

## AMENDMENT OF POLICY TERMS Form HO 0003

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

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### PROPERTY COVERAGES

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#### INCIDENTAL PROPERTY COVERAGES

1. Collapse is deleted and replaced by the following:

##### **Collapse**

- a. "We" pay for direct physical loss to covered property involving the abrupt collapse of a building or a part of a building when such collapse is caused only by one or more of the following:
  - 1) breakage of glass or safety glazing material that is part of a building;
  - 2) insect, rodent, or "vermin" damage to a building or a part of a building, but only if no "insured" knew of or could reasonably be expected to suspect the presence of such damage prior to the collapse;
  - 3) decay of a building or a part of a building, but only if no "insured" knew of or could reasonably be expected to suspect the presence of such decay prior to the collapse;
  - 4) weight of animals, equipment, people, or personal property;
  - 5) weight of rain that collects on a roof; or
  - 6) the use of defective materials or methods in the construction, repair, or renovation of a building or a part of a building if the collapse occurs during the course of construction, repair, or renovation.

However, "we" do not pay for loss to awnings, bulkheads, cesspools, decks, docks, drains, fences, flues, foundations, patios, paved areas, piers, retaining walls, septic tanks, swimming pools, underground pipes, or wharves caused by a peril described in 1) through 6) above unless the loss is the direct result of the collapse of a building or a part of a building. With respect to loss caused by a peril described in 1) through 6) above, awnings, bulkheads, cesspools, decks, docks, drains, fences, flues, foundations, patios, paved areas, piers, retaining walls, septic tanks, swimming pools, underground pipes, and wharves are not considered to be buildings or parts of buildings, whether or not such property is attached to or connected to one or more buildings.

- b. In this Incidental Property Coverage, abrupt collapse of a building or a part of a building means an abrupt caving in, falling in, falling down, or giving way of the building or the part of the building that prevents the building or the part of the building from being occupied for the purpose for which it was intended just before caving in, falling in, falling down, or giving way.
- c. This Incidental Property Coverage does not apply to:
  - 1) a building or a part of a building that has not caved in, fallen in, fallen down, or given way even if it displays evidence of bending, bowing, bulging, cracking, expansion, inadequate load bearing capacity, leaning, sagging, settling, or shrinkage;
  - 2) a building or a part of a building in danger of caving in, falling in, falling down, or giving way; or

- 3) a part of a building that has not caved in, fallen in, fallen down, or given way even if it has separated from another part of the building.
  - d. This coverage does not increase the "limits" that apply to the property covered.
  - e. This Incidental Property Coverage for Collapse is not subject to the Bacteria, Fungi, Wet Rot, Or Dry Rot exclusion or Errors, Omissions, And Defects exclusion under Exclusions That Apply To Property Coverages.
2. Under Debris Removal, item a. is deleted and replaced by the following:
    - a. "We" pay for the reasonable cost to remove the debris of covered property after a loss. The loss must be:
      - 1) caused by a Peril Insured Against that applies to the damaged property; or
      - 2) covered under the Incidental Property Coverage for Collapse.

"We" also pay for the reasonable cost to remove volcanic ash, dust, or particulate matter that causes direct physical loss to a covered building or covered property contained in a building.

"We" will not pay more for direct physical loss to property and debris removal combined than the "limit" that applies to the damaged property. However, if the covered loss plus the cost of debris removal is more than the applicable "limit", "we" will pay up to an extra 5% of the applicable "limit" to cover the cost of debris removal.

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

## PERILS INSURED AGAINST -- COVERAGES A, B, C, AND D

1. The first paragraph of Coverage A -- Residence And Coverage B -- Related Private Structures is deleted and replaced by the following:

**Coverage A -- Residence And Coverage B -- Related Private Structures -- "We"** insure property covered under Coverage A or Coverage B for direct physical loss, unless the loss is excluded under the Exclusions That Apply To Coverage A And Coverage B.

2. Under Exclusions That Apply To Coverage A And Coverage B, Water, Humidity, Moisture, Or Vapor is deleted and replaced by the following:

### Water, Humidity, Moisture, Or Vapor

- a) "We" do not pay for loss caused by:

- (1) continuous or repeated discharge, seepage, or leakage of water; or
- (2) the presence or condensation of humidity, moisture, or vapor;

over a period of weeks, months, or years, unless no "insured" knew of or could reasonably be expected to suspect such discharge, seepage, or leakage of water or the presence or condensation of humidity, moisture, or vapor and such loss is not otherwise excluded by this policy.

- b) Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss caused by continuous or repeated discharge, seepage, or leakage of water from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system, water heater, or domestic appliance on the "described location" if no "insured" knew of or could reasonably be expected to suspect such discharge, seepage, or leakage of water.

Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

3. Under Exclusions That Apply To Coverage A And Coverage B, Collapse Or Impairment is deleted and replaced by the following:

**Collapse Or Impairment**

- a) "We" do not pay for loss involving collapse, including but not limited to:
- (1) an abrupt caving in, falling in, falling down, or giving way;
  - (2) impairment of structural integrity, including but not limited to:
    - (a) a danger of caving in, falling in, falling down, or giving way; or
    - (b) a separation of one or more parts of a building or structure from its other parts; or
  - (3) any bending, bowing, bulging, cracking, expanding, inadequacy of load bearing capacity, leaning, sagging, settling, or shrinking associated with (1) or (2) above.
- b) However, this exclusion does not apply:
- (1) to the extent that coverage is provided under the Incidental Property Coverage for Collapse; or
  - (2) to collapse caused by a Peril Insured Against described under Coverage C.

With respect to this exception, the peril of Weight Of Ice, Snow, Or Sleet means the weight of ice, snow, or sleet that causes damage to a building.

**EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES**

Earth Movement is deleted and replaced by the following:

**Earth Movement**

- 1) "We" do not pay for loss caused by earth movement whether the earth movement results from a natural cause, a manmade cause, or a combination thereof.

Manmade causes include but are not limited to:

- a) construction or excavation activities;
  - b) blasting;
  - c) extracting gas, heat, minerals, oil, steam, water, or any other natural resource, substance, or material from below the earth's surface by any process, including but not limited to:
    - (1) hydraulic fracturing;
    - (2) mining;
    - (3) drilling; or
    - (4) geothermal energy extraction;
  - d) injecting any natural resource, substance, or material, including but not limited to water and wastewater, below the earth's surface for any purpose;
  - e) storing any natural resource, substance, or material, including but not limited to carbon dioxide, below the earth's surface; or
  - f) any combination of a) through e) above.
- 2) In this exclusion, earth movement means any movement of earth, including:
- a) earthquake, earth tremor, or earth temblor, including any aftershocks, whether manifested in shaking, ground displacement, or otherwise;
  - b) soil liquefaction, whether or not caused by:
    - (1) earthquake;
    - (2) earth tremor; or
    - (3) earth temblor;
  - c) land shock waves or tremors before, during, or after a volcanic eruption;

d) landslide, mudflow, or mudslide, including the movement of matter present in or carried or otherwise moved by:

- (1) landslide;
- (2) mudflow; or
- (3) mudslide;

e) subsidence; or

f) any other earth movement, including but not limited to:

- (1) earth sinking, rising, or shifting;
- (2) movement caused by the:

- (a) expansion;
- (b) contraction;
- (c) compaction, whether improper or otherwise;
- (d) freezing;
- (e) thawing; or
- (f) shrinking;

of earth; or

(3) movement caused by:

- (a) erosion; or
- (b) water below the earth's surface.

However, this does not include Sinkhole Collapse as described under the Perils Insured Against that apply to Coverage C.

Earth includes but is not limited to ground, soil, sediments, substrates, and strata.

3) With respect to earth movement that results from a manmade cause or a combination of natural and manmade causes, this exclusion applies:

- a) whether or not the earth movement results from an error or omission of any person, group, organization, or governmental body or authority;
- b) whether or not the cause of the earth movement originates on or under covered property; and

c) whether or not the earth movement results from activities being performed at the request of an "insured" or for an "insured's" benefit.

4) This exclusion does not apply to:

- a) direct loss to covered property caused by fire or explosion resulting from earth movement; or
- b) loss caused by theft that is otherwise covered by this policy.

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## LIABILITY COVERAGES

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### PRINCIPAL LIABILITY COVERAGES

Coverage L -- Personal Liability is deleted and replaced by the following:

**Coverage L -- Personal Liability** -- "We" pay, up to the "limit" that applies, those sums for which an "insured" is legally liable because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies.

"We" will defend a suit seeking damages if the suit resulted from "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies. Such defense will be provided at "our" expense by counsel that "we" choose.

"We" may make investigations and settle claims or suits that "we" decide are appropriate. "We" do not have to settle or provide a defense after "we" have paid an amount equal to the "limit" that applies as a result of a judgment or written settlement.

### INCIDENTAL LIABILITY COVERAGES

Under Claims And Defense Cost, item a. is deleted and replaced by the following:

- a. the costs incurred by "us" and the court costs taxed to an "insured" in a suit "we" defend. However, "we" will not pay for attorney fees or attorney expenses taxed to an "insured";

**EXCLUSIONS THAT APPLY TO LIABILITY COVERAGES**

1. Under Exclusions That Apply To Coverage L And Coverage M, exclusion i. is deleted and replaced by the following:

- i. any liability of anyone who is an "insured" under this policy for "bodily injury" or "property damage" that is:
  - 1) expected by, directed by, or intended by any "insured";
  - 2) the result of a criminal act of any "insured"; or
  - 3) the result of an intentional and malicious act by or at the direction of any "insured".

There is no coverage for anyone who is an "insured" under this policy for any "bodily injury" or "property damage" arising out of any of the acts described in 1), 2), or 3) above regardless of the theory of relief pursued, asserted, or claimed against the person or entity seeking coverage under this policy.

This exclusion applies even if the "bodily injury" or "property damage" that occurs is different than what was expected, directed, or intended or is suffered by persons, entities, or property not expected, directed, or intended.

However, this exclusion does not apply to "bodily injury" or "property damage" that arises out of the use of reasonable force by an "insured" to protect people or property.

2. The following exclusion is added under Exclusions That Apply To Coverage L And Coverage M:

Coverage L and Coverage M do not apply to "bodily injury" or "property damage" that arises out of electronic aggression, including but not limited to harassment or bullying committed:

- 1) by means of an electronic forum, including but not limited to a blog, an electronic bulletin board, an electronic chat room, a gripe site, a social networking site, a web site, or a weblog; or
- 2) by other electronic means, including but not limited to email, instant messaging, or text messaging.

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