

# CITIZENS PROPERTY INSURANCE CORPORATION

## PERSONAL RESIDENTIAL MULTIPERIL - HOMEOWNER

### FILING MEMORANDUM

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#### **PURPOSE OF FILING**

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Citizens is presenting for your approval an "Emergency Water Removal Services" endorsement CIT 04 85 06 17, a "Managed Repair Contractor Network Program" endorsement form CIT 04 86 06 17 and a revised "Citizens Homeowners 3 – Special Form" form CIT HO-3 06 17.

With the introduction of these two endorsements, applicable only with Citizens' CIT HO-3 policy, Citizens' seeks to expand options available to its policyholders by providing emergency water removal services (resulting from an accidental discharge of water or steam from an appliance, heating, air conditioning, fire protective or plumbing system) and a contractor network program to perform repairs, replacement or rebuilding of damaged property covered under Coverage A and Coverage B. Each endorsement will be automatically attached to each CIT HO-3 policy. The services under each endorsement will be made available only with the policyholder's consent and at Citizens' option. The services in each endorsement are not applied if the policyholder declines.

In order to achieve the most efficient and effective method of accomplishing these services and meeting the needs of our policyholders, Citizens has contracted with a third party administrator to provide the services described in each endorsement. The third party Administrator is responsible for providing access to and maintaining a statewide network of licensed and credentialed contractors capable of supporting the services provided under each of the endorsements. By leveraging an Administrator, all contractors within the State can apply to join the network for either or both endorsements based on the Administrator's rules of engagement.

The endorsements express to the policyholder that if they have concerns regarding the contractor provided under each endorsement, they may directly contact their Citizens' claim representative or call Citizens Call-Center to discuss their concerns with a Citizens' representative.

Informational exhibits are also provided that compare the terms found in the two withdrawn endorsements in IFile 16-32388 to the terms in the two proposed endorsements in this filing to assist your review and approval.

#### **OVERVIEW OF SERVICES**

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##### Emergency Water Removal Services (Form CIT 04 85 06 17)

Citizens' Emergency Water Removal Services allows Citizens, with the policyholder's consent, to provide a Contractor(s) approved by Citizens to take necessary reasonable emergency water removal services solely to protect the policyholder's dwelling and other structures from further damage resulting from an accidental discharge of water or steam from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance. The policyholder's advantage in electing this service is that Citizens will pay the contractor directly for the services, without the policyholder paying a deductible.

Managed Repair Services (Form CIT 04 86 06 17)

Citizens' Managed Repair Contractor Network Program with the policyholder's consent, allows Citizens, in the event of covered loss or damage <sup>(1)</sup> to the policyholder's dwelling or other structures, to assist the policyholder in returning their dwelling (or other structure(s)) to its pre-loss condition by providing a Contractor(s) to make covered repairs.

The policyholder's advantage in electing this program is that the policyholder will be provided a licensed and credentialed contractor to make covered repairs and Citizens will pay the contractor directly for the covered loss. The policyholder will be responsible for paying the deductible that applies to the covered loss. A policyholder who calls Citizens to report a loss will be speaking with someone who is familiar with the Policy and its coverages and who can answer their questions. Citizens will also provide an estimate of covered loss to let the policyholder know what damage or loss is covered by their Citizens policy. And the policyholder will have a contractor already on site, who, at the policyholder's expense, may be able to perform other repairs that are not covered by the Policy if the policyholder seeks to have the contractor perform these repairs and the contractor agrees to perform such repairs.

Each endorsement is automatically added to the CIT HO-3 policy, but the services or repairs specific to each endorsement are only provided with the policyholder's consent and at Citizens' option. Therefore, no changes are necessary to specify these forms under the approved Citizens' Homeowners HO-3 Special Form Application.

<sup>(1)</sup> *Not applicable in the event of loss or damage from the peril of hurricane, sinkhole, or catastrophic ground cover collapse. It also cannot be used regarding losses or damages to personal property (Contents), or for claims made under Section II – Liability Coverages.*

Citizens Homeowners 3 – Special Form (form CIT HO-3 06 17)

Citizens Homeowners 3 – Special Form (form CIT HO-3 06 17) is amended to indicate the Reasonable Emergency Measures additional coverage will not pay for services provided under endorsement CIT 04 85 06 17 and will not pay for repairs performed under endorsement CIT 04 86 06 17.

The Duties After Loss condition is revised to add a duty requiring the insured to cooperate in the execution of any necessary municipal, county or other governmental documentation or permits for repairs to be made and any necessary work authorizations. As justification for this change, it is reasonable to more explicitly express to the policyholder they must cooperate in the execution of these governmental permits and documents as part of the indemnity an insurer is providing. The policyholder may be required by law to execute a permit before repairs can commence or before the damaged property can be accessed. A policyholder may refuse to execute a mandated permit required to make roof repairs, replace windows, and replace water heaters or to connect to city mandated utilities. Delay by the policyholder to perform this duty may increase necessary repair costs, increase the scope of loss (such as additional remediation to address mold) and increase additional living expense payments, all which without their cooperation would not have occurred. It may also expose the policyholder and the insurer to liability claims that arise because timely repair could not commence. Better expressing this duty serves to benefit our policyholder and also reduce unnecessary loss expense which is ultimately passed to all Citizens' policyholders and insured citizens of Florida.

The Our Option condition is revised to indicate that any repair Citizens makes under this condition is in lieu of payment. Additional paragraphs are also added to express the condition does not apply under certain criteria surrounding the proposed endorsements CIT 04 85 06 17 and CIT 04 86 06 17.

The Loss Payment condition is amended to express that any payment Citizens makes to the policyholder under the condition does not include payment for services performed under endorsement CIT 04 85 06 17 and that payment for repairs performed under endorsement CIT 04 86 06 17 will be made to the insured and contractor jointly.

## **IMPLEMENTATION**

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This filing is submitted for your approval under "prior approval". The proposed effective date is June 1, 2017 for new business and renewal business.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
TO REPORT A LOSS OR CLAIM CALL 866.411.2742

### EMERGENCY WATER REMOVAL SERVICES

The services described in this "Endorsement" allow us at our option and with your consent to provide a "Contractor(s)" who will provide necessary reasonable emergency water removal services, as described below, solely to protect your covered property under Coverage **A** and **B** from further damage.

Your Policy has specific requirements about notifying us in the event of direct physical loss or damage to property, which are found in SECTION I – CONDITIONS, Condition **B**. Duties After Loss.

Should you have concerns regarding your "Contractor" at any time during the process of emergency water removal provided under this "Endorsement", you may directly contact your Citizens' claim representative at the telephone number provided to you, or call our toll free Call-Center at 866-411-2742 and a representative will be available to discuss your concerns.

#### CONSENT

At our option and with your consent to participate in the services provided under this "Endorsement", the following provisions of the Policy are either added or amended.

Your consent provided on or after reporting a claim of loss or damage and the provisions of this "Endorsement" are only for that reported claim of loss or damage.

The provisions of this "Endorsement" do not apply to any subsequent claim of loss or damage, unless we opt to participate in the services provided under this "Endorsement" and you provide another consent as described above.

#### AGREEMENT

The following is added:

In the event of a direct physical loss to property covered under Coverage **A** or Coverage **B** located on the "residence premises" caused by accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we will dispatch a "Contractor" of our choice to provide only necessary reasonable emergency water extraction and drying services solely to protect property from further damage, as provided under this "Endorsement".

The following applies:

1. The services provided under this "Endorsement" are limited to only necessary reasonable emergency water extraction and drying services made solely to protect property from further damage.

2. The services provided under this "Endorsement" do not include any replacement, repair or the rebuilding of the dwelling or other structures and do not include any replacement, repair or the rebuilding of the dwelling or other structures necessary to perform the emergency water extraction and drying services.

When such replacement, repair or the rebuilding is necessary, all other provisions of your Policy apply.

3. SECTION I – CONDITIONS, Condition **I**. Our Option in **CIT HO-3** does not apply to the services we or the "Contractor" provide under this "Endorsement".
4. Your deductible does not apply to the services provided under this "Endorsement".
5. This "Endorsement" does not increase the limit of liability or any other sub-limit to the covered property.
6. We will make payment directly to the "Contractor" as described in SECTION I - CONDITIONS, Condition **J**. Loss Payment in **CIT HO-3** for services the "Contractor" provides under this "Endorsement".
7. Any services provided under this "Endorsement" for loss or damage that is not covered under your Policy does not cause or create coverage.

#### DEFINITIONS

The following definition is added:

The term "Endorsement" shall mean "form **CIT 04 85**" and shall mean "form **CIT 04 85**" in the paragraph(s) added or replaced in **CIT HO-3** under this "Endorsement".

**APPROVED**

**TERMINATION OF CONSENT**

Date Received: 01/27/2017 Date Of Action: 03/10/2017

FL OFFICE OF INSURANCE REGULATION

The following definition is added regarding the services provided by the "Contractor" under this "Endorsement": "Contractor" means a person, entity or company, including their employees, agents, representatives and general or specialty contractors who is a member of the network engaged by Citizens to provide the services under this "Endorsement".

**SECTION I – CONDITIONS**

**Condition B. Duties After Loss**

The following paragraphs are added to Condition B. Duties After Loss in **CIT HO-3**:

Your duties under Condition B. Duties After Loss in **CIT HO-3** apply, whether under this "Endorsement" you or your representative:

1. Prevent the "Contractor" from providing or completing the services, or
2. Have another party perform or contract to perform a duty on your behalf.

The services provided under this "Endorsement" are not a loss inspection. All conditions stipulated in SECTION I – CONDITIONS, Condition B. Duties After Loss, paragraph B.1. in **CIT HO-3** apply.

Our option and your consent to participate in the services provided under this "Endorsement" are material parts of this "Endorsement". Under no circumstances does this "Endorsement" relieve you or us of any duties and obligations under the Policy not specifically amended, added or deleted in this "Endorsement".

**SECTION I AND II – CONDITIONS**

**Condition I. Notification Regarding Access**

The following is added to Condition I. Notification Regarding Access in **CIT HO-3** as regards this "Endorsement".

Our offer and your consent to participate in the EMERGENCY WATER REMOVAL SERVICES "Endorsement" requires our agreement to a mutual schedule with you and your permission for Citizens, its designated representative(s) and the "Contractor" to enter the "Residence Premises" at the address designated in your Declarations as the Location of Residence Premises, for the purpose of inspecting your loss and providing the services under this "Endorsement".

If there is no permission or agreement, this "Endorsement" does not apply and all other provisions of your policy apply.

1. If you have consented to participate in this "Endorsement", you may revoke your consent by notifying us any time prior to you signing any authorization(s) provided by the "Contractor" for emergency water removal services. In this event, the "Endorsement" is no longer applicable, and all other provisions of your Policy apply.

2. If you or your representative notify us or the "Contractor" to stop providing the services or you or your representative prevent the "Contractor" from providing or completing the services, this constitutes termination of your consent to the services provided under this "Endorsement".

In this event, this "Endorsement" no longer applies, and instead all other provisions of your Policy apply.

Additionally, the following also applies:

- a. All duties required under SECTION I – CONDITIONS, Condition B. Duties After Loss in **CIT HO-3** will apply, which may include water removal if needed. However, we will make payment directly to the "Contractor" as described in SECTION I - CONDITIONS, Condition J. Loss Payment in **CIT HO-3** for any services the "Contractor" provides under this "Endorsement".
- b. The deductible described under SECTION I – CONDITIONS, Condition R. Deductible in **CIT HO-3** will apply, except we will not apply a deductible to any part of our loss settlement with you that represents the payment we make to the "Contractor" for the services the "Contractor" provides under this "Endorsement".

**POLICY PROVISIONS**

The following are added:

This "Endorsement" does not cover any services you or your representative obtain from other providers or contractors. Instead all other provisions of your Policy apply regarding the services you or your representative obtain from other service providers or contractors.

We will make payment directly to the "Contractor" as described in SECTION I - CONDITIONS, Condition J. Loss Payment in **CIT HO-3** for services the "Contractor" provides under this "Endorsement".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
TO REPORT A LOSS OR CLAIM CALL 866.411.2742

## MANAGED REPAIR CONTRACTOR NETWORK PROGRAM

The Program described in this “Endorsement” allows us at our option and with your consent to provide a “Contractor(s)” who will make covered repairs to your dwelling and other structures, covered under Coverage **A** or **B**, when damage or loss is from a covered peril as described in your Policy.

Your Policy has specific requirements about notifying us, in the event of direct physical loss or damage to property, which are found in SECTION I – CONDITIONS, Condition **B**. Duties After Loss.

Should you have concerns regarding your “Contractor” at any time during the repair, replacement or rebuilding process provided under this “Endorsement”, you may directly contact your Citizens’ claim representative at the telephone number provided to you, or call our toll free Call-Center at 866-411-2742 and a representative will be available to discuss your concerns.

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### CONSENT

At our option and with your consent to participate in the MANAGED REPAIR CONTRACTOR NETWORK PROGRAM (e.g. the Program), the following provisions of the Policy are either added or amended.

Your consent provided on or after reporting a claim of loss or damage and the provisions of this “Endorsement” are only for that reported claim of loss or damage.

The provisions of this “Endorsement” do not apply to any subsequent claim of loss or damage, unless we exercise our option to utilize the Program and you provide another consent as described above.

### AGREEMENT

The following is added:

In the event of a direct physical loss to property covered under Coverage **A** or Coverage **B** located on the “residence premises”, we will at our option and with your consent provide you an estimate of covered loss and a “Contractor” to repair, replace or rebuild the damaged property included in the estimate of covered loss, as provided under this “Endorsement” and your Policy.

1. The Program will include an original estimate of covered loss we or the “Contractor” provide as described above and as necessary, a revised estimate(s) describing any additional covered loss or damages discovered during the repair, replacement or rebuilding of property covered under Coverage **A** or Coverage **B** that are not included in the original estimate of covered loss. Together, they are your estimate of covered loss.

2. Regarding covered loss or damage to property covered under Coverage **A** or Coverage **B**, the following applies:
  - a. As a participant in the Program under this “Endorsement”, you will enter directly into a contract with the “Contractor” for the repairs, replacement or rebuilding of the damaged property covered under Coverage **A** or Coverage **B** included in the estimate of covered loss that we or the “Contractor” provide you under this “Endorsement”.
  - b. Payment under the contract described in paragraph 2.a. above will be made to the “Contractor” as described in SECTION I – CONDITIONS, Condition **J**. Loss Payment, for the repairs, replacement or rebuilding of damaged property covered under Coverage **A** or Coverage **B** in the estimate of covered loss, less any applicable deductible.
3. Any dispute between you and us, regarding amount of covered loss which includes scope of damages of property covered under Coverage **A** or **B** in the estimate of covered loss provided to you under this “Endorsement”, is subject to SECTION I – CONDITIONS, Condition **F.2**. Appraisal.  
The Appraisal may be requested by you or by us.
4. This “Endorsement” does not increase the limit of liability or any other sub-limit that applies to the covered property.
5. This “Endorsement” does not in any manner alter or change the deductible provision in your Policy.

For all remaining loss or damage that is not repaired, replaced or rebuilt under this "Endorsement"; this "Endorsement" is not applicable and all other provisions of your Policy apply.

Date Received: 01/27/2017  
Date of Action: 03/10/2017  
FL OFFICE OF INSURANCE REGULATION

**DEFINITIONS**

The following definition is added:

The term "Endorsement" shall mean "form **CIT 04 86**" and shall mean "form **CIT 04 86**" in the paragraph(s) added or replaced in **CIT HO-3** under this "Endorsement".

The following definition is added regarding the repair, replacement or rebuilding of property covered under Coverage **A** or Coverage **B** made by the "Contractor" under this "Endorsement":

"Contractor" means a person, entity or company, including their employees, agents, representatives and general or specialty contractors who is a member of the network engaged by Citizens to provide the repair, replacement or rebuilding of property covered under Coverage **A** or **B** and the estimate of covered loss under this "Endorsement".

**SECTION I – CONDITIONS**

**Condition B. Duties After Loss**

The following paragraphs are added to **B. Duties After Loss** in **CIT HO-3**:

Your duties under Condition **B. Duties After Loss** in **CIT HO-3** apply, whether under this "Endorsement" you or your representative:

1. Notify us or the "Contractor" to stop repairs, replacement or rebuilding of property covered under Coverage **A** or **B**;
2. Prevent the "Contractor" from providing or completing the repairs, replacement or rebuilding of property covered under Coverage **A** or **B**, or
3. Have another party perform or contract to perform a duty on your behalf.

Our option and your consent to participate in the Program provided under this "Endorsement" are material parts of this "Endorsement". Under no circumstances does this "Endorsement" relieve you or us of any duties and obligations under the Policy not specifically amended, added or deleted in this "Endorsement".

**Condition C. Loss Settlement**

The following paragraphs are added to Condition **C. Loss Settlement** in **CIT HO-3** regarding the repair, replacement or rebuilding of property covered under Coverage **A** or Coverage **B** under this "Endorsement":

If the "Contractor" provides under this "Endorsement", repairs, replacement or the rebuilding of property covered under Coverage **A** or Coverage **B** for covered loss or damage caused by a peril insured against, Condition **C. Loss Settlement** paragraph **C.2.d.** in **CIT HO-3** will not apply.

**Condition F.2. Appraisal**

The following paragraphs are added to Condition **F.2. Appraisal** in **CIT HO-3** regarding the repair, replacement or rebuilding of property covered under Coverage **A** or Coverage **B** under this "Endorsement":

**j.** For purposes of this "Endorsement", Appraisal shall address any dispute between you and us as to amount of covered loss which includes scope of damages.

Our payment obligation under any appraisal award is the cost determined by the "Contractor" in the revised estimate of loss prepared by the "Contractor" in response to the Appraisal award.

**k.** For a dispute regarding the amount of covered loss which includes scope of damages, you or we must first give the other an opportunity to seek resolution through Appraisal before a suit may be filed related to this "Endorsement", subject to paragraph **i.** above.

**l.** Paragraphs **j.** and **k.** above apply only to the resolution of disputes, regarding the repair, replacement or rebuilding of damaged covered property under Coverage **A** or **B**, that are included in the scope of damages of covered loss provided under this "Endorsement".

For resolution of other disputes, SECTION I – CONDITIONS, Condition **F.2. Appraisal** in **CIT HO-3** is available in accordance with its provisions.

**Condition I. Our Option**

The following paragraphs are added to Condition **I. Our Option** in **CIT HO-3** regarding the repair, replacement or rebuilding of property covered under Coverage **A** or Coverage **B** under this "Endorsement":

Your consent to participate in the Program under this "Endorsement" constitutes, for the loss or damage you have reported to us, your waiver of our requirement to provide you written notice within 30 days after we receive your signed, sworn proof of loss, as described in paragraph **1.** in SECTION I – CONDITIONS, Condition **I. Our Option** in **CIT HO-3**.

**APPROVED**

Date Received: 02/27/2019  
Date Of Action: 03/10/2019  
OFFICE OF INSURANCE REGULATION

Condition **I**. Our Option, paragraphs **1.** and **2.** in **CIT HO-3** do not apply to the repairs, replacement or rebuilding of property covered under Coverage **A** or **B** in the estimate of covered loss we or the "Contractor" provide you under this "Endorsement".

We will make payment as described in Condition **J**. Loss Payment in **CIT HO-3** for the total of repairs, replacement or rebuilding of property covered under Coverage **A** or **B** included in the estimate of covered loss, less any applicable deductible.

## SECTION I AND II – CONDITIONS

### Condition I. Notification Regarding Access

The following is added to Condition **I**. Notification Regarding Access in **CIT HO-3** as regards this "Endorsement".

Our offer and your consent to participate in this MANAGED REPAIR CONTRACTOR NETWORK PROGRAM requires our agreement to a mutual schedule with you and your permission for Citizens, its designated representative(s) and the "Contractor" to enter the "Residence Premises" at the address designated in your Declarations as the Location of Residence Premises, for the purpose of inspecting your loss and providing the repairs, replacement or rebuilding of property covered under Coverage **A** or **B** provided under this "Endorsement".

If there is no permission or agreement, this "Endorsement" does not apply and all other provisions of your policy apply.

## TERMINATION OF CONSENT

1. If you have consented to participate in this "Endorsement", you may withdraw your consent by notifying us any time prior to you signing any contract(s) or authorization(s) provided by the "Contractor" for the repairs, replacement or rebuilding of property covered under Coverage **A** or **B** included in the estimate of covered loss we or the "Contractor" provide to you under this "Endorsement".

2. If you or your representative notify us or the "Contractor" to stop providing the repairs, replacement or rebuilding of property covered under Coverage **A** or **B** in the estimate of covered loss, or you or your representative prevent the "Contractor" from providing or completing the repairs, replacement or rebuilding of property covered under Coverage **A** or **B** in the estimate of covered loss, we or the "Contractor" provide to you under this "Endorsement", this constitutes termination of your consent to the services provided under this "Endorsement".

3. Upon the termination of your consent, this "Endorsement" no longer applies and all other provisions of your Policy apply.

Additionally in this event, the following also applies:

- a. All duties required under SECTION **I** – CONDITIONS, Condition **B**. Duties After Loss in **CIT HO-3** will apply.
- b. Upon your termination, SECTION **I** – CONDITIONS, Condition **I**. Our Option in **CIT HO-3** will apply to other covered loss not included in the estimate of covered loss described above and will also apply to any other claim or loss that you report to us and is not part of the consent you provided under this "Endorsement".
- c. You will be responsible for the deductible described under SECTION **I** – CONDITIONS, Condition **R**. Deductible in **CIT HO-3**. In no event will you be responsible for paying more than one deductible in any one loss.



# CITIZENS HOMEOWNERS 3 - SPECIAL FORM

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# CITIZENS HOMEOWNERS 3 - SPECIAL FORM

APPROVED

Date Issued: 01/27/2017 Date Of Action: 03/10/2017

FLORIDA OFFICE OF INSURANCE REGULATION

## 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. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability", "Personal Watercraft Liability", and "Watercraft Liability", subject to the provisions in 1.b. below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1) Ownership of such vehicle or craft by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3) Entrustment of such vehicle or craft by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purposes of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
  - (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
  - (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor and is not a "personal watercraft";
  - (4) Motor vehicle means a "motor vehicle" as defined in 9. below; and
  - (5) Personal watercraft means a "personal watercraft" as defined in 11. below.
2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
  3. "Business" means:
    - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
    - b. Any other activity engaged in for money or other compensation, except the following:
      - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
      - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
      - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
      - (4) The rendering of home day care services to a relative of an "insured".
  4. "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".

5. "Employee" means a person employed by an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

6. "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 Section II, this does not include any fungi, yeast or bacteria that are, are on or are contained in a good or product intended for consumption.

7. "Insured" means:

a. You and residents of your household who are:

- (1) Your relatives; or
- (2) Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

b. A student enrolled in school full-time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

- (1) 24 and your relative; or
- (2) 21 and in your care or the care of a resident of your household who is your relative; or

c. Under Section II, "insured" also means:

- (1) With respect to watercraft to which this Policy applies, any person or organization legally responsible for watercraft which are owned by you or any person described in 7.a. or 7.b. above.

"Insured" does not mean a person or organization using or having custody of the watercraft in the course of any "business" or without consent of the owner; or

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(a) Persons while engaged in your employ or that of any person described in 7.a. or 7.b.; or

(b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

8. "Insured location" means:

a. The "residence premises";

b. The part of other premises, other structures and grounds used by you as a residence; and:

(1) Which is shown in the Declarations as "Location of Residence Premises"; or

(2) Which is acquired by you during the policy period for your use as a residence;

c. Any premises used by you in connection with a premises described in 8.a. and 8.b. above;

d. Any part of a premises:

(1) Not owned by an "insured"; and

(2) Where an "insured" is temporarily residing;

e. Vacant land, other than farm land, owned by or rented to an "insured";

f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";

g. Individual or family cemetery plots or burial vaults of an "insured"; or

h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

9. "Motor vehicle" means:

a. A self-propelled land or amphibious vehicle; or

b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in 9.a. above.

10. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

a. "Bodily injury"; or

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- b. "Property damage".
- 11. "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.
- 12. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
- 13. "Primary structural system" means an assemblage of "primary structural members".
- 14. "Principal building" means that part of your dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling as described under Section I – 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 "residence premises"; or
  - e. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair any property other than the "principal building" on the "residence premises".
- 15. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
  - 16. "Residence employee" means:
    - a. An employee of an "insured" or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
    - b. One who performs similar duties elsewhere not related to the "business" of an "insured".A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

- 17. "Residence premises" means:
  - a. The one family dwelling;
  - b. That part of any other building; where you reside and which is shown as the "Location of Residence Premises" in the Declarations."Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "Location of Residence Premises" in the Declarations.
- "Residence premises" also includes other structures and grounds at that location.
- 18. "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.

19. "Unoccupied" means the dwelling is not being inhabited as a residence.
20. "Vacant" means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy as a residence.

## SECTION I – PROPERTY COVERAGES

### A. Coverage A – Dwelling

1. We cover:
- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
  - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

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.

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- ### B. Coverage B – Other Structures
1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
- a. Land, including land on which the other structures are located;
  - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
  - c. Other structures from which any "business" is conducted;
  - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure;
  - e. 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;
  - f. Awnings;
  - g. Any structure that has a roof, exterior wall, or covering, of thatch, grass, palm, lattice, slats, or similar material; or
  - h. Slat houses, chickees, tiki huts, gazebos, cabanas, canopies, pergolas, or similar structures, all constructed to be open to the weather.
3. This coverage does not apply to loss or damage resulting from the peril of "catastrophic ground cover collapse".
4. The limit of liability for this coverage is shown in your Declarations. Use of this coverage does not reduce the Coverage A limit of liability.

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**C. Coverage A – Dwelling, Coverage B – Other Structures and Coverage D – Loss of Use**

**1. Special Limit Of Liability**

- a. The total limit of liability for Coverages **A, B** and **D** 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 Loss of Use 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** and **D**.
- 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 owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

**2. Limit For Property At Other Locations:**

- a. Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage **C**, or \$1,000, whichever is greater.
- b. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**3. Special Limits of Liability**

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

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- b. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps, trading cards, and comic books.
- c. \$1,000 on watercraft other than "personal watercraft", including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,000 on trailers not used with watercraft.
- e. \$1,000 on jewelry, watches, furs, precious and semi-precious stones.
- f. \$2,000 on firearms.
- g. \$2,500 on silverware, silver-plated ware, goldware, gold-plated ware, platinum, platinumware, platinum-plated ware and pewterware.

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

- h. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
- i. \$250 on property, away from the "residence premises", used at any time or in any manner for any "business" purpose.

However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **j.** and **k.** below.

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- j. \$1,000 for loss to electronic apparatus (for the covered perils except theft, which is hereby excluded from coverage), while in or upon a motor vehicle or other motorized land conveyance; if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- (1) Accessories and antennas; or
- (2) Tapes, wires, records, discs or other media;

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

- k. \$1,000 for loss to electronic apparatus (for all covered perils except theft, which is hereby excluded from coverage), while not in or upon motor vehicle or other motorized land conveyance; if the electronic apparatus:

- (1) Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- (2) Is away from the "residence premises"; and
- (3) Is used at any time or in any manner for any "business" purposes.

Electronic apparatus includes:

- (1) Accessories and antennas; or
- (2) Tapes, wires, records, discs or other media;

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

- l. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises".

Paragraphs 1., 2. and 3. do not apply to personal property when the limit of liability for Coverage C shown in your Declarations is \$0.

#### 4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured in this or other insurance;
- b. Animals, birds or fish;

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

- (1) Their equipment and accessories; or
- (2) Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of:
  - (a) Motor vehicles; or
  - (b) All other motorized land conveyances.

Electronic apparatus includes:

- (a) Accessories and antennas; or
- (b) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item c.(2).

The exclusion of property described in c.(1) and c.(2) above applies only while the property is 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 "residence premises" and used solely to service an "insured's" residence;
  - (b) A motorized golf cart located on the "residence premises" 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 c.(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.

- 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. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- f. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in Additional Coverages F.10.;



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- g. Property rented or held for rental to others off the "residence premises";
- h. "Business" data, including such data stored in:
  - (1) Books of account, drawings or other paper records; or
  - (2) Electronic data processing tapes, wires, records, discs or other software media;
- i. Credit cards or fund transfer cards except as provided in Additional Coverages **F.6.**;
- j. Personal property stored in freezers or refrigerators located off the "residence premises";
- k. "Personal watercraft"; or
- l. Water or steam.

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

However, we cover the removal and replacement of water in a swimming pool located on the "residence premises", 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.

#### E. Coverage D – Loss Of Use

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

##### 1. Additional Living Expense

If a loss covered under SECTION **I** makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning:

- a. 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:

- a. Repair or replace the damage; or
- b. 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. Fair Rental Value

If a loss covered under SECTION **I** makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the Fair Rental Value, meaning:

- a. The fair rental value of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

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

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

##### 3. Civil Authority Prohibits Use

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

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

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

#### F. Additional Coverages

##### 1. Debris Removal

- a. We will pay your reasonable expense for the removal of:
  - (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
  - (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

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

- b. We will also pay the reasonable expense you incur, up to \$500, for the removal from the "residence premises" of:
  - (1) Your tree(s) felled by the peril of Windstorm or Hail;
  - (2) Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
  - (3) A neighbor's tree(s) felled by a Peril Insured Against under Coverage **C**;provided the tree(s) damages a covered structure.

The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

## 2. Reasonable Emergency Measures

a. We will pay up to the greater of \$3,000 or 1% of your Coverage **A** limit of liability for the reasonable costs incurred by you for necessary 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 approval within 48 hours of your request to us to exceed the limit in **a.** above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Peril Insured Against, you may exceed the amount in **a.** above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

c. If however, form **CIT 24** is part of your Policy and a covered loss occurs during a hurricane as described in form **CIT 24**, the amount we pay under this additional coverage is not limited to the amount in **a.** above.

d. A reasonable measure under this Additional Coverage **F.2.** may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

e. 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 **SECTION I – CONDITION B.**;
- (3) Pay for property not covered, or for repairs resulting from a peril not covered, or for loss excluded in this Policy.

f. We will not pay under this Additional Coverage **F.2.** for any services, or part or portion of any services provided under form **CIT 04 85.**

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We will not pay under Additional Coverage **F.2.** for any repairs, replacement or rebuilding, or any part or portion of any repairs, replacement, or rebuilding made or provided under form **CIT 04 86.**

## 3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant.

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

This coverage is additional insurance.

## 4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance.

No deductible applies to this coverage.

## 5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

## 6. Credit Card, Fund Transfer Card, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;

- (2) Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
  - (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
  - (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.
- b. We do not cover use of a credit card or fund transfer card:
- (1) By a resident of your household;
  - (2) By a person who has been entrusted with either type of card; or
  - (3) If an "insured" has not complied with all terms and conditions under which the cards are issued.

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

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

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

- c. Defense:
- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
  - (2) If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
  - (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

- 7. Loss Assessment**
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\$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage A, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.
- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage A, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

- b. This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises".
- c. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- d. The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is additional insurance.

No deductible applies to this coverage.

Condition S. Policy Period, under SECTION I - CONDITIONS does not apply to this coverage.

- 8. Collapse**
- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
  - b. For the purposes of this Additional 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 Additional 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 any part of the plumbing system, whether above or below the ground, when the plumbing system or any part of the plumbing system is:
  - (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.

However, this Additional Coverage – Collapse will apply to that part of a building’s plumbing system damaged by an abrupt collapse of a covered building, or abrupt collapse of any part of a covered building.

- 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.

However, **d.(2)** above does not provide coverage for a plumbing system or any part of a plumbing system resulting from decay as described in Additional Coverage **8.c.(4)** above;

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- (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, or any part of a plumbing 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.

For purposes of this Additional Coverage **F.8.**, a plumbing system includes a septic system.

**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 "residence premises" if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss; except when the breakage results directly from Earth Movement And Settlement as provided for in **a.(2)** above.

A dwelling being constructed is not considered "vacant".

c. Loss to glass covered under this Additional 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. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage **C**, other than theft, or other than sinkhole loss if form **CIT 23 94** applies to your Policy.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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

#### 11. "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 Section **I** – Property Coverages 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 Section **I** – Property Coverages;
- (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 a 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 Loss of Use under this Additional Coverage **11**. regardless of the:

- (1) Number of locations insured;
- (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 Additional Coverage **11**., except to the extent that "fungi", wet or dry rot, yeast or bacteria causes an increase in the loss or any Loss of Use.

Any such increase in the loss or Loss of Use will be subject to the terms of this Additional Coverage **11**.

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

#### 12. Ordinance Or Law

a. You may use up to 25% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

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

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Acid

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(g) Chemicals; and

(h) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

### **SECTION I – PERILS INSURED AGAINST**

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

1. We insure against risk of 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, shifting, 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 **F.8**. Collapse under Section **I** – Property 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:

- (2) The demolition and reconstruction of the undamaged part of a building covered under Coverage **A**, when that building must be totally demolished because of damage by a Peril Insured Against to another part of that covered building; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a building covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the covered building damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from:
- (1) The construction;
  - (2) Demolition;
  - (3) Remodeling;
  - (4) Renovation;
  - (5) Repair; or
  - (6) Replacement;
- of property as stated in **a.** above.
- c. We do not cover:
- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (2) The costs to comply with any ordinance or law which requires any “insured” or others to:
    - (a) Test for;
    - (b) Monitor;
    - (c) Clean up;
    - (d) Remove;
    - (e) Contain;
    - (f) Treat;
    - (g) Detoxify;
    - (h) Neutralize; or
    - (i) In any way respond to, or assess the effects of:  
Pollutants in or on any covered building or other structure.
  - (3) Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:
    - (a) Smoke;
    - (b) Vapor;
    - (c) Soot;
    - (d) Fumes;

- (a) Fence, pavement, patio or swimming pool;
- (b) Foundation, retaining wall, or bulkhead; or
- (c) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Theft or attempted theft in or to a dwelling if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss;
- (5) Vandalism and malicious mischief if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered "vacant";

- (6) 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 "residence premises".

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 "residence premises" includes the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the "residence premises", necessary to access the system or appliance.

- (a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion 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.

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In no event will we pay for repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss:

- (a) To the system or appliance from which this water or steam escaped;
- (b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- (c) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure;
- (d) To a plumbing 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) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
- (f) 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.
- (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) 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 unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this Policy.

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;

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Settling, Shrinking, Expansion, or Resultant  
cracking of pavements, 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 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 to tear out and repair only that part or portion of a building or other structure covered under Coverage A or B, on the "residence premises", necessary to access the system or appliance.

- (a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage A or B as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion 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.
- (b) In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

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.



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**c. Excluded under Section I – 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 insured premises.

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 SECTION I – Earth Movement And Settlement exclusion **A.2.** does not apply to “catastrophic ground cover collapse”.

The SECTION I – Loss Caused By “Sinkhole” exclusion **A.9.** 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 SECTION I – EXCLUSIONS.

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

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

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

3. **Explosion**
4. **Riot Or Civil Unrest**
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**

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

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the “residence premises”.

This peril does not include loss caused by theft:

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

**10. Falling Objects**

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

11. **Weight Of Ice, Snow Or Sleet** which causes damage to property contained in a building.

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

This peril does not include loss:

- a. To the 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 “residence premises” caused by accidental discharge or overflow which occurs off the “residence premises”;

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- d. Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure; 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.

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

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

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

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

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

This peril does not include loss to 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 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 insured premises.

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

The SECTION I – Earth Movement And Settlement exclusion **A.2.** does not apply to "catastrophic ground cover collapse".

The SECTION I – Loss Caused By "Sinkhole" exclusion **A.9.** does not apply to "catastrophic ground cover collapse".

Under Section I - Perils Insured Against, a plumbing system includes a septic system.

**SECTION I – 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 any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris.

This Exclusion **A.1.** does not apply to the amount of coverage that may be provided for under Additional Coverages, **F.9.** Glass or Safety Glazing Material or **F.10.** Ordinance or Law;

- b. The requirements of which result in a loss in value to property; or

- c. Requiring any "insured" or others to:

- (1) Test for;
- (2) Monitor;
- (3) Clean up;
- (4) Remove;
- (5) Contain;
- (6) Treat;

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- 3. Water Damage**, meaning:
- a. Flood or 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
    - (3) Overflows or is otherwise discharged from:
      - (a) A sump, sump pump, irrigation system, or related equipment; or
      - (b) 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 or 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 Exclusion.

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.

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.

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 "residence premises".

But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

- (7) Detoxify;
- (8) Neutralize; or
- (9) In any way respond to, or assess the effects of:

Pollutants.

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

- (1) Smoke;
- (2) Vapor;
- (3) Soot;
- (4) Fumes;
- (5) Acids;
- (6) Alkalis;
- (7) Chemicals; and
- (8) Waste.

Waste includes materials to be recycled, reconditioned, or reclaimed.

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

**2. Earth Movement 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.

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**5. Neglect**, meaning neglect of any "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

**6. War**, including the following and any consequence of any of the following:

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

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

**7. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I – CONDITIONS.

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

- a. By or at the direction of an "insured"; and
- b. With the intent to cause a loss.

**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 Additional Coverage under Section I – Property Coverages 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. Damage 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. Constant Or Repeated Seepage Or Leakage Of Water Or Steam**, or the presence or condensation of humidity, moisture or vapor; over a period of weeks, months or years, unless such seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

**13. Accidental Discharge Or Overflow Of Water Or Steam** from:

- a. Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
- b. Within a household appliance for heating water; or
- c. Within a household appliance.

This Exclusion **A.13.** 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:

- a. Shut off the water supply; and
- b. 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 paragraph **A.** above to produce the loss;

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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 "residence premises".

**SECTION I – CONDITIONS**

**A. Insurable Interest And Limit of Liability**

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

- 1. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- 2. For more than the applicable limit of liability.

**B. Duties After Loss**

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

- 1. Give prompt notice to us or your insurance agent.

Except for Reasonable Emergency Measures taken under Additional Coverage **F.2.**, there is no coverage for repairs that begin before the earlier of:

- a. 72 hours after we are notified of the loss;
- b. The time of loss inspection by us; or
- c. The time of other approval by us;
- 2. a. To the degree reasonably possible retain the damaged property; and
- b. As often as we reasonably require, allow us and our representatives:
  - (1) Access to the "residence premises"; and
  - (2) To inspect, subject to 2.a. above, the "residence premises" and all damaged property prior to its removal from the "residence premises";

- 3. Notify the police in case of loss by theft;

4. Notify the credit card or financial institution in case of loss as provided for in Additional Coverage **F.6.** Credit Debit and Transfer Card, Forgery and Counterfeit Money under Section I – Property Coverages;

5. Protect the covered property from further damage. The following must be performed:

- a. Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverage **F.2.**

A reasonable emergency measure under 5.a. above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect;

- b. Keep an accurate record of repair expenses;

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

7. Cooperate in obtaining and executing any necessary municipal, county or other governmental documentation or permits for repairs to be made and any necessary work authorizations, as required by these entities;

8. 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;

9. 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:

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The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a professional who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

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(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 9.c. or 9.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;

10. 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. The interests of all "insureds" and 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 8. above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under Additional Coverage F.6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money under Section I - Property Coverages, stating the amount and cause of loss.

11. 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.

### C. 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.

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Reduce the amount we otherwise pay for a covered loss by 5%.

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Dwellings under construction are not considered "vacant".

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 (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.

e. If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will:

- (1) 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;
  - (e) Water damage;
  - (f) Theft; or
  - (g) Attempted theft.

(2) Reduce the amount we otherwise pay for a covered loss by 5%.

f. 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:

- (1) Complete the professional engineer's recommended repairs; or
- (2) Pay the policy limits without a reduction for the repair expenses incurred.

#### D. Loss To A Pair Or Set

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

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

#### E. 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.

#### F. 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.

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- 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 replacement cost and corresponding actual cash value.

- (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.

**G. Other Insurance And Service Agreement**

If a loss covered by this Policy is also covered by:

- 1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this Policy bears to the total amount of insurance covering the loss.
- 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.

**H. 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.

**I. Our Option**

- 1. If we give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:
  - a. The damaged property under Coverage **A** – Dwelling in **SECTION I – PROPERTY COVERAGES** is insured for Replacement Cost loss settlement as outlined in **SECTION I – CONDITIONS, C. Loss Settlement:**



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3. Loss will be payable if either of the following occurs:
- 20 days after we receive your proof of loss and reach written agreement with you, or
  - 60 days after we receive your proof of loss; and
    - There is an entry of a final judgment; or
    - There is a filing of an appraisal award or a mediation settlement with us.
- c. 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.c. above does not form the sole basis for a private cause of action against us.

- In the event any services, or part or portion of any services described in form **CIT 04 85** are performed or provided under form **CIT 04 85**, we will pay the "Contractor" directly for those services or part or portion of any services the "Contractor" performs or provides.
- In the event that any repairs, replacement or rebuilding, or any part or portion of any repairs, replacement or rebuilding of property, covered under Coverage **A** or Coverage **B**, are made or provided under form **CIT 04 86**, paragraph 2. above is deleted.

We will pay you and the "Contractor" jointly, unless some other person is named in the Policy or is legally entitled to receive payment. Any loss payment will then be paid to you, the "Contractor" and them, as each interest appears.

- For all other covered loss or damage not part of paragraph 5. above, we will pay you in accordance with paragraphs 1. through 4. above.

#### **K. Abandonment Of Property**

We need not accept any property abandoned by an "insured".

#### **L. Mortgage Clause**

The word "mortgagee" includes trustee and lienholder.

- 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.

- We may, in lieu of payment and at our option, repair any part or item of the damaged Coverage **A** property with material or property of like kind and quality.
  - If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.
- b. The damaged property is insured for Actual Cash Value loss settlement as outlined in SECTION – I CONDITIONS, **C. Loss Settlement:**
- We may, in lieu of payment and at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
  - 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.

- If the damaged property is insured for Replacement Cost loss settlement as outlined in SECTION I – CONDITIONS, **C. Loss Settlement:**

a. We will pay the amount of loss, as noted in Paragraph **C.2.d.** of the Loss Settlement provision.

- Paragraphs **I.1.** and **I.2.** above do not apply to the services that are provided under form **CIT 04 85**.
- Your consent to participate in the Program under form **CIT 04 86** constitutes, for the loss or damage you have reported to us, your waiver of our requirement to provide you written notice within 30 days after we receive your signed, sworn proof of loss, as described in paragraph **I.1.** above.

Paragraphs **I.1.** and **I.2.** above do not apply to repairs, replacement or rebuilding of covered property that are provided under form **CIT 04 86**.

- Our right to repair, rebuild or replace and our decision to do so is a material part of this Policy and under no circumstances relieves you or us of the duties and obligations under this Policy.

#### **J. 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.

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This Policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by the resulting from the nuclear hazard is covered.

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.

#### **M. 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.

#### **N. 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 in Section I.

3. This Policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by the resulting from the nuclear hazard is covered.

#### **O. 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.

#### **P. Volcanic Eruption Period**

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

#### **Q. Adjustment to Property Coverage Limits**

If your Policy is a renewal with us, the limit of liability for Coverages **A**, **B**, **C** and **D** may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

1. These adjustments will keep pace with inflation; or
2. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

#### **R. 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 under Section I that exceeds the deductible amount shown in the Declarations.

#### **S. Policy Period**

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

#### **T. Concealment Or Fraud**

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

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made 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.

## SECTION II – LIABILITY COVERAGES

### A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

### B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
  - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
  - b. Is caused by the activities of an "insured";
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
  - d. Is caused by an animal owned by or in the care of an "insured".

## SECTION II – EXCLUSIONS

### A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
  - a. Is registered for use on public roads or property;

b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or

c. Is being:

- (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
- (2) Rented to others;
- (3) Used to carry persons or cargo for a charge; or
- (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.

2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:

- a. In dead storage on an "insured location";
- b. Located on the "residence premises" and used solely to service the residence;
- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:

- (1) Being used to assist a handicapped person; or
- (2) Parked on an "insured location";

d. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:

- (1) A golfing facility and is parked or stored there, or being used by an "insured" to play the game of golf which includes:
  - (a) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
  - (b) Cross public roads at designated points to access other parts of the golfing facility;

e. However, any coverage provided in A.2.a., 2.b., 2.c. and 2.d. above does not apply to land conveyances including, but not limited to, all terrain vehicles, utility terrain vehicles, mopeds, scooters except as provided in A.2.c. above, motorcycles, and motorized bicycles, whether subject to motor vehicle registration or not.

APPROVED

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**F. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**

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Coverages E and F do not apply to the following:

**1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is expected or intended by an "insured", even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity or property than initially expected or intended.

**2. "Business"**

- a. Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This exclusion F.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";

- b. This Exclusion F.2. does not apply to:

- (1) The rental or holding for rental of an "insured location";
  - (a) On an occasional basis if used only as a residence;
  - (b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
  - (c) In part, as an office, school, studio or private garage;

**3. Professional Services**

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

**4. "Insured's" Premises Not An "Insured Location"**

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
- b. Rented to an "insured"; or
- c. Rented to others by an "insured"; that is not an "insured location";

**B. "Watercraft Liability"**

- 1. Coverages E and F do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
  - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
  - b. Rented to others;
  - c. Used to carry persons or cargo for a charge; or
  - d. Used for any "business" purpose.
- 2. If Exclusion B.1. does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
  - a. Is stored;
  - b. Is a sailing vessel, with or without auxiliary power, that is:
    - (1) Less than 26 feet in overall length; or
    - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
  - c. Is not a sailing vessel or "personal watercraft" and is powered by:
    - (1) An inboard or inboard-outdrive engine or motor of:
      - (a) 50 horsepower or less and not owned by an "insured"; or
      - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
    - (2) One or more outboard engines or motors with:
      - (a) 25 total horsepower or less;
      - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";

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

**C. "Personal Watercraft Liability"**

This Policy does not cover "personal watercraft liability".

**D. "Aircraft Liability"**

This Policy does not cover "aircraft liability".

**E. "Hovercraft Liability"**

This Policy does not cover "hovercraft liability".

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**5. War**

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

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

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

**6. Communicable Disease**

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

**7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse**

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse;

**8. Controlled Substance**

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined under federal law.

Controlled Substances include, but are not limited to:

- a. Cocaine;
- b. LSD;
- c. Marijuana; and
- d. All narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed health care professional.

**9. Paint; Radon; Radiation; Vapors; Fumes; Gas; Oil; Toxic Chemicals, Liquid or Gas; Waste Materials; Irritants, Contaminants or Pollutants**

"Bodily injury" or "property damage" arising:

- a. Out of the ingestion of paint that has lead in it;
- b. Out of the ingestion of paint that has lead compounds in it;
- c. Out of the inhalation of paint that has lead in it;
- d. Out of the inhalation of paint that has lead compounds in it;

- e. From radon or any other substance that emits radiation;
- f. In any manner (including liability imposed by law) from the discharge, disposal, release or escape of:

- (1) Vapors or fumes;
- (2) Gas or oil;
- (3) Toxic chemicals, liquid or gas;
- (4) Waste materials; or
- (5) Irritants, contaminants or pollutants.

All other conditions are the same.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Personal Watercraft Liability", **D.** "Aircraft Liability", **E.** "Hovercraft Liability" and **F.4.** "Insured's Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

**G. Coverage E – Personal Liability**

Coverage **E** does not apply to:

- 1. Liability:
  - a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;
  - b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
    - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
    - (2) Where the liability of others is assumed by you prior to an "occurrence";unless excluded in **a.** above or elsewhere in this Policy;
- 2. "Property damage" to property owned by the "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
- 3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

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4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;
- b. Non-occupational disability law; or
- c. Occupational disease law;

5. "Bodily injury" or "property damage" for which an "insured" under this Policy:

a. Is also an insured under a nuclear energy liability policy issued by the:

- (1) Nuclear Energy Liability Insurance Association;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada,

or any of their successors; or

b. Would be an insured under that Policy but for the exhaustion of its limit of liability;

6. "Bodily injury" to you or an "insured" as defined under Definition 7.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured" to:

- a. Repay; or
- b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured"; or

7. "Bodily injury" or "property damage" caused by or arising out of any animal whether or not the injury occurs on your premises or any other location.

#### H. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":

- a. Occurs off the "insured location"; and
- b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:

- a. Workers' compensation law;
- b. Non-occupational disability law; or
- c. Occupational disease law;

3. From any:

- a. Nuclear reaction;
- b. Nuclear radiation; or

c. Radioactive contamination, all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

#### SECTION II – ADDITIONAL COVERAGES

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

##### A. Claim Expenses

We pay:

- 1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
- 3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
- 4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

##### B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this Policy. We will not pay for first aid to an "insured".

##### C. Damage To Property Of Others

- 1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2. We will not pay for "property damage":
  - a. To the extent of any amount recoverable under Section I;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
  - e. Arising out of:
    - (1) A "business" engaged in by an "insured";

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- (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
- (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft, "personal watercraft", or "motor vehicles".

This Exclusion **C.2.e.(3)** does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

#### D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", charged during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded from coverage under Section II - Exclusions; or
  - b. Liability for an act of a director, officer, or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and
    - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph J. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
  - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
  - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

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

## SECTION II – CONDITIONS

### A. Limit Of Liability

1. Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage **E** as shown in the Declarations.  
All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".
2. Vicarious Parental Sublimit Of Liability  
Subject to Paragraph 1. above, our total liability under Coverage **E** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase, the Coverage **E** limit of liability.
3. The limit of liability in 1. above and sublimit in 2. above apply regardless of the number of "insureds", claims made or persons injured.
4. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Aggregate Sub-limit Of Liability  
Subject to Paragraph 1. above, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:
  - a. Inhalation of;
  - b. Ingestion of;
  - c. Contact with;
  - d. Exposure to;
  - e. Existence of; or
  - f. Presence of:Any "fungi", wet or dry rot, yeast or bacteria will not be more than \$50,000.
5. The limit of liability in 4. above applies regardless of the:
  - a. Number of locations insured under the Policy;
  - b. Number of persons injured;
  - c. Number of persons whose property is damaged;
  - d. Number of "insureds"; or
  - e. Number of "occurrences" or claims made.

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6. The Aggregate Sublimit in 4. above applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.
7. The sublimit in 4. above is within, but does not increase, the Coverage E limit of liability.
8. Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Limit Of Liability for Coverage F shown in the Declarations.

#### B. Severability Of Insurance

This insurance applies separately to each "insured", except with respect to the Aggregate Sublimit of Liability of \$50,000 described under Section II, Conditions A.3., "Fungi", Wet Or Dry Rot, Yeast Or Bacteria Sub-limit of Liability.

This condition will not increase our limit of liability for any one "occurrence".

#### C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this Policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
  - a. The identity of the Policy and the "named insured" shown in the Declarations;
  - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
  - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
  - a. To make settlement;
  - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
  - c. With the conduct of suits and attend hearings and trials; and
  - d. To secure and give evidence and obtain the attendance of witnesses;

5. With respect to 12. Damage To Property Of Others Under Section 11 Additional Coverages, submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

#### D. Duties Of An Injured Person – Coverage F – Medical Payments To Others.

1. The injured person or someone acting for the injured person will:
  - a. Give us written proof of claim, under oath if required, as soon as is practical; and
  - b. Authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

#### E. Payment Of Claim – Coverage F – Medical Payments To Others

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

#### F. Suit Against Us

1. No action can be brought against us unless there has been compliance with the Policy provisions.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

#### G. Bankruptcy Of An Insured

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this Policy.

#### H. Other Insurance

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

#### I. Joint Obligations

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

#### J. Policy Period

This Policy applies only to "bodily injury" or "property damage" which occurs during the policy period.



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

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**K. Concealment Or Fraud**

We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
  2. Engaged in fraudulent conduct; or
  3. 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.

**SECTIONS I And II – CONDITIONS**

**A. Liberalization Clause**

If we make a change which broadens coverage under this edition of our Policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this Policy; or
2. An amendatory endorsement.

**B. Waiver Or Change Of Policy Provisions**

A waiver or change of a provision of this Policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**C. Cancellation**

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" 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 "residence premises", by letting the first named insured know in writing of the date cancellation takes effect.

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 (C.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 C.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 **C.3.a.** and **C.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.

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

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- (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 **C.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 (**C.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.

#### D. 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 "residence premises" 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 "residence premises", 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 **(D.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 **D.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