other property excluded or not covered elsewhere in your Policy.

d. We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to 2.a. and 2.b. above.

If a total loss of the dwelling occurs, the provisions of 2.d. above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes.

This does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.

3. If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

- a. Vandalism;
- b. Malicious mischief;
- c. Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- d. Dwelling glass breakage; or
- e. Water damage.

Dwellings under construction are not considered "vacant".

4. In the event of a “catastrophic ground cover collapse”, any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- a. Complete the professional engineer’s recommended repairs; or
- b. Pay the policy limits without a reduction for the repair expenses incurred.

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. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required.

H. Mediation Or Appraisal

1. Mediation.

If there is a dispute with respect to a claim under this Policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- a. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
- b. The settlement in the course of the mediation is binding only if:
 - (1) Both parties agree, in writing, on a settlement; and
 - (2) You have not rescinded the settlement within 3 business days after reaching settlement.
- c. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

- d. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator’s fee for that rescheduled conference.

- e. However, if we fail to appear at a mediation conference without good cause, we will pay:
 - (1) The actual cash expenses you incurred while attending the conference; and
 - (2) Also pay the mediator’s fee for the rescheduled conference.

2. Appraisal.

Appraisal is an alternate dispute resolution method to address and resolve disagreement regarding the amount of the covered loss.

- a. If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. If you or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss.

The estimate shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

- b. In this event, each party will choose a competent appraiser within 20 days after receiving a written demand from the other.
- c. 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.
- d. If they fail to agree, the two appraisers will choose a competent and impartial 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 located in the county described in the “Location of Residence Premises” of your Declarations.
- e. The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

- f. The appraisal award will be in writing and shall include the following:
- (1) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;
 - (2) The agreed amount of each item, its replacement cost value and corresponding actual cash value; and
 - (3) A statement of "This award is made subject to the terms and conditions of the policy."
- g. Each party will:
- (1) Pay its own appraiser, including their costs associated with producing the estimate described in **2.a.** above; and
 - (2) Bear the fees and expenses of the appraisal and umpire equally.
- h. You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.
- i. If, however, we demanded the mediation in **1.** above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

I. 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.
2. A service agreement, this insurance is excess over any amounts recoverable 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.

J. 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.

K. Suit Against Us

No action can be brought against us; unless:

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

L. Our Option

If we give or mail you written notice within 30 days after we receive your signed, sworn proof of loss:

1. We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
2. If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

M. 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. Any loss payment will be paid to you and them, as each interest appears.

Loss will be payable:

1. 20 days after we receive your proof of loss and reach written agreement with you; or
2. 60 days after we receive your proof of loss; and
 - a. There is an entry of a final judgment; or
 - b. There is a filing of an appraisal award or a mediation settlement with us.
3. Within 90 days after we receive notice of an initial, reopened, or supplemental property insurance claim from you, where for each initial, reopened, or supplemental property insurance claim, we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Paragraph **3.** above does not form the sole basis for a private cause of action against us.

N. Abandonment of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

The word "mortgagee" includes trustee and lienholder.

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.
This notice includes notifying us of foreclosure or if a foreclosure has been initiated;
 - 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 Appraisal, Suit Against Us and Loss Payment 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.

P. 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.

Q. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the Described Location has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this Policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the Described location, by letting the first named insured know in writing of the date cancellation takes effect.

This cancellation notice will be delivered to the first named insured or mailed to the first named insured at the mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel during this period by letting the first named insured know at least 10 days before the date cancellation takes effect.
- b. If:
 - (1) There has been a material misstatement or fraud related to the claim;
 - (2) We determine that an insured has unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (3) We have paid policy limits;we may cancel during this period by letting the first named insured know at least 45 days before the date cancellation takes effect.
- c. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (**Q.2.c.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

3. If the conditions described in Paragraph **Q.2.** do not apply, we may cancel only for the following reasons:

a. When this Policy has been in effect for 90 days or less, we may cancel immediately if there has been:

- (1) A material misstatement or misrepresentation; or
- (2) Failure to comply with underwriting requirements;

b. We may also cancel this Policy subject to the following provisions.

A written cancellation notice, together with the specific reason(s) for cancellation, will be delivered to the first named insured, or mailed to the first named insured at the mailing address shown in the Declarations.

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

(2) When this Policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:

(a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

(b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or

(c) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or household member of an insured.

Except as provided in Paragraphs **Q.3.a.** and **Q.3.b.(1)** above, we will let the first named insured know of our action at least 20 days before the date the cancellation takes effect.

(3) When this Policy has been in effect for more than 90 days, we may cancel:

(a) If there has been a material misstatement;

(b) If the risk has changed substantially since the Policy was issued;

(c) In the event of a failure to comply, within 90 days after the date of effectuation of coverage, with underwriting requirements established by us before the date of effectuation of coverage;

(d) If the cancellation is for all insureds under policies of this type for a given class of insureds;

(e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

(4) When this Policy has been in effect for more than 90 days, we may not cancel:

(a) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or household member of an insured; or

(b) On the basis of credit information available in public records.

(5) If any of the reasons listed in Paragraphs **Q.3.b.(3)(a)** through **(f)** apply, we will give at least 120 days written notice to the first named insured before the date cancellation takes effect.

4. If the date of cancellation becomes effective during a "hurricane occurrence":

a. The date of cancellation will not become effective until the end of the "hurricane occurrence"; and

b. We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the Policy remains in effect.

However, this provision (**Q.4.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

5. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
6. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days, either after the date cancellation takes effect, or after our receipt of your request to cancel the Policy, whichever is later.

Proof of mailing will be sufficient proof of notice.

R. Nonrenewal

1. We may elect not to renew this Policy. We may do so by delivering to the first named insured, or mailing to the first named insured, at the mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal.

If we nonrenew a policy pursuant to **1.a.** or **1.c.(1)** below, we will also notify any additional named insured shown in the Declarations at their mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- a. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the Described Location has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the Described Location, we may elect not to renew this Policy only if:

- (1) You have not paid the renewal premium;
- (2) There has been a material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (4) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.

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

However, this provision (**R.1.b.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- c. If the conditions described in Paragraph **R.1.a.** do not apply, we may elect not to renew this Policy by providing the following notice before the expiration date of this Policy:

- (1) When nonrenewal is for:

- (a) A Policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you; or
- (b) A risk that has received an offer of coverage from an authorized insurer that is equal to or less than Citizens' renewal premium for comparable coverage, pursuant to Citizens' policyholder eligibility clearinghouse program;

we will give the first named insured at least 45 days written notice before the expiration of this Policy.

- (2) For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

- d. Depopulation Provision.

- (1) Under this provision, the Citizens Property Insurance Corporation ("Citizens") may nonrenew this Policy under the following conditions:

- (a) If we or the Florida Market Assistance Program obtain an offer from an authorized insurer to cover the property described in the Declarations, at approved rates, except as otherwise provided in Florida law.
- (b) This Policy may be replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

- (2) Acceptance of Citizens coverage by you creates a conclusive presumption that you are aware of this potential.

2. We will not nonrenew this Policy:
- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
 - c. On the basis of filing of claim(s) for "sinkhole loss"; unless:
 - (1) The total of such payments equals or exceeds the policy limits of coverage for the Policy in effect on the date of loss, for property damage to the "principal building"; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any payment or policy proceeds were based;
 - d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or members of the insured's household; or
 - e. On the basis of credit information available in public records.
3. If the date of nonrenewal becomes effective during a "hurricane occurrence":
- a. The expiration date of this Policy will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision **(R.3.)** does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

S. 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, 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.

T. 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.

U. Assignment

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

V. 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.

W. 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.

X. 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.

Y. Volcanic Eruption Period

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

Z. Renewal Notification

If we elect to renew this Policy, we will let the first named insured know, in writing:

1. Of our decision to renew this Policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to the first named insured or mailed to the first named insured at the mailing address shown in the Declarations at least 45 days before the expiration date of this Policy.

AA. Adjustment To Property Coverage Limits

1. If your Policy is a renewal with us, the limit of liability for Coverages **A, B, C** and **D** may be adjusted.
2. Any adjustment in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:
 - a. These adjustments will keep pace with inflation; or
 - b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

BB. Salvage

We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the Policy by the value of the salvage.

CC. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. This condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which makes insurance inspections, surveys, reports or recommendations.

DD. Notification Regarding Access

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

EE. Deductible

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

IN WITNESS WHEREOF, Citizens Property Insurance Corporation has executed and attested these presents.

Citizens Property Insurance Corporation

SPECIAL COVERAGE FOR USE WITH FORM CIT DP-3

For an additional premium, the Perils Insured Against listed below apply to either of the following coverages, if provided in this Policy:

1. Improvements, Alterations and Additions;
2. Unit-Owners Building Items.

PERILS INSURED AGAINST

1. We insure against risks of direct loss to the property described above only if that loss is a physical loss to property.

This includes the perils of "catastrophic ground cover collapse" as provided in Part **A.** below and "sinkhole loss" as provided in Part **B.** below.

2. We do not insure, however, for loss:
 - a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:
 - (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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

except as provided in **G.8.** Collapse under Other Coverages;

- b. 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 exclusion applies only while the dwelling is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:

- (a) Maintain heat in the building; or

- (b) Shut off the water supply and drain the system and appliances of water;
- (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) Foundation, retaining wall, or bulkhead; or
 - (c) Pier, wharf or dock;
- (3) Theft of any property which is not actually part of any building or structure covered;
- (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 if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered "vacant";
- (7) Dropped objects to the interior of a building, property contained in a building, or flooring located outside of a building, unless the roof or an outside wall of the building is first damaged by a dropped object.

Damage to the dropped object itself is not covered.
- (8) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

- (9)** Accidental discharge or overflow of water or steam;

Unless loss to property covered under:

- (a)** Improvements, Alterations and Additions;
- (b)** Unit-Owners Building Items;

results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

We also pay for tearing out and repairing only that part of a building or only that part of an other structure owned solely by you covered under **(9)(a)** or **(b)** above, on the Described Location, when access is necessary to repair only that portion or only part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

Such tear out and repair coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the location of the Described Location.

However, we do not cover loss:

- (a)** To or within the Described Location, if the Described Location has been "vacant" for more than 30 consecutive days immediately before the loss. The Described Location being constructed is not considered "vacant";
- (b)** To the system or appliance from which this water or steam escaped;
- (c)** On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- (d)** Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years;

- (e)** To a plumbing system or a septic system, whether above or below the ground, caused by:

- (i)** Age, collapse, obsolescence, wear, tear;
- (ii)** Fading, oxidization, weathering;
- (iii)** Deterioration, decay, marring, delamination, crumbling, settling, cracking;
- (iv)** Shifting, bulging, racking, sagging, bowing, bending, leaning;
- (v)** Shrinkage, expansion, contraction, belying, corrosion;
- (vi)** The unavailability or discontinuation of a part or component of the system; or
- (vii)** Any other age or maintenance related issue;

- (f)** Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or

- (g)** Otherwise excluded or limited elsewhere in the Policy.

For purposes of this provision, a plumbing system or household appliance does not include:

- (a)** A sump, sump pump, irrigation system, or related equipment; or
- (b)** A roof drain, gutter, down spout, or similar fixtures or equipment.

10. Any of the following:

- (a)** Wear and tear, marring, chipping, scratches, dents, or deterioration;
- (b)** Inherent vice, latent defect, defect or mechanical breakdown;
- (c)** Smog, rust, decay or other corrosion;
- (d)** Smoke from agricultural smudging or industrial operations;
- (e)** Discharge, dispersal, seepage, migration, release or escape of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- (i)** Smoke;
- (ii)** Vapor;
- (iii)** Soot;

- (iv) Fumes;
- (v) Acids;
- (vi) Alkalis;
- (vii) Chemicals; and
- (viii) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed;

- (f) Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location, we cover loss caused by the water including the cost of tearing out and repairing only that part of a building or only that part of an other structure owned solely by you covered under this endorsement, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

However, such tear out and repair coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the Described Location.

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

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

c. Excluded under General Exclusions.

Under Paragraphs 2.a. and 2.b. above, any ensuing loss not excluded or otherwise precluded in this Policy is covered.

Part A.

Catastrophic Ground Cover Collapse.

1. With respect to Improvements, Alterations and Additions, if provided in the Policy:

- a. We insure for direct physical loss to your Improvements, Alterations and Additions covered under the COVERAGES section of your Policy, located within the "principal building", caused by the peril of "catastrophic ground cover collapse".
- b. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- c. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

2. With respect to Unit-Owners Building Items, if provided in the Policy:

- a. We insure for direct physical loss to the "principal building" caused by the peril of "catastrophic ground cover collapse".
- b. Coverage C applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this Policy.
- c. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- d. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

If we at our option repair the "principal building" for direct physical loss resulting from the peril of "catastrophic ground cover collapse", we will stabilize the portion of the "principal building's" land which is your insurance responsibility under a corporation or association of property owners agreement in accordance with the professional engineers recommended repairs.

With respect to Part A.1. and Part A.2. above:

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

The GENERAL EXCLUSION Earth Movement And Settlement A.2. does not apply to "catastrophic ground cover collapse".

The GENERAL EXCLUSION Loss caused by Sinkhole A.9. does not apply to "catastrophic ground cover collapse".

Part B.

1. With respect to Improvements, Alterations and Additions, if provided in the Policy:

Sinkhole Loss.

- a.** We insure for direct physical loss to your Improvements, Alterations and Additions covered under the COVERAGES section of your Policy, located within the “principal building”, caused by “sinkhole loss” that occurs during the policy period.
- b.** Coverage **C** and additional living expense coverage applies if there is a direct physical loss resulting from “sinkhole loss”, unless the loss is excluded elsewhere in your Policy.
- c.** Any verification of the presence of a “sinkhole loss” must be in compliance with Florida sinkhole testing standards. If the testing is performed at our request, we will notice you.
The professional engineer or professional geologist must be selected or approved by us.
- d.** This peril does not apply to the costs to repair or stabilize the land, buildings, other structures or their foundations.
- e.** This peril does not increase the limit of liability applying to the covered property.
- f.** We do not insure land or the replacement, rebuilding, restoration, or value of land.
- g.** If the loss or damage is caused by both “catastrophic ground cover collapse” and “sinkhole loss”, only one limit of insurance will apply to such loss or damage.

2. With respect to Unit-Owners Building Items, if provided in the Policy:

Sinkhole Loss.

- a.** We insure for direct physical loss to the “principal building”, caused by “sinkhole loss” that occurs during the policy period. This includes the costs incurred to:
 - (1)** Stabilize the portion of the “principal building’s” land and “principal building”; and
 - (2)** Repair the portion of the foundation of the “principal building”;

which is your insurance responsibility under a corporation or association of property owners agreement, in accordance with the recommendations of our professional engineer who verifies the presence of a “sinkhole loss” in compliance with Florida sinkhole testing standards and with notice to you.

The professional engineer or professional geologist must be selected or approved by us.

- b.** This peril does not apply to personal property and additional living expenses coverage unless there is “structural damage” to the “principal building” caused by “sinkhole activity”.
- c.** This peril does not increase the limit of liability applying to the covered property.
- d.** We do not insure land or the replacement, rebuilding, restoration, or value of land except as provided under **a.(1)** above and in accordance with the recommendations of our professional engineer.
- e.** If the loss or damage is caused by both “catastrophic ground cover collapse” and “sinkhole loss”, only one limit of insurance will apply to such loss or damage.

With respect to Part **B.1.** and Part **B.2.** above:

The GENERAL EXCLUSION Loss caused by Earth Movement And Settlement **A.2.** does not preclude coverage for “sinkhole loss” if there is a direct physical loss to the “principal building” caused by “sinkhole loss”.

If a loss is caused in part by “sinkhole loss” and in part by Earth Movement and Settlement, our liability is limited to the amount of the covered loss caused by “sinkhole loss”, subject to any applicable deductible provisions.

The GENERAL EXCLUSION Loss caused by Sinkhole **A.9.** does not apply to “sinkhole loss”.

GENERAL EXCLUSIONS

The following exclusion applies to either of the following coverages, if provided in this Policy:

- 1.** Improvements, Alterations and Additions;
- 2.** Unit-Owners Building Items.

We do not insure for loss caused directly or indirectly by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor; which occurs over a period of weeks, months or years.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

The following is added to the Existing Damage Exclusion.

Visible physical damage or "structural damage" to covered property under your Policy or to the "principal building" including the foundation caused by "sinkhole", "sinkhole loss" or "sinkhole activity" occurring prior to the inception of this Policy, regardless of whether such damages were apparent at the time of the inception of this Policy or discovered at a later date.

The following exclusions are added to the General Exclusions:

We do not insure for loss to property described as Improvements, Alterations and Additions or Unit-Owners Building Items caused by any of the following.

However, any ensuing loss not otherwise excluded or excepted 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 the General Exclusions, other than exclusions **2.** and **3.** below, 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.

All other provisions of this Policy apply.

I certify that the policies and the endorsement(s) when the endorsement is combined with the primary policy, that are referenced below meet the Florida Readability Requirements, pursuant to Section 627.4145, Florida Statutes,.

Forms filed under the filings listed above are scored as follows: Form Number	Flesch Score
CIT DP-3 07 16	54.8
CIT 04 65 07 16	53.5

Exhibits indicating each form's readability statistics are provided on the following page.

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CIT DP-3 07 16

Reading Ease

A higher score indicates easier readability; scores usually range between 0 and 100.

Readability Formula	Score
Flesch-Kincaid Reading Ease	54.8

Text Statistics

Character Count	64,911
Syllable Count	22,679
Word Count	14,028
Sentence Count	932
Characters per Word	4.6
Syllables per Word	1.6
Words per Sentence	15.1

CIT 04 65 07 16 (combined with CIT DP-3 07 15)

Reading Ease

A higher score indicates easier readability; scores usually range between 0 and 100.

Readability Formula	Score
Flesch-Kincaid Reading Ease	53.5

Text Statistics

Character Count	76,379
Syllable Count	26,659
Word Count	16,394
Sentence Count	1,054
Characters per Word	4.7
Syllables per Word	1.6
Words per Sentence	15.6

Personal Residential Multi-Peril - Dwelling Summary Of Changes

The following changes are made to Citizens CIT DP-3 07 16 (Former CIT DP-3 02 16, IFile # 15-19989),

- The Table Of Contents is amended to indicate revised and new page numbers, the renaming of the Additional Coverage of *“Reasonable Repairs”* to *“Temporary And Emergency Measures”*
- COVERAGES, D. Coverage C – Personal Property. Under 2. Property Not Covered, paragraph h. is amended to: *“h. Credit cards or fund transfer cards; or “*
- COVERAGES, D. Coverage C – Personal Property. Under 2. Property Not Covered, paragraph i. is added. *“i. Water or steam. However, we cover the removal and replacement of water in a swimming pool located on the Described Location, when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.”*
- COVERAGES, Other Coverage G.2. is re-titled from the *“Reasonable Repairs”* to *“Temporary And Emergency Measures”* Additionally, in the Other Coverage *“Temporary And Emergency Measures”*, the following changes are made.
 - Paragraph a. is amended to: *“a. We will pay up to \$3,000 for the reasonable costs incurred by you for necessary and temporary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.”*
 - Paragraph b. is amended to: *“b. We will not pay more than the amount in a. above, unless we provide you written approval to exceed the limit, but only up to the additional amount for the services we authorize. However, if form CIT 25 is part of your Policy and a covered loss occurs during a hurricane, as described in form CIT 25, the amount we pay under this additional coverage is not limited to the amount in a. above.”*
 - Paragraph c. (The former paragraph beginning with *“This coverage does not:”*) and its following paragraphs are amended to: *“c. This coverage does not: (1) Increase the limit of liability that applies to the covered property; (2) Relieve you of your duties, in case of a loss to covered property, as set forth in CONDITION D.; (3) Pay for property not covered, or for temporary or permanent repairs resulting from a peril not covered, or for loss excluded in this Policy. This over coverage does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.”*
- COVERAGES, Other Coverages G.8. *“Collapse”* is amended as follows.
 - Paragraph a. is amended to: *“a. This coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.”*
 - Paragraph b. is amended to: *“b. For the purposes 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.”*
 - Paragraph c. is amended to: *“c. The 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 building or any part of a building that is standing even if it has separated from another part of the building; (3) A building or any part of a building that is standing, even if it shows evidence of spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or (4) The plumbing system or a septic system, or any part of these systems, whether above or below the ground, when these system(s) or any part of these systems are: (a) Collapsed, (b) In danger of collapsing or caving in; or (c) Separated from another part of the system; due to: (a) Age, obsolescence, wear, tear; (b) Fading, oxidization, weathering; (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking; (d) Shifting, bulging, racking,*

- sagging, bowing, bending, leaning; (e) Shrinkage, expansion, contraction, bellying, corrosion; or (f) Any other age or maintenance related issue.”
- Paragraph d. (Former paragraph a.) is amended to: “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 in Coverage C - Personal Property; (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 an ‘insured’ 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 an ‘insured’ prior to collapse; (4) Weight of contents, equipment, animals or people; (5) Weight of rain which collects on a roof; or (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.”
 - Paragraph e. (The former paragraph following paragraph d.) is amended to: “e. Loss to a: (1) Fence, awning, patio, pavement; (2) Swimming pool, underground pipe, flue, drain, cesspool; (3) Foundation, retaining wall, bulkhead, pier, wharf, dock; (4) Cistern, plumbing system, septic system, or any part of a plumbing or any part of a septic system, or similar structure; whether above or below the ground, is not included under items d.(2) through (6) above; unless the loss is a direct result of the collapse of a building or any part of the building.”
 - Paragraph e. (Former paragraph d.) is amended to: “f. This coverage does not increase the limit of liability applying to the damaged covered property.”
 - PERILS INSURED AGAINST, A. Coverage A – Dwelling And Coverage B – Other Structures, paragraph 2.a. is amended to: “a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground: (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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above; except as provided in G.8. Collapse under Other Coverages;”
 - PERILS INSURED AGAINST, A. Coverage A – Dwelling And Coverage B – Other Structures, paragraph 2.b.(7) is amended to: “(7) Accidental discharge or overflow of water or steam; Unless loss to property covered under Coverage A or B results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. Loss to property covered under Coverage A or B that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location includes the cost to tear out and repair only that part of a building or only that part of an other structure covered under Coverage A or B, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not. However, we do not cover loss: (a) To the system or appliance from which this water or steam escaped; (b) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location; (c) Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years; or (d) To a plumbing system or a septic system, whether above or below the ground, caused by: (i) Age, collapse, obsolescence, wear, tear; (ii) Fading, oxidization, weathering; (iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking; (iv) Shifting, bulging, racking, sagging, bowing, bending, leaning; (v) Shrinkage, expansion, contraction, bellying, corrosion; (vi) The unavailability or discontinuation of a part or component of the system; or (vii) Any other age or maintenance related issue; (e) Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or (d) Otherwise excluded or limited elsewhere in the Policy. For purposes of this

- provision, a plumbing system or household appliance does not include: (a) A sump, sump pump, irrigation system, or related equipment; or (b) A roof drain, gutter, down spout, or similar fixtures or equipment.”*
- PERILS INSURED AGAINST, A. Coverage A – Dwelling And Coverage B – Other Structures, the paragraphs immediately following paragraph 2.b.(10)(g) and immediately before paragraph 2.c. are amended to: *“If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and repairing only that part of a building or only that part of an other structure covered under Coverage A or B, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not. We do not cover loss to the system or appliance from which this water escaped. For purposes of this provision, a plumbing system or household appliance does not include: (a) A sump, sump pump, irrigation system, or related equipment; or (b) A roof drain, gutter, down spout, or similar fixtures or equipment.*
 - PERILS INSURED AGAINST, A. Coverage A – Dwelling And Coverage B – Other Structures, paragraph 2.c. and the paragraph immediately following paragraph 2.c. are amended to: *“c. Excluded under General Exclusions. Under items 2.a. and 2.b. above, any ensuing loss to property described in Coverages A and B not excluded or otherwise precluded in this Policy is covered.”*
 - PERILS INSURED AGAINST, B. Coverage C – Personal Property, paragraph 12.e. is amended to: *“e. Otherwise excluded or limited elsewhere in the Policy.”*
 - CONDITIONS “D. Duties After Loss”. The paragraphs immediately after D. Duties After Loss and paragraph D.1., 2., 3. and 4. are amended to the following: *“We do not insure for loss caused directly or indirectly by your failure to perform the duties described in paragraphs D.1. and 2. below. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. In case of a loss to covered property, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an “insured” seeking coverage, or a representative of either: 1. Give prompt notice to us or your insurance agent within 72 hours after you discover the loss or damage, or within 72 hours after you knew or should have known of the loss or damage; In the event of an emergency circumstance preventing your notification to us or to your insurance agent as described above, you must: a. Give us prompt notice; and b. Provide supporting documentation explaining why you were unable to report your loss or damage to us or your insurance agent within 72 hours. If in the event of an emergency circumstance, you or your representative notifies another party who provides claim support or expert claim advice regarding the loss or damage, you must provide immediate notice to us or your insurance agent. 2. Protect the covered property from further damage. If emergency measures are required, you must: a. Take those temporary measures that are necessary to protect the covered property from further damage, as provided under Other Coverage G.4.; b. Permit us to inspect the property before you make permanent repairs; and c. Keep an accurate record of repair expenses. Our payment for emergency measures or repairs under this condition does not increase the limit of liability applying to the covered property.”*

The following changes are made to “Special Coverage For Use With Form CIT DP-3” form CIT 04 65 07 16 (Former form CIT 04 65 02 16, IFile number 15-14359):

- PERILS INSURED AGAINST, Paragraph 2.a. is amended to: *“a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground: (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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such*

- condition relates to (1) or (2) above; except as provided in G.8. Collapse under Other Coverages;”
- PERILS INSURED AGAINST, Paragraph 2.a. is amended to: *“(9) Accidental discharge or overflow of water or steam; Unless loss to property covered under: (a) Improvements, Alterations and Additions; (b) Unit-Owners Building Items; results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. We also pay for tearing out and repairing only that part of a building or only that part of an other structure owned solely by you covered under (9)(a) or (b) above, on the Described Location, when access is necessary to repair that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not. Such tear out and repair coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the location of the Described Location. However, we do not cover loss: (a) To or within the Described Location, if the Described Location has been ‘vacant’ for more than 30 consecutive days immediately before the loss. The Described Location being constructed is not considered ‘vacant’; (b) To the system or appliance from which this water or steam escaped; (c) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location; (d) Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years; (e) To a plumbing system or a septic system, whether above or below the ground, caused by: (i) Age, collapse, obsolescence, wear, tear; (ii) Fading, oxidization, weathering; (iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking; (iv) Shifting, bulging, racking, sagging, bowing, bending, leaning; (v) Shrinkage, expansion, contraction, bellying, corrosion; (vi) The unavailability or discontinuation of a part or component of the system; or (vii) Any other age or maintenance related issue; (f) Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or (g) Otherwise excluded or limited elsewhere in the Policy. For purposes of this provision, a plumbing system or household appliance does not include: (a) A sump, sump pump, irrigation system, or related equipment; or (b) A roof drain, gutter, down spout, or similar fixtures or equipment.”*
 - PERILS INSURED AGAINST. The paragraphs immediately following paragraph 2.b.(10)(g) and immediately before paragraph 2.c. are amended to: *“If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location, we cover loss caused by the water including the cost of tearing out and repairing only that part of a building or only that part of an other structure owned solely by you covered under this endorsement, on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not. However, such tear out and repair coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the Described Location. We do not cover loss to the system or appliance from which this water escaped. For purposes of this provision, a plumbing system or household appliance does not include: (a) A sump, sump pump, irrigation system, or related equipment; or (b) A roof drain, gutter, down spout, or similar fixtures or equipment.”*
 - PERILS INSURED AGAINST. Paragraph 2.c. and the paragraph immediately following paragraph 2.c. are amended to: *“c. Excluded under General Exclusions. Under Paragraphs 2.a. and 2.b. above, any ensuing loss not excluded or otherwise precluded in this Policy is covered.”*

DWELLING PROPERTY 3 – SPECIAL FORM

TABLE OF CONTENTS

GENERAL

Agreement	1
Definitions	1

COVERAGES

A. Coverage A - Dwelling	2
B. Coverage B - Other Structures	2
C. Special Limit of Liability - Coverages A, B, D & E	3
D. Coverage C - Personal Property	3
1. Covered Property	3
2. Property Not Covered	3
3. Property Removed To A Newly Acquired Principal Residence	4
E. Coverage D – Fair Rental Value	4
F. Coverage E – Additional Living Expense	5 4
G. Other Coverages	
1. Debris Removal	5
2. Improvements, Alterations And Additions	5
3. World Wide Coverage	5
4. Temporary And Emergency Measures Reasonable Repairs	5
5. Property Removed	5
6. Trees, Shrubs And Other Plants	5
7. Fire Department Service Charge	6 5
8. Collapse	6
9. Glass Or Safety Glazing Material	7 6
10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	7 6

PERILS INSURED AGAINST

A. Coverages A & B	8 7
B. Coverage C	11 9

GENERAL EXCLUSIONS

A.1. Ordinance Or Law	12 4
A.2. Earth Movement And Settlement	12 4
A.3. Water Damage	12 4
A.4. Power Failure	13 4
A.5. Neglect	13 4
A.6. War	13 4
A.7. Nuclear Hazard	13 4
A.8. Intentional Loss	13 4
A.9. Loss Caused By "Sinkhole"	13 4
A.10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria	13 2

A.11 Existing Damage	13 2
A.12. Smog, Rust, Decay Or Other Corrosion	13 2
A.13. Inherent Vice, Latent Defect, Defect Or Mechanical Breakdown	13 2
A.14. Constant Or Repeated Seepage Or Leakage Of Water Or Steam	14 2
A.15. Accidental Discharge Or Overflow Of Water Or Steam	14 2
B.1. Weather conditions	14 2
B.2. Acts or decisions	14 2
B.3. Faulty, inadequate or defective	14 2

CONDITIONS

A. Policy Period	14 2
B. Insurable Interest And Limit of Liability	14 3
C. Concealment Or Fraud	14 3
D. Duties After Loss	14 3
E. Loss Settlement	16 4
F. Loss To A Pair Or Set	17 5
G. Glass Replacement	17 5
H. Mediation Or Appraisal	17 5
I. Other Insurance And Service Agreement	18 6
J. Subrogation	18 6
K. Suit Against Us	18 6
L. Our Option	18 6
M. Loss Payment	18 6
N. Abandonment Of Property	18 7
O. Mortgage Clause	18 7
P. No Benefit To Bailee	19 7
Q. Cancellation	19 7
R. Nonrenewal	21 4 9
S. Liberalization Clause	22 0
T. Waiver Or Change Of Policy Provisions	22 0
U. Assignment	22 0
V. Death	22 0
W. Nuclear Hazard Clause	22 4
X. Recovered Property	23 4
Y. Volcanic Eruption Period	23 4
Z. Renewal Notification	23 4
AA. Adjustment To Property Coverage Limits	23 4
BB. Salvage	23 4
CC. Inspections And Surveys	23 4
DD. Notification Regarding Access	23 4
EE. Deductible	23 2

DWELLING PROPERTY 3 - SPECIAL FORM

AGREEMENT

This Policy is issued on behalf of the Citizens Property Insurance Corporation and, by acceptance of this Policy you agree:

1. That the statements in the Application(s) are your representations;
2. That this Policy is issued in reliance upon the truth of those representations;
3. That this Policy embodies all agreements existing between you and the Citizens Property Insurance Corporation relating to this Policy.

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

DEFINITIONS

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

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

1. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
 - a. The abrupt collapse of ground cover;
 - b. A depression in the ground cover clearly visible to the naked eye;
 - c. "Structural damage" to the "principal building", including the foundation; and
 - d. The "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building".
2. "Fungi" means any type or form of fungus, including:
 - a. Mold or mildew; and
 - b. Any mycotoxins, toxins, spores, scents or byproducts produced or released by fungi.

Under **CIT DP-3** with **CIT DL 24 01**, this does not include any fungi, yeast or bacteria that are, are on, or are contained in a good or product intended for consumption.

3. "Personal watercraft" means:

- a. A watercraft that the rider sits, kneels or stands on, rather than inside of, designed to carry one to four people, propelled by a water jet pump; or
- b. A watercraft designed to be partially or fully submersible.

4. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

5. "Primary structural system" means an assemblage of "primary structural members".

6. "Principal building" means that part of your dwelling on the Described Location shown in the Declarations as the "Location of Residence Premises", including structures attached to the dwelling as described under Coverage **A**.

However, "principal building" does not include:

- a. Appurtenant structures, driveways, sidewalks, walkways, decks, patios, pools, spas, or fences;
- b. Buildings or other structures covered under Coverage **B**;
- c. Buildings, structures and other property excluded or not covered in your Policy;
- d. That part of other premises, other buildings, other structures and grounds not located at the Described Location; or
- e. Materials and supplies located on or next to the Described Location used to construct, alter or repair any property other than the "principal building" on the Described Location.

7. "Structural damage" means a "principal building", regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;

- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the “primary structural members” or “primary structural systems” that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those “primary structural members” or “primary structural systems” exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical “primary structural members” to an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
 - d. Damage that results in the building, or any portion of the building containing “primary structural members” or “primary structural systems”, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
 - e. Damage occurring on or after October 15, 2005, that qualifies as “substantial structural damage” as defined in the Florida Building Code.
8. “Unoccupied” means the dwelling is not being inhabited as a residence.
9. “Vacant” means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy as a residence.

COVERAGES

This insurance applies to the Described Location shown in the Declarations as “Location of Residence Premises”, 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.

This coverage is limited to the “principal building” for the peril of “catastrophic ground cover collapse”.

2. We do not cover:

- a. Land, including land on which the dwelling is located;
- b. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:
 - (1) Aluminum;
 - (2) One or more fiberglass panels;
 - (3) Plastic;
 - (4) Vinyl;
 - (5) Fabric; or
 - (6) Screening;
- c. Awnings;
- d. Any structure whether attached or separate from the covered dwelling, that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material;
- e. Any attachment on the covered dwelling comprised of thatch, grass, palm, lattice, slats, or similar material; or
- f. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

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.

This coverage does not apply to loss or damage resulting from the peril of “catastrophic ground cover collapse”.

2. We do not cover:

- a. Land, including land on which the other structures are located;

- b. Other Structures used in whole or in part for commercial, manufacturing or farming purposes;
- c. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- d. Carports, porches constructed to be open to the weather, patios constructed to be open to the weather, or pool enclosures, any of which have a roof or covering of:
 - (1) Aluminum;
 - (2) One or more fiberglass panels;
 - (3) Plastic;
 - (4) Vinyl;
 - (5) Fabric; or
 - (6) Screening;
- e. Awnings;
- f. Any structure whether attached or separate from the covered dwelling, that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material; or
- g. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.

C. Coverage A – Dwelling, Coverage B – Other Structures, Coverage D - Fair Rental Value and Coverage E - Additional Living Expense

1. Special Limit Of Liability

- a. The total limit of liability for Coverages **A**, **B**, **D** and **E** combined is \$10,000 per policy period for cosmetic or aesthetic damages to floors.
- b. Cosmetic or aesthetic damage includes damage that covers less than 5% of the total floor surface area of the building and does not prevent typical use of the floor.
- c. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.

- d. Unless otherwise excluded, \$10,000 is the most we will pay for the total of all loss or costs payable, including Coverages **D** and **E** under this Special Limit of Liability regardless of the:
 - (1) Number of locations insured;
 - (2) Number of occurrences or claims made; or
 - (3) Number of insureds.
- e. This coverage does not increase the limit of liability applying to Coverages **A**, **B**, **D** and **E**.
- f. This limit does not apply and does not create coverage for damage to floors caused by wear and tear, marring, chipping, scratches, dents, deterioration, dropped objects or loss excluded elsewhere in this Policy.
- g. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described under Coverage **C** – Personal Property.

D. 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. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, letters of credit, notes, bank notes, manuscripts, medals, money, securities, personal records, passports, tickets, stamps, trading cards, comic books, scrip, stored value cards and smart cards;

- b. Jewelry, watches, furs, precious and semi-precious stones, firearms, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware and platinum-plated ware.

This includes flatware, hollowware, tea sets, trays, and trophies made of or including silver, gold, platinum or pewter;

- c. Animals, birds or fish;
d. Aircraft and parts.

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

- e. Motor vehicles or all other motorized land conveyances. This includes:

- (1) Their equipment and accessories; or
(2) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
(a) Accessories or antennas; or
(b) Tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

- (3) We do cover vehicles or conveyances not subject to motor vehicle registration which are:
(a) Located on the Described Location and used solely to service the Described Location;
(b) A motorized golf cart located on the Described Location or while being operated to or from, or on the premises of a golf course; or
(c) Designed for assisting the handicapped;

The coverage described in e.(3) above does not apply to land conveyances, including but not limited to, all terrain vehicles, utility terrain vehicles, mopeds, scooters not designed to assist the handicapped, motorcycles, and motorized bicycles, whether subject to motor vehicle registration or not.

- f. Watercraft or "personal watercraft", other than rowboats and canoes;

- g. Data, including data stored in:

- (1) Books of account, drawings or other paper records; or
(2) Electronic data processing tapes, wires, records, discs or other software media.

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

- h. Credit cards or fund transfer cards; or-

- i. Water or steam.

However, we cover the removal and replacement of water in a swimming pool located on the Described Location, when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.

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.

E. Coverage D – Fair Rental Value

1. If a loss to covered 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 its:

Fair Rental Value, meaning 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.

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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 2 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.
5. The amount of insurance shown in the Declarations for either Coverage **D** or Coverage **E** below is the total amount we will pay in any one loss for both Coverage **D** and Coverage **E** combined.

Use of Coverage **D** does not reduce the Coverage **A** limit of liability or Coverage **C** limit of liability.

F. Coverage E – Additional Living Expense

1. If a loss to covered 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 your:

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

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 2 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.
5. The amount of insurance shown in the Declarations for either Coverage **D** above or Coverage **E** is the total amount we will pay in any one loss for both Coverage **D** and Coverage **E** combined.

Use of Coverage **E** does not reduce the Coverage **A** limit of liability or Coverage **C** limit of liability.

G. Other Coverages

1. Debris Removal

We will pay the reasonable expense you incur 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.

Debris removal expense is included in the limit of liability applying to the damaged property.

2. 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.

Use of this coverage does not reduce the Coverage **C** limit of liability for the same loss.

3. 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.

4. Temporary And Emergency Measures Reasonable Repairs

- a. We will pay up to \$3,000 for the reasonable costs incurred by you for necessary and temporary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against. ~~In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.~~

b. We will not pay more than the amount in a. above, unless we provide you written approval to exceed the limit, but only up to the additional amount for the services we authorize.

However, if form CIT 25 is part of your Policy and a covered loss occurs during a hurricane, as described in form CIT 25, the amount we pay under this other coverage is not limited to the amount in a. above.

~~If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this Policy and the damage to that property is caused by an applicable Peril Insured Against.~~

~~c. This coverage does not:~~

- ~~(1) a. Increase the limit of liability that applies to the covered property;~~
- ~~(2) b. Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.~~
- ~~(3) Pay for property not covered, or for temporary or permanent repairs resulting from a peril not covered, or for loss excluded in this Policy.~~

This other coverage does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.

5. Property Removed

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

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

6. 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.

7. 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.

8. Collapse

a. The coverage provided under this Other Coverage – Collapse applies only to an abrupt collapse.

b. For the purposes 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~~A building or any part of a building is not considered in a state of collapse, and therefore is not covered, if a building or any part of the building is:~~

(1) A building or any part of a building that is in danger of falling down or caving in;

(2) A building or any 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 spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion;~~or~~

(4) The plumbing system or a septic system, or any part of these systems, whether above or below the ground, when these system(s) or any part of these systems are:

(a) Collapsed;

(b) In danger of collapsing or caving in;
or

(c) Separated from another part of the system;

due to:

(a) Age, obsolescence, wear, tear;

(b) Fading, oxidization, weathering;

(c) Deterioration, decay, marring,
delamination, crumbling, settling,
cracking;

~~(d) Shifting, bulging, racking, sagging, bowing, bending, leaning;~~

~~(e) Shrinkage, expansion, contraction, belying, corrosion; or~~

~~(f) Any other age or maintenance related issue.~~

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

- (1) ~~The~~ Perils Insured Against in Coverage C - Personal Property;
- (2) Decay ~~in the~~ of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" 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 an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

e. Loss to a:

~~(1) an awning, fence, awning, patio, pavement;~~

~~(2) Swimming pool, underground pipe, flue, drain, cesspool; septic tank;~~

~~(3) Foundation, retaining wall, bulkhead, pier, wharf, dock;~~

~~(4) Cistern, plumbing system, septic system, or any part of a plumbing or septic system, or similar structure;~~

whether above or below the ground, is not included under items d.(2), (3), (4), (5), and through (6) above; unless the loss is a direct result of the collapse of a building or any part of the building.

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

9. Glass Or Safety Glazing Material

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (2) The breakage caused directly by Earth Movement And Settlement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; 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 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement And Settlement as provided for in **a.(2)** above.

A dwelling being constructed is not considered "vacant".

c. Loss to glass covered under this Other Coverage **9.** will be settled on the basis of replacement with safety glazing materials when required.

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

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

a. We will pay up to \$10,000 for:

- (1) The total of all loss payable under the Coverages section of your Policy caused by "fungi", wet or dry rot, yeast or bacteria;
- (2) The cost to remove "fungi", wet or dry rot, yeast or bacteria from property covered under the Coverages section of your Policy;

- (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, yeast or bacteria; and
- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, yeast or bacteria whether performed prior to, during or after removal, repair, restoration or replacement.

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

- b. The coverage described in a. only applies:
 - (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and
 - (2) Only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Additional Living Expense or Fair Rental Value under this Other Coverage resulting from any one loss regardless of the:
 - (1) Number of locations insured; or
 - (2) Number of occurrences or claims made; or
 - (3) Number of insureds.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, yeast or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that "fungi", wet or dry rot, yeast or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Other Coverage.
- e. This coverage does not increase the limit of liability applying to the damaged covered property.

PERILS INSURED AGAINST

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

- 1. We insure against direct loss to property described in Coverages A and B only if that loss is a physical loss to property. This includes the peril of "catastrophic ground cover collapse" as provided in Part A. below.

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

- a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:

(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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

except as provided in G.8. Collapse under Other Coverages;

~~other than as provided in Other Coverage G.8.;~~

- b. 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 exclusion applies only while the dwelling is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:

- (a) Maintain heat in the building; or
- (b) Shut off the water supply and drain the system and appliances of water;
- (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) Foundation, retaining wall, or bulkhead; or
 - (c) Pier, wharf or dock;
- (3) Theft of property not part of a covered building or structure;
- (4) Theft in or to a dwelling or structure under construction;
- (5) Wind, hail, ice, snow or sleet to:
 - (a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
 - (b) Trees, shrubs, plants or lawns;

- (6) Vandalism and malicious mischief, theft or attempted theft if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered "vacant";

- (7) Accidental discharge or overflow of water or steam;

Unless loss to property covered under Coverage A or B results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

Loss to property covered under Coverage A or B that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location includes the cost to tear out and repair ~~only that part of a building or only that part of an other structure covered under Coverage A or B, on the Described Location, but only when necessary to repair the system or appliance~~ when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

However, we do not cover loss:

- (a) ~~T~~Loss to the system or appliance from which this water or steam escaped;
- (b) ~~O~~Loss on the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- (c) ~~C~~Loss caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years; or

- ~~(d) To a plumbing system or a septic system, whether above or below the ground, caused by:~~

~~(i) Age, collapse, obsolescence, wear, tear;~~

~~(ii) Fading, oxidization, weathering;~~

~~(iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking;~~

~~(iv) Shifting, bulging, racking, sagging, bowing, bending, leaning;~~

~~(v) Shrinkage, expansion, contraction, bellying, corrosion;~~

~~(vi) The unavailability or discontinuation of a part or component of the system; or~~

~~(vii) Any other age or maintenance related issue;~~

- ~~(e) Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or~~

- ~~(d) Loss otherwise excluded or limited elsewhere in the Policy.~~

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.
- (8) Dropped objects to the interior of a building, property contained in a building, or flooring located outside of a building, unless the roof or an outside wall of the building is first damaged by a dropped object.

Damage to the dropped object itself is not covered.

(9) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

(10) Any of the following:

- (a) Wear and tear, marring, chipping, scratches, dents, or deterioration;
- (b) Inherent vice, latent defect, defect or mechanical breakdown;
- (c) Smog, rust, decay or other corrosion;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration, release or escape of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- (i) Smoke;
- (ii) Vapor;
- (iii) Soot;
- (iv) Fumes;
- (v) Acids;
- (vi) Alkalis;
- (vii) Chemicals; and
- (viii) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed;

- (f) Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and ~~repairing~~replacing any only that part of a building or only that part of an other structure covered under Coverage A or ~~B~~B, ~~necessary to repair the system or appliance on the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.~~

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

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

c. Excluded under General Exclusions.

Under ~~Items Paragraphs 21.a.~~ and ~~2.b.~~ above, any ensuing loss to property described in Coverages A and B not excluded or otherwise excepted precluded in this Policy is covered.

Part A.

Catastrophic Ground Cover Collapse

1. We insure for direct physical loss to the "principal building" under Coverage A caused by the peril of "catastrophic ground cover collapse".

Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

2. Direct physical loss from “catastrophic ground cover collapse” does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

If we at our option repair the “principal building” under Coverage **A** for direct physical loss resulting from the peril of “catastrophic ground cover collapse”, we will stabilize the “principal building’s” land in accordance with our professional engineers recommended repairs.

3. This peril does not increase the limit of liability that applies to the damaged property.
4. This peril does not apply to property covered under Coverage **B** – Other Structures.

The GENERAL EXCLUSION Earth Movement And Settlement **A.2.** does not apply to “catastrophic ground cover collapse”.

The GENERAL EXCLUSION Loss Caused By “Sinkhole” **A.10.** does not apply to “catastrophic ground cover collapse”.

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 first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;
 - b. Canoes and rowboats; or
 - c. Trees, shrubs or plants.
3. **Explosion**
 4. **Riot Or Civil Commotion**
 5. **Aircraft**, including self-propelled missiles and spacecraft.
 6. **Vehicles**
 7. **Smoke, meaning sudden and accidental damage from smoke**

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

8. **Vandalism Or Malicious Mischief**

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

9. **Damage by Burglars, meaning damage to covered property caused by Burglars**

This peril does not include:

- a. Theft of property; or
- b. Damage caused by burglars to property on the Described Location if the dwelling has been “vacant” for more than 30 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** which causes damage to property contained in the building.

12. **Accidental Discharge Or Overflow Of Water Or Steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below;
- c. On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- d. Caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor which occurs over a period of weeks, months or years; or
- e. Loss otherwise excluded or limited elsewhere in the Policy.

In this peril, a plumbing system or household appliance does not include:

- a. A sump, sump pump, irrigation system or related equipment; or
- b. A roof drain, gutter, down spout, or similar fixtures or equipment.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water. This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

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

This peril does not include loss on the Described Location while the dwelling is "vacant" or "unoccupied" or being constructed, unless you have used reasonable care to:

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to a tube, transistor or similar electronic component.

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

17. Catastrophic Ground Cover Collapse

a. We insure for direct physical loss to property covered under Coverage **C** located within the "principal building" resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this Policy.

b. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

c. Direct physical loss to property covered under Coverage **C** from the peril of "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

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

The GENERAL EXCLUSION Earth Movement And Settlement **A.2.** does not apply to "catastrophic ground cover collapse".

The GENERAL EXCLUSION Loss Caused By "Sinkhole" **A.10.** does not apply to "catastrophic ground cover collapse".

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.

1. Ordinance Or Law, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this Policy.

2. Earth Movement And Settlement, meaning:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide;
- c. Mine subsidence;
- d. Mudflow or mudslide;
- e. Earth sinking, rising or shifting;
- f. Clay shrinkage or other expansion or contraction of soils or organic materials;
- g. Decay of buried or organic materials;
- h. Settling, cracking or expansion of foundations; or
- i. Scouring;

Whether caused by natural or man made activities; unless direct loss by:

- a. Fire; or
- b. Explosion;

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

3. Water Damage, meaning:

a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge, wave wash, 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;
- (2) Backs up or is otherwise discharged from a septic system or drain field, or related equipment or similar systems; or
 - (a) Overflows or is otherwise discharged from:
 - (b) A sump, sump pump, irrigation system, or related equipment; or
 - (c) A roof drain, gutter, down spout, or similar fixtures or equipment;

- c. Water below the surface of the ground, including water which exerts pressure on, seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material, sewage or any other substance, carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this General Exclusion.

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

This Exclusion **A.3.** applies regardless of whether any of the above in **A.3.a.** through **A.3.d.** is caused by or results from human or animal forces or any act of nature.

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

4. Power Failure, meaning:

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 or damage caused by that Peril Insured Against.

5. Neglect, meaning your or any other insured's neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these.

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

7. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss, meaning any loss arising out of any act committed:

- a. By or at the direction of you or any person or organization named as an additional insured; and
- b. With the intent to cause a loss.

9. Loss Caused By "Sinkhole"

a. "Sinkhole" means:

- (1) A landform created by subsidence of soils, sediment, or rock as underlying strata are dissolved by ground water.
- (2) A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria meaning:

The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, yeast or bacteria.

This Exclusion **A.10.** does not apply:

- a. When "fungi", wet or dry rot, yeast or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Other Coverage with respect to loss caused by a Peril Insured Against other than fire or lightning.

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

11. Existing Damage, meaning:

- a. Damages which occurred prior to Policy inception regardless of whether such damages were apparent at the time of the inception of this Policy or discovered at a later date; or
- b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This Exclusion **A.11.** does not apply in the event of a total loss caused by a Peril Insured Against.

12. Smog, Rust, Decay Or Other Corrosion

This Policy does not include loss caused by smog, rust, decay or other corrosion.

13. Inherent Vice, Latent Defect, Defect Or Mechanical Breakdown

This Policy does not include loss caused by inherent vice, latent defect, defect or mechanical breakdown.

- 14. Constant Or Repeated Seepage Or Leakage Of Water Or Steam**, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years.
- 15. Accidental Discharge Or Overflow Of Water Or Steam** from:
- Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
 - Within a household appliance for heating water; or
 - Within a household appliance.
- This Exclusion **A.15.** applies only while the dwelling is "vacant" or "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:
- Shut off the water supply; and
 - Drain the system and appliances of water.
- Systems and appliances do not include outdoor swimming spas or outdoor irrigation wells.
- 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 otherwise excluded or excepted 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:**
 - Planning, zoning, development, surveying, siting;
 - Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - Materials used in repair, construction, renovation or remodeling; or
 - Maintenance;of part or all of any property whether on or off the Described Location.

CONDITIONS

A. Policy Period.

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

B. 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:

- For an amount greater than the interest of a person insured under this Policy; or
- For more than the applicable limit of liability.

C. Concealment or Fraud

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

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

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an insured on the basis of credit information available in public records.

D. Duties After Loss

We do not insure for loss caused directly or indirectly by your failure to perform the duties described in paragraphs D.1. and 2. below. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

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

~~You must see that the following are done in the event of loss or damage to covered property:~~

- Give prompt notice to us or your insurance agent within 72 hours after you discover the loss or damage, or within 72 hours after you knew or should have known of the loss or damage;

In the event of an emergency circumstance preventing your notification to us or to your insurance agent as described above, you must:

- Give us prompt notice; and

b. Provide supporting documentation explaining why you were unable to report your loss or damage to us or your insurance agent within 72 hours.

If in the event of an emergency circumstance, you or your representative notifies another party who provides claim support or expert claim advice regarding the loss or damage, you must provide immediate notice to us or your insurance agent.

2. Protect the covered property from further damage. If ~~repairs~~ emergency measures to the property are required, you must:

a. ~~Make reasonable and necessary~~ Take those temporary repairs—measures that are necessary to protect the covered property from further damage, as provided under Other Coverage G.4.; and

b. Permit us to inspect the property before you make permanent repairs; and

c.b. Keep an accurate record of repair expenses;

Our payment for emergency measures or repairs under this condition does not increase the limit of liability applying to the covered property.

3. Cooperate with us in the investigation of a claim;

4. Prepare an inventory of damaged personal property showing the:

- a. Quantity;
- b. Description;
- c. Actual cash value; and
- d. 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;
- c. You or any insured under this Policy must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(2) Sign the same;

d. If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(2) Sign the same;

e. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this Policy other than an insured in 5.c. or 5.d. above; must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any insured; and

(2) 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.;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

7. A claim, supplemental claim, or reopened claim for loss or damage caused by the peril of windstorm or hurricane is barred unless notice of the claim, supplemental claim, or reopened claim is given to us in accordance with the terms of the Policy within 3 years after the date the hurricane first made landfall in Florida or the windstorm caused the covered damage.

A supplemental claim or reopened claim means any additional claim for recovery from us for losses from the same hurricane or windstorm which we have previously adjusted pursuant to the initial claim.

E. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
- b. 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, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this Policy that applies to the building;
- (2) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
- (3) The necessary amount to repair or replace the damaged building.

- 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, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this Policy on the damaged building bears to 80% of the replacement cost of the building.

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

- (1) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
- (2) Those supports in c.(1) above which are below the surface of the ground inside the foundation walls, if there is no basement;
- (3) Underground flues, pipes, wiring and drains; and
- (4) Structures and other property excluded or not covered elsewhere in your Policy.

- d. We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to 2.a. and 2.b. above.

If a total loss of the dwelling occurs, the provisions of 2.d. above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes.

This does not prohibit us from exercising our right to repair damaged property in compliance with this Policy and pursuant to Section 627.702(7), Florida Statutes.

3. If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

- a. Vandalism;
- b. Malicious mischief;
- c. Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- d. Dwelling glass breakage; or
- e. Water damage.

Dwellings under construction are not considered "vacant".

4. In the event of a “catastrophic ground cover collapse”, any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- a. Complete the professional engineer’s recommended repairs; or
- b. Pay the policy limits without a reduction for the repair expenses incurred.

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. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required.

H. Mediation Or Appraisal

1. Mediation.

If there is a dispute with respect to a claim under this Policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- a. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
- b. The settlement in the course of the mediation is binding only if:
 - (1) Both parties agree, in writing, on a settlement; and
 - (2) You have not rescinded the settlement within 3 business days after reaching settlement.
- c. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

- d. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator’s fee for that rescheduled conference.

- e. However, if we fail to appear at a mediation conference without good cause, we will pay:
 - (1) The actual cash expenses you incurred while attending the conference; and
 - (2) Also pay the mediator’s fee for the rescheduled conference.

2. Appraisal.

Appraisal is an alternate dispute resolution method to address and resolve disagreement regarding the amount of the covered loss.

- a. If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. If you or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss.

The estimate shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

- b. In this event, each party will choose a competent appraiser within 20 days after receiving a written demand from the other.
- c. 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.
- d. If they fail to agree, the two appraisers will choose a competent and impartial 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 located in the county described in the “Location of Residence Premises” of your Declarations.
- e. The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

- f. The appraisal award will be in writing and shall include the following:
- (1) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;
 - (2) The agreed amount of each item, its replacement cost value and corresponding actual cash value; and
 - (3) A statement of "This award is made subject to the terms and conditions of the policy."
- g. Each party will:
- (1) Pay its own appraiser, including their costs associated with producing the estimate described in **2.a.** above; and
 - (2) Bear the fees and expenses of the appraisal and umpire equally.
- h. You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.
- i. If, however, we demanded the mediation in **1.** above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

I. 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.
2. A service agreement, this insurance is excess over any amounts recoverable 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.

J. 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.

K. Suit Against Us

No action can be brought against us; unless:

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

L. Our Option

If we give or mail you written notice within 30 days after we receive your signed, sworn proof of loss:

1. We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
2. If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

M. 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. Any loss payment will be paid to you and them, as each interest appears.

Loss will be payable:

1. 20 days after we receive your proof of loss and reach written agreement with you; or
2. 60 days after we receive your proof of loss; and
 - a. There is an entry of a final judgment; or
 - b. There is a filing of an appraisal award or a mediation settlement with us.
3. Within 90 days after we receive notice of an initial, reopened, or supplemental property insurance claim from you, where for each initial, reopened, or supplemental property insurance claim, we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Paragraph **3.** above does not form the sole basis for a private cause of action against us.

N. Abandonment of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

The word "mortgagee" includes trustee and lienholder.

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 mortgagees.

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.
This notice includes notifying us of foreclosure or if a foreclosure has been initiated;
 - 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 Appraisal, Suit Against Us and Loss Payment 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.

P. 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.

Q. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the Described Location has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this Policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the Described location, by letting the first named insured know in writing of the date cancellation takes effect.

This cancellation notice will be delivered to the first named insured or mailed to the first named insured at the mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel during this period by letting the first named insured know at least 10 days before the date cancellation takes effect.
- b. If:
 - (1) There has been a material misstatement or fraud related to the claim;
 - (2) We determine that an insured has unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (3) We have paid policy limits;we may cancel during this period by letting the first named insured know at least 45 days before the date cancellation takes effect.
- c. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (Q.2.c.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

3. If the conditions described in Paragraph **Q.2.** do not apply, we may cancel only for the following reasons:
- a. When this Policy has been in effect for 90 days or less, we may cancel immediately if there has been:
 - (1) A material misstatement or misrepresentation; or
 - (2) Failure to comply with underwriting requirements;
 - b. We may also cancel this Policy subject to the following provisions.

A written cancellation notice, together with the specific reason(s) for cancellation, will be delivered to the first named insured, or mailed to the first named insured at the mailing address shown in the Declarations.

 - (1) When you have not paid the premium, we may cancel at any time by letting the first named insured know at least 10 days before the date cancellation takes effect.
 - (2) When this Policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
 - (c) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or household member of an insured.
- Except as provided in Paragraphs **Q.3.a.** and **Q.3.b.(1)** above, we will let the first named insured know of our action at least 20 days before the date the cancellation takes effect.
- (3) When this Policy has been in effect for more than 90 days, we may cancel:
 - (a) If there has been a material misstatement;
- (b) If the risk has changed substantially since the Policy was issued;
 - (c) In the event of a failure to comply, within 90 days after the date of effectuation of coverage, with underwriting requirements established by us before the date of effectuation of coverage;
 - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
 - (e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
4. When this Policy has been in effect for more than 90 days, we may not cancel:
- (a) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or household member of an insured; or
 - (b) On the basis of credit information available in public records.
- (5) If any of the reasons listed in Paragraphs **Q.3.b.(3)(a)** through **(f)** apply, we will give at least 120 days written notice to the first named insured before the date cancellation takes effect.
4. If the date of cancellation becomes effective during a "hurricane occurrence":
- a. The date of cancellation will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the Policy remains in effect.
- However, this provision (**Q.4.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

5. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
6. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will mail the refund within 15 working days, either after the date cancellation takes effect, or after our receipt of your request to cancel the Policy, whichever is later.

Proof of mailing will be sufficient proof of notice.

R. Nonrenewal

1. We may elect not to renew this Policy. We may do so by delivering to the first named insured, or mailing to the first named insured, at the mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal.

If we nonrenew a policy pursuant to **1.a.** or **1.c.(1)** below, we will also notify any additional named insured shown in the Declarations at their mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- a. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the Described Location has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the Described Location, we may elect not to renew this Policy only if:

- (1) You have not paid the renewal premium;
- (2) There has been a material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (4) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.

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

However, this provision (**R.1.b.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- c. If the conditions described in Paragraph **R.1.a.** do not apply, we may elect not to renew this Policy by providing the following notice before the expiration date of this Policy:

- (1) When nonrenewal is for:

- (a) A Policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you; or
- (b) A risk that has received an offer of coverage from an authorized insurer that is equal to or less than Citizens' renewal premium for comparable coverage, pursuant to Citizens' policyholder eligibility clearinghouse program;

we will give the first named insured at least 45 days written notice before the expiration of this Policy.

- (2) For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

- d. Depopulation Provision.

- (1) Under this provision, the Citizens Property Insurance Corporation ("Citizens") may nonrenew this Policy under the following conditions:

- (a) If we or the Florida Market Assistance Program obtain an offer from an authorized insurer to cover the property described in the Declarations, at approved rates, except as otherwise provided in Florida law.
- (b) This Policy may be replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

- (2) Acceptance of Citizens coverage by you creates a conclusive presumption that you are aware of this potential.

2. We will not nonrenew this Policy:
- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
 - c. On the basis of filing of claim(s) for "sinkhole loss"; unless:
 - (1) The total of such payments equals or exceeds the policy limits of coverage for the Policy in effect on the date of loss, for property damage to the "principal building"; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any payment or policy proceeds were based;
 - d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an insured or members of the insured's household; or
 - e. On the basis of credit information available in public records.
3. If the date of nonrenewal becomes effective during a "hurricane occurrence":
- a. The expiration date of this Policy will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision (**R.3.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

S. 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, 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.

T. 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.

U. Assignment

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

V. 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.

W. 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.

X. 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.

Y. Volcanic Eruption Period

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

Z. Renewal Notification

If we elect to renew this Policy, we will let the first named insured know, in writing:

1. Of our decision to renew this Policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to the first named insured or mailed to the first named insured at the mailing address shown in the Declarations at least 45 days before the expiration date of this Policy.

AA. Adjustment To Property Coverage Limits

1. If your Policy is a renewal with us, the limit of liability for Coverages **A, B, C** and **D** may be adjusted.
2. Any adjustment in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:
 - a. These adjustments will keep pace with inflation; or
 - b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

BB. Salvage

We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the Policy by the value of the salvage.

CC. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. This condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which makes insurance inspections, surveys, reports or recommendations.

DD. Notification Regarding Access

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

EE. Deductible

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

IN WITNESS WHEREOF, Citizens Property Insurance Corporation has executed and attested these presents.

Citizens Property Insurance Corporation

**SPECIAL COVERAGE
FOR USE WITH FORM CIT DP-3**

For an additional premium, the Perils Insured Against listed below apply to either of the following coverages, if provided in this Policy:

1. Improvements, Alterations and Additions;
2. Unit-Owners Building Items.

PERILS INSURED AGAINST

1. We insure against risks of direct loss to the property described above only if that loss is a physical loss to property.

This includes the perils of "catastrophic ground cover collapse" as provided in Part A. below and "sinkhole loss" as provided in Part B. below.

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

- a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:

(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 spalling, crumbling, settling, cracking, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

other—except than as provided in **G.8. Collapse under Other Coverages—Collapse;**

- b. 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 exclusion applies only while the dwelling is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:

- (a) Maintain heat in the building; or

- (b) Shut off the water supply and drain the system and appliances of water;

- (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) Foundation, retaining wall, or bulkhead; or

- (c) Pier, wharf or dock;

- (3) Theft of any property which is not actually part of any building or structure covered;

- (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 if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered "vacant";

- (7) Dropped objects to the interior of a building, property contained in a building, or flooring located outside of a building, unless the roof or an outside wall of the building is first damaged by a dropped object.

Damage to the dropped object itself is not covered.

- (8) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

- (9) Accidental discharge or overflow of water or steam;

Unless loss to property covered under:

- (a) Improvements, Alterations and Additions;
- (b) Unit-Owners Building Items;

results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

We also pay for tearing out and repairing ~~fac~~ only that part of a building or only that part of an other structure owned solely by you ~~which is~~ covered under (9)(a) or (b) above, ~~and at the location of~~ on the Described Location, ~~but only when necessary to access is necessary to~~ repair only that portion or only part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not from which the water or steam escaped.

~~However,~~ Such tear out and ~~repair~~ removal coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the location of the Described Location.

However, we do not cover loss:

- (a) ~~T~~ Loss to or within the Described Location, if the Described Location has been "vacant" for more than 30 consecutive days immediately before the loss. The Described Location being constructed is not considered "vacant";
- (b) ~~T~~ Loss to the system or appliance from which this water or steam escaped;
- (c) ~~O~~ Loss on the Described Location caused by accidental discharge or overflow which occurs off the Described Location;
- (d) ~~C~~ Loss caused by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, which occurs over a period of weeks, months or years;

~~or~~ (e) To a plumbing system or a septic system, whether above or below the ground, caused by:

(i) Age, collapse, obsolescence, wear, tear;

(ii) Fading, oxidization, weathering;

(iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking;

(iv) Shifting, bulging, racking, sagging, bowing, bending, leaning;

(v) Shrinkage, expansion, contraction, belying, corrosion;

(vi) The unavailability or discontinuation of a part or component of the system; or

(vii) Any other age or maintenance related issue;

(f) Caused by the impairment, state or condition of a plumbing system or a septic system, whether above or below the ground, which prohibits repair or replacement, including access necessary to connect the adjoining parts of appliances, pipes or system; or

~~(g)~~ Loss otherwise excluded or limited elsewhere in the Policy.

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

10. Any of the following:

- (a) Wear and tear, marring, chipping, scratches, dents, or deterioration;
- (b) Inherent vice, latent defect, defect or mechanical breakdown;
- (c) Smog, rust, decay or other corrosion;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration, release or escape of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- (i) Smoke;
- (ii) Vapor;
- (iii) Soot;

- (iv) Fumes;
- (v) Acids;
- (vi) Alkalis;
- (vii) Chemicals; and
- (viii) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed;

- (f) Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

If any of these in paragraphs (10)(d), (e) or (g) above cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location, we cover loss caused by the water including the cost of tearing out and ~~repairing~~ placing any only that part of a building or only that part of an other structure owned solely by you which is covered under this endorsement, and at the location of the Described Location, when access is necessary to repair only that portion or part of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not necessary to repair the system or appliance.

However, such tear out and repair coverage only applies to other structures owned solely by you if the water or steam causes actual damage to a building owned solely by you at the Described Location.

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

For purposes of this provision, a plumbing system or household appliance does not include:

- (a) A sump, sump pump, irrigation system, or related equipment; or
- (b) A roof drain, gutter, down spout, or similar fixtures or equipment.

c. Excluded under General Exclusions.

Under ~~Paragraphs items 21.a. and 2.b2. above,~~ any ensuing loss not excluded or otherwise ~~excepted-precluded~~ in this Policy is covered.

Part A.

Catastrophic Ground Cover Collapse.

1. With respect to Improvements, Alterations and Additions, if provided in the Policy:

- a. We insure for direct physical loss to your Improvements, Alterations and Additions covered under the COVERAGES section of your Policy, located within the "principal building", caused by the peril of "catastrophic ground cover collapse".
- b. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- c. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

2. With respect to Unit-Owners Building Items, if provided in the Policy:

- a. We insure for direct physical loss to the "principal building" caused by the peril of "catastrophic ground cover collapse".
- b. Coverage C applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this Policy.
- c. Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- d. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the Described Location.

If we at our option repair the "principal building" for direct physical loss resulting from the peril of "catastrophic ground cover collapse", we will stabilize the portion of the "principal building's" land which is your insurance responsibility under a corporation or association of property owners agreement in accordance with the professional engineers recommended repairs.

With respect to Part A.1. and Part A.2. above:

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

The GENERAL EXCLUSION Earth Movement And Settlement A.2. does not apply to "catastrophic ground cover collapse".

The GENERAL EXCLUSION Loss caused by Sinkhole A.9. does not apply to "catastrophic ground cover collapse".

Part B.

1. With respect to Improvements, Alterations and Additions, if provided in the Policy:

Sinkhole Loss.

- a. We insure for direct physical loss to your Improvements, Alterations and Additions covered under the COVERAGES section of your Policy, located within the “principal building”, caused by “sinkhole loss” that occurs during the policy period.
- b. Coverage **C** and additional living expense coverage applies if there is a direct physical loss resulting from “sinkhole loss”, unless the loss is excluded elsewhere in your Policy.
- c. Any verification of the presence of a “sinkhole loss” must be in compliance with Florida sinkhole testing standards. If the testing is performed at our request, we will notice you.
The professional engineer or professional geologist must be selected or approved by us.
- d. This peril does not apply to the costs to repair or stabilize the land, buildings, other structures or their foundations.
- e. This peril does not increase the limit of liability applying to the covered property.
- f. We do not insure land or the replacement, rebuilding, restoration, or value of land.
- g. If the loss or damage is caused by both “catastrophic ground cover collapse” and “sinkhole loss”, only one limit of insurance will apply to such loss or damage.

2. With respect to Unit-Owners Building Items, if provided in the Policy:

Sinkhole Loss.

- a. We insure for direct physical loss to the “principal building”, caused by “sinkhole loss” that occurs during the policy period. This includes the costs incurred to:
 - (1) Stabilize the portion of the “principal building’s” land and “principal building”; and
 - (2) Repair the portion of the foundation of the “principal building”;

which is your insurance responsibility under a corporation or association of property owners agreement, in accordance with the recommendations of our professional engineer who verifies the presence of a “sinkhole loss” in compliance with Florida sinkhole testing standards and with notice to you.

The professional engineer or professional geologist must be selected or approved by us.

- b. This peril does not apply to personal property and additional living expenses coverage unless there is “structural damage” to the “principal building” caused by “sinkhole activity”.
- c. This peril does not increase the limit of liability applying to the covered property.
- d. We do not insure land or the replacement, rebuilding, restoration, or value of land except as provided under **a.(1)** above and in accordance with the recommendations of our professional engineer.
- e. If the loss or damage is caused by both “catastrophic ground cover collapse” and “sinkhole loss”, only one limit of insurance will apply to such loss or damage.

With respect to Part **B.1.** and Part **B.2.** above:

The GENERAL EXCLUSION Loss caused by Earth Movement And Settlement **A.2.** does not preclude coverage for “sinkhole loss” if there is a direct physical loss to the “principal building” caused by “sinkhole loss”.

If a loss is caused in part by “sinkhole loss” and in part by Earth Movement and Settlement, our liability is limited to the amount of the covered loss caused by “sinkhole loss”, subject to any applicable deductible provisions.

The GENERAL EXCLUSION Loss caused by Sinkhole **A.9.** does not apply to “sinkhole loss”.

GENERAL EXCLUSIONS

The following exclusion applies to either of the following coverages, if provided in this Policy:

- 1. Improvements, Alterations and Additions;
- 2. Unit-Owners Building Items.

We do not insure for loss caused directly or indirectly by constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor; which occurs over a period of weeks, months or years.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

The following is added to the Existing Damage Exclusion.

Visible physical damage or "structural damage" to covered property under your Policy or to the "principal building" including the foundation caused by "sinkhole", "sinkhole loss" or "sinkhole activity" occurring prior to the inception of this Policy, regardless of whether such damages were apparent at the time of the inception of this Policy or discovered at a later date.

The following exclusions are added to the General Exclusions:

We do not insure for loss to property described as Improvements, Alterations and Additions or Unit-Owners Building Items caused by any of the following.

However, any ensuing loss not otherwise excluded or excepted 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 the General Exclusions, other than exclusions **2.** and **3.** below, 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.

All other provisions of this Policy apply.

CITIZENS PROPERTY INSURANCE CORPORATION

PERSONAL RESIDENTIAL MULTIPERIL - DWELLING

FILING MEMORANDUM

PURPOSE OF FILING

The purpose of this filing is to request approval of policy language revisions to support Citizens response to increasing frequency and cost of abusive water losses. As referenced in Citizens' rate filing effective February 1, 2016, the current approved rates are based on loss trend selections that anticipated a reduction in the impact of litigated water claims. As a result of continuing deterioration, it is necessary to implement additional changes to support the loss trend selections and the current rate level. The proposed changes address policy language gaps that are exploited to generate claims and payments beyond the original intent of the policy.

Policy language recommendations are intended to optimize the balance between quickly responding to legitimate water damage and limiting abusive or fraudulent claims that drive up rates for Citizens customers, even those who have not filed claims.

Background

The following information, taken from documents provided for the Citizens Actuarial and Underwriting Committee meeting of December 8, 2015, provides an overview of proposed current changes and future related changes Citizens is contemplating implementing. Citizens has documented a dramatic increase in both frequency and average cost of water damage claims since late 2013, particularly in the Tri-County region. This increase has resulted in a direct impact on multi-peril rates paid by consumers in those territories. Recently, loss experience points to increased costs spreading statewide and potentially affecting statewide non-wind rates in upcoming rate recommendations.

Approved by the Board of Governors on December 9, 2015, Citizens has adopted a multi-pronged strategy to address the spike in non-weather water claims, comprising:

- Comprehensive participation in industrywide data calls for regulatory and legislative analysis;
- Development of a voluntary managed repair program for water claims;
- Implementation of a Claims water loss triage team with litigation and non-litigation staff expertise applied immediately upon first notice of loss;
- Consumer education to "Call Citizens First" and communications showing the impact on rates of claims with representation at first notice;
- Product and policy language changes to optimize the balance between responding to legitimate water damage covered in each form, and limiting abusive or fraudulent claims that drive up rates for many Citizens customers, even those who have not filed claims.

To achieve this last element, we have conducted research to understand, at a granular level, the coverage elements that may enable questionable or overly broad water claims, and to identify and evaluate balanced solutions.

While the Claims division builds out its managed repair program and implements procedural changes for claims handling and litigation, a cross-functional workgroup has examined specific situations that are amplifying the increase in both frequency and average cost. These are situations that result in payments exceeding the expected amount to restore the insured property to the condition prior to the loss. This team believes that certain product changes will align with the other elements of Citizens' overall strategy to reduce excessive water claims costs, and therefore, ease pressure on consumer rates for multi-peril products.

OVERVIEW OF CHANGES

Citizens is amending its *Dwelling Property 3 - Special Form*, revised form number CIT DP-3 07 16 and an associated endorsement *Special Coverage For Use With Form CIT DP-3*, revised form number CIT 04 65 07 16, to adopt the following changes.

Coverage C – Personal Property

Under Coverage C – Personal Property, the personal property of water or steam will not be covered. However, we will cover the removal and replacement of water in a swimming pool when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.

Other Coverages:

Temporary and Emergency Measures – The title of the “*Duties After Loss*” additional coverage is amended to “*Temporary And Emergency Measures*”. The additional coverage is amended to provide a \$3,000 sublimit for reasonable costs incurred by the policyholder for temporary and necessary measures taken solely to protect covered property from further damage in non-hurricane events. The changes also advise the policyholder they will need approval from Citizens, before Citizens will pay for amounts exceeding the sublimit or to pay for permanent repairs.

Collapse – Citizens is adopting Insurance Services Office, Inc. amendments to the additional coverage of collapse, approved by the Office of Insurance Regulation as found in ISO’s 2000 and later policy edition(s). The Collapse Additional Coverage is also amended to better express that coverage for abrupt collapse of a building does not provide coverage for collapse of plumbing pipes resulting only from age, deterioration or maintenance. (Citizens specific)

Perils Insured Against

Temporary and Emergency Measures – The title of the “*Reasonable Repairs*” additional coverage is amended to “*Temporary And Emergency Measures*”. The additional coverage is amended to provide a \$3,000 limit for reasonable costs incurred by the policyholder for temporary and necessary measures taken solely to protect covered property from further damage in non-hurricane events. The changes also advise the policyholder that additional coverage is available, with prior approval from Citizens.

Collapse – Citizens is adopting Insurance Services Office, Inc. amendments to the additional coverage of collapse. The Collapse coverage is also amended to better express that coverage for abrupt collapse of a building does not provide coverage for collapse of plumbing pipes resulting only from age, deterioration or maintenance. (Citizens specific)

Conditions

Duties After Loss (Timely Reporting) – The Duties After Loss condition is modified to better define loss reporting requirements. This includes:

- Requiring notice within 72 hours by the Policyholder instead of “prompt” reporting (Citizens specific).
- At the Office of Insurance Regulation’s suggestion, including an exception to the insured’s notification responsibilities if emergency circumstances prevent 72 hours notification.
- Expressing that the insured is required to take only temporary measures necessary to protect property from further damage (clarification of industry standard).
- Permitting Citizens to inspect before permanent repairs are made (standard industry requirement).
- Adopting ISO and industry language excluding coverage if Citizens is prejudiced by failure of the insured to fulfill their duties after loss.

In a companion form filing, Citizens is also amending its CIT DP-3 Declaration forms to provide notification to its policyholder(s) of the reporting requirements found in the Duties After Loss condition.

IMPLEMENTATION

This filing is submitted for your approval under “prior approval”. The proposed effective date is July 1, 2016 for new business and for renewal business.

CITIZENS PROPERTY INSURANCE CORPORATION
301 W BAY STREET, SUITE 1300
JACKSONVILLE, FLORIDA 32202-5142

TELEPHONE: (904) 208-7645 FAX: (904) 281-2666



February 9, 2016

Sandra Starnes
Director of Property and Casualty Product Review
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0330

Re: Form Filing – Personal Residential Multi-Peril (PR-M) Dwelling

Dear Ms. Starnes,

Citizens Property Insurance Corporation respectfully submits this form filing for your approval.

Citizens' is amending its Dwelling Property 3 – Special Form (Form CIT DP-3) and an associated endorsement Special Coverage For Use With Form CIT DP-3 (Form CIT 04 65), to amend the limited coverage of the accidental discharge or overflow of water provided under perils insured against, address policy language regarding duties of the insured after loss or damage and implement other contract changes.

If you have any questions regarding this filing, please contact me at (904) 208-7128.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Backus", is written over a horizontal line.

David Backus
Product Manager
Product Development
Citizens Property Insurance Corporation

Attachments:

Chris Gardner, Chairman, Orange County • Gary Aubuchon, Lee County
Bette Brown, Monroe County • Juan Cocuy, Palm Beach County • Don Glisson, Jr., St. Johns County
James Holton, Pinellas County • Tom Lynch, Palm Beach County • Freddie Schinz, Okaloosa County
John Wortman, St. Johns County • Barry Gilway, President/CEO and Executive Director

Filing Details

Work Unit Number: W16-1535116
Filing Purpose: Forms Only
Product: Property / Personal (Dwelling Fire)
Date Created: 2/9/2016 11:48:13 AM
Date Submitted: 2/9/2016 04:43:42 PM
Filing Name: PRM DP Water/Steam Ax Discharge

Company Details

Company Name	FEIN	NAIC CC	NAIC GC	AUTH TYPE	AUTH TYPE/LOB Statures
CITIZENS PROPERTY INSURANCE CORPORATION	593164851	10064		RESIDUAL MARKET - NO COA	ACTIVE/ ACTIVE

Section II: Contact Information**Filing Correspondence**

Preferred Email Type: ORIGINATOR
Preferred Email: David.Backus@Citizensfla.com
Additional Emails: PD.OIR.Mailbox@Citizensfla.com; Amber.May@Citizensfla.com; Karen.Holt@Citizensfla.com

Filing Originator Information

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Contact Title: Product Manager
Professional Designation:
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P.O. Box Mailing Address:
Department: Product Development
City: Jacksonville
State: FL
Zip Code: 32202
Country: USA
Non US Postal Code:
Phone Number: 904-208-7128 Ext
Fax Number: 904-281-2666
Toll Free Number: Ext
Non US Phone Number:

Company Contact Information

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Department: Product Development
City: Jacksonville
State: FL
Zip Code: 32202
Country: USA
Non US Postal Code:
Phone Number: 904-208-7128 Ext
Fax Number: 904-281-2666
Toll Free Number: Ext
Non US Phone Number:

General Information

Company Filing Number
New Business Effective Date /
Renewal Business Effective Date /
Product: Property / Personal (Dwelling Fire)
Are you writing new business in Florida for this line of business? Yes

Filing Content Information

This is a Forms Only filing.
This filing contains: Form(s) & Endorsement(s)
Type of Coverage: Commercial
File Usage: PRIOR APPROVAL

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
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Forms	0	CIT DP-3 07 16	DWELLING PROPERTY 3 - SPECIAL FORM
Forms	0	CIT 04 65 07 16	SPECIAL COVERAGE FOR USE WITH FORM CIT DP-3
Certification	0		Flesch Certification
Summary	0		Summary of Changes
Forms	0		CIT DP-3 07 16 Strike & Delete Exhibit
Forms	0		CIT 04 65 07 16 Strike & Delete Exhibit
Explanatory Memorandum	0		Explanatory Memorandum
Cover Letter	0		Cover Letter

Forms to Be Reviewed

Form Number	Form Title	Previous Filing Number	Previous Form Number	Previous Form Effective Date
CIT DP-3 07 16	DWELLING PROPERTY 3 - SPECIAL FORM	15-19989	CIT DP-3 02 16	2/1/2016
CIT 04 65 07 16	SPECIAL COVERAGE FOR USE WITH FORM CIT DP-3	15-14359	CIT 04 65 02 16	2/1/2016

Filing Certification

I certify that I am authorized to make this Forms or Rate/Rule filing on behalf of the company(s) referenced herein. I further certify that the information contained in related transmittals and the filing is true, complete, correct and, to the best of my knowledge, in compliance with all applicable Florida laws and administrative rules including applicable policy readability standards.

Name: David C. Backus

Title: Product Manager

Filing Details

Work Unit Number: W16-1535116
Filing Purpose: Forms Only
Product: Property / Personal (Dwelling Fire)
Date Created: 2/9/2016 11:48:13 AM
Date Submitted: 2/9/2016 04:43:42 PM
Filing Name: PRM DP Water/Steam Ax Discharge

Interrogatories

1. Are you someone other than an employee of the company who is making this filing on behalf of the company? Yes No
2. Are you simultaneously making a form filing for any other line(s) of business? (If so, provide the description of the line(s).) Yes No
- Memo Response:**
PRM HO - Homeowners Multi Peril