

PERSONAL PROPERTY COVERAGES

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Personal Property Coverage. This coverage is also subject to the "declarations". Endorsements and schedules may also apply. They are identified on the "declarations".

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

DEFINITIONS

1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules that pertain to this coverage.
4. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to:
 - a. earthquake;
 - b. land shock waves or tremors before, during, or after a volcanic eruption;
 - c. landslide, mudflow, mudslide;

- d. subsidence, erosion; or
 - e. any other earth movement, including but not limited to, earth sinking, rising, shifting, expanding, or contracting.
5. "Insured" means:
 - a. "you";
 - b. relatives of "you" if residents of "your" household; or
 - c. persons other than "your" relatives under the age of 21 who reside in "your" household and are in "your" care or the care of "your" resident relatives.
 6. "Domestic employee" means a person employed by an "insured", or a person leased to an "insured" under a contract or an agreement with a labor leasing firm, to perform duties that relate to the use or care of the "residence". This includes a person who performs duties of a similar nature elsewhere for an "insured", provided such duties are not in connection with the business of an "insured".

However, "domestic employee" does not include a person who is furnished to an "insured":

 - a. as a temporary substitute for a permanent "domestic employee" who is on leave; or
 - b. to meet seasonal or short-term workloads.
 7. "Limit" means the amount of insurance.
 8. "Residence" means "your" residence that is described on the "declarations".

9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

10. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions that apply.

11. "Vermin" means an animal of a type that is prone to enter or burrow into or under a structure to seek food or shelter, including but not limited to:

- a. armadillos;
- b. bats;
- c. opossums;
- d. porcupines;
- e. raccoons;
- f. skunks; and
- g. snakes.

12. "Water damage" means:

- a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, all whether driven by wind or not;
- b. water or matter present in water that backs up through sewers or drains or that overflows or is discharged from:
 - 1) a sump, sump pump, or related equipment; or
 - 2) any other type of system designed to remove subsurface water that is drained from the foundation area; or

- c. water or matter present in water below the surface of the ground. This includes water or matter present in water that exerts pressure on, or seeps or leaks through or into, a building, sidewalk, driveway, foundation, swimming pool, or other structure.

PROPERTY COVERED

Personal Property

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to classes of unscheduled personal property that are:
 - a. described under Described Classes Of Personal Property;
 - b. owned or used by an "insured"; and
 - c. normally kept at the "residence" or anywhere in the world while temporarily away from the "residence".
2. **Coverage Limitation** -- "We" only cover a class of unscheduled personal property if a "limit" is shown for that class on the "declarations" under Unscheduled Personal Property Classes.
3. **Limits** -- The "limit" for a class of unscheduled property is the most that "we" will pay in any one occurrence for that class.
4. **Described Classes Of Personal Property** -- The following are classes of property that can be covered under this coverage form:
 - a. **Audio And Video Equipment** -- This class consists of:
 - 1) televisions including television projectors and screens;
 - 2) DVD players and recorders, digital video recorders, VCRs, home audio equipment and speakers;

- 3) compact discs, audio tapes, and vinyl records; and
 - 4) video game hardware and software.
- b. **Bedding And Linens** -- This class consists of bedding and linens including, but not limited to, blankets, pillows, mattresses, and springs.
- c. **Building Additions And Alterations** -- This class consists of building additions, alterations, fixtures, improvements, and installations constructed, installed or purchased by "you" for:
- 1) a part of "your" "residence" that "you" occupy as a tenant; or
 - 2) a condominium unit that "you" own.
- d. **Cameras** -- This class consists of:
- 1) film and digital cameras, camcorders, and motion picture cameras;
 - 2) projectors;
 - 3) portable sound equipment related to cameras;
 - 4) binoculars, microscopes, and telescopes used with cameras;
 - 5) photo quality printers used with digital cameras;
 - 6) compact discs, digital video disks, memory cards and sticks, video tape, and film used with cameras and equipment; and
 - 7) accessories and equipment for cameras.
- e. **China And Glassware** -- This class consists of china, porcelains, bric-a-brac, glassware, dishes, and similar property.
- f. **Clothing** -- This class consists of the "insured's" clothing including, but not limited to, apparel, coats, shoes, and accessories.
- g. **Computers** -- This class consists of:
- 1) computers including, but not limited to, personal computers, laptops, and PDAs;
 - 2) monitors, projectors, printers, scanners, PC mice, and keyboards;
 - 3) modems, routers, network cards, sound and graphic cards, external hard drive;
 - 4) blank media; and
 - 5) related equipment and accessories.
- h. **Draperies And Rugs** -- This class consists of draperies, rugs, and similar property.
- i. **Fine Arts** -- This class consists of paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; statuary; sculptures; valuable rugs; antique furniture and silver, manuscripts and rare books; and similar property of historical value, rarity, or artistic merit.
- j. **Furniture** -- This class consists of household furniture including, but not limited to, beds, sofas, chairs, tables, desks, hutches, lamps, dressers, clocks, and mirrors.
- k. **Major Appliances** -- This class consists of major appliances including, but not limited to, refrigerators, freezers, ovens, washers, dryers, garbage disposals and trash compactors.
- l. **Musical Instruments** -- This class consists of musical instruments including, but not limited to, pianos, organs, and accessories.
- m. **Professional Personal Property** -- This class consists of professional property including, but not limited to, books, instruments, and equipment while in the "residence".
- n. **Silverware** -- This class consists of:
- 1) silverware and silver-plated ware;
 - 2) gold ware and gold-plated ware;
 - 3) platinum ware and platinum-plated ware;
 - 4) pewter ware; and

- 5) if made of or containing silver, gold, platinum, or pewter;
 - a) flatware and other eating and serving utensils; and
 - b) hollowware, tea sets, trays, and trophies.
- o. **Small Appliances** -- This class consists of small appliances including, but not limited to, toasters, blenders, food processors and cooking supplies.
- p. **Sports Equipment** -- This class consists of sports equipment and supplies including, but not limited to, guns and hunting, fishing, golfing, and bowling equipment.
- q. **All Other Personal Property** -- This class includes, but is not limited to, books; wines and liquors; lawn and garden tools and equipment; children's toys; luggage; foodstuffs; and other miscellaneous items.
- 3) coins and other numismatic property.
- b. **Limit** -- The most "we" pay in any one occurrence for money, precious metals, and coins as described above is \$100.
- 2. **Jewelry, Furs, And Precious Or Semi-Precious Stones** --
 - a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to jewelry, watches, furs, precious and semi-precious stones or gemstones.
 - b. **Limit** -- The most "we" pay in any one occurrence for jewelry, furs, and precious or semi-precious stones or gemstones as described above is \$500.
- 3. **Securities, Stamps, And Valuable Papers** --
 - a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - 1) securities, notes, accounts, bills, deeds, evidence of debt, and letters of credit;
 - 2) stamps and other philatelic property; and
 - 3) passports, tickets, manuscripts, personal records, and other valuable documents and papers.
 - b. **Limit** -- The most "we" pay in any one occurrence for securities, stamps, and valuable papers as described above is \$500.

ADDITIONAL PROPERTY COVERED

Provisions That Apply To Additional Property Covered -- The following Additional Property Covered indicates an applicable "limit". This "limit" may also be shown on the "declarations".

If a different "limit" is indicated on the "declarations"; that "limit" will apply instead of the "limit" shown below.

- 1. **Money, Precious Metals, And Coins** --
 - a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - 1) money, gift cards, cards that contain an in-store credit, and smart cards;
 - 2) bullion, gold, silver, and other precious metals other than property described under Silverware; and

The "limit" applies regardless if the described property exists on paper or as software. The "limit" includes the cost to research, replace, or restore the data from the lost or damaged property.

Coverage Limitation -- "We" only cover the property described under Additional Property Covered if owned or used by the "insured".

PROPERTY NOT COVERED

1. **Aircraft, Watercraft, And Trailers** -- "We" do not cover aircraft, watercraft, trailers, and campers.
2. **Animals** -- "We" do not cover animals including, but not limited to, fish and birds.
3. **Business Property** -- "We" do not cover property owned or leased by the "insured" and used in a business, trade, profession, or occupation. Property is not covered regardless if the "insured's" business, trade, profession or occupation is on a full time, part time, or intermittent basis.

However, "we" do cover professional property including, but not limited to, books, instruments, and equipment while in "your" "residence".

4. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
5. **Parts, Accessories, And Furnishings Of Vehicles, Aircraft, Watercraft, And Trailers** -- "We" do not cover the parts, accessories, and furnishings of vehicles, aircraft, watercraft, trailers and campers.

But "we" do cover such property if, at the time of loss, the property is removed from the vehicle, aircraft, watercraft, trailer and camper and is located at the "residence".

6. **Property More Specifically Insured** -- "We" do not cover property or articles that are more specifically insured in whole or in part by any other insurance.
7. **Property Not At The Residence** -- "We" do not cover property that is not normally kept at the "residence" throughout the year.

8. **Property Of Specified Persons Or Organizations** -- "We" do not cover property owned or used by persons or organizations specifically listed under Property Of Specified Persons Or Organizations - Not Covered on the "declarations".
9. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for transportation or recreation including, but not limited to, motorcycles and motorized bicycles and scooters.

However, if not required to be registered for use on public roads, "we" do cover motorized land conveyances designed to assist the handicapped or the elderly.

COVERAGE EXTENSIONS

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension including any optional coverage or coverage that is added to this policy by endorsement.

1. **Building Damage From Theft** --
 - a. **Coverage** -- "We" cover direct physical damage to:
 - 1) "your" "residence" caused by theft, attempted theft; or
 - 2) the interior of "your" "residence" caused by vandalism.
 - b. **Limit** -- The most "we" pay in any one occurrence for damage to "your" "residence" caused by theft, attempted theft, or vandalism is \$2,500.

This "limit" is separate from and not part of the applicable "limit" for coverage described under Property Covered.

2. **Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to personal property that "you" acquire during the policy period.
- b. **Coverage Limitation** -- "We" only cover newly acquired personal property if:
 - 1) the property is described under Described Classes Of Personal Property; and
 - 2) a "limit" is shown on the "declarations" for the applicable class of unscheduled personal property.
- c. **Limit** -- The most "we" pay in any one occurrence for newly acquired property is the lesser of:
 - 1) \$2,500; or
 - 2) 10% of the total amount of insurance for all unscheduled personal property classes as shown on the "declarations".

This "limit" is part of and not in addition to the "limit" shown on the "declarations" for the applicable class of unscheduled personal property.

3. **Newly Acquired Primary Residence --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to personal property while at a newly acquired primary "residence".
- b. **Coverage Limitation** -- "We" only cover personal property at a newly acquired primary "residence" if:
 - 1) the property is described under Described Classes Of Personal Property; and
 - 2) a "limit" is shown on the "declarations" for the applicable class of unscheduled personal property.

- c. **Time Limitation** -- "We" extend coverage to personal property at a newly acquired primary "residence" for up to 30 days.

This coverage extension will end when any of the following first occur:

- 1) this policy expires;
- 2) 30 days after "you" acquire the new primary "residence"; or
- 3) "you" report the new "residence" to "us".

- d. **Limit** -- The most "we" pay in any one occurrence for personal property at a newly acquired primary "residence" is the "limit" available for the applicable class of unscheduled personal property as shown on the "declarations".

This "limit" is part of and not in addition to the "limit" shown on the "declarations" for the applicable class of unscheduled personal property.

4. **Property Of Others --**

- a. **Coverage** -- "We" cover direct physical damage caused by a covered peril to unscheduled personal property owned by "your" guest or by a "domestic employee" while the property is at "your" "residence".
- b. **Coverage Limitation** -- Subject to coverage being provided for the applicable described class of personal property under Property Covered, "we" only cover personal property of "your" guest or "domestic employee" after a loss and at "your" request.
- c. **Limit** -- The most "we" pay in any one occurrence for personal property of "your" guest or "domestic employee" is the available "limit" for the applicable class of unscheduled personal property as shown on the "declarations".

This "limit" is part of and not in addition to the "limit" shown on the "declarations" for the applicable class of unscheduled personal property.

OPTIONAL COVERAGES AND PREMIUM CREDITS

An optional coverage or credit applies when indicated on the "declarations".

1. Additional Living Expense Coverage --

- a. **Coverage** -- If a covered loss to covered property makes the:
- 1) "residence" unfit for use as living quarters; or
 - 2) the building containing "your" "residence" unfit for use as living quarters;

"we" pay the necessary increase in living expenses "you" incur for "your" household to maintain its ordinary standard of living.

- b. **Payment Limitation** -- "We" pay only for the period of time reasonably required to:
- 1) repair or replace the damaged property to make the "residence" fit for use as living quarters; or
 - 2) settle "your" household in new quarters.

This period of time is not limited by the policy period.

- c. **Limit** -- The most "we" pay in any one occurrence for additional living expenses is the "limit" shown on the "declarations" for Additional Living Expense Coverage.

2. Secondary Residence --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to classes of unscheduled personal property that are:

- 1) described under Described Classes Of Personal Property;
- 2) owned or used by an "insured"; and
- 3) normally kept at a secondary residence or anywhere in the world while temporarily away from the secondary residence.

- b. **Coverage Limitation** -- "We" only cover personal property normally kept at a secondary residence if that premises is described on the "declarations", and "we" only cover a class of unscheduled personal property if a "limit" is shown for that class on the "declarations" under Unscheduled Personal Property Classes for that secondary residence.

- c. **Limits** -- The "limit" for a class of unscheduled property shown on the "declarations" for a described secondary residence is the most that "we" will pay in any one occurrence for that class.

3. Alarm Or Sprinkler System Credit --

- a. **Agreement** -- "You" agree to maintain in proper working order the protective devices for which "you" have received a premium credit under this policy. The protective devices are described on the "declarations".

- b. **You Must Notify Us** -- "You" must promptly notify "us" if these protective devices:

- 1) are changed;
- 2) become inoperative; or
- 3) are removed.

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or effect.

- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- "We" do not pay for loss caused by "earth movement" whether the "earth movement" results from or is caused by human or animal forces or an act of nature.

"We" do pay for direct loss to covered property caused by fire or explosion resulting from "earth movement".

This exclusion does not apply to loss caused by theft that is otherwise covered by this policy.

- c. **Intentional Acts** -- "We" do not pay any "insured" for loss that results from any act committed:

- 1) by an "insured", alone or in collusion with another; or
- 2) at the direction of an "insured";

with the intent to cause a loss.

This exclusion applies even with respect to an "insured" who was not involved in the commission or direction of the act that caused the loss.

- d. **Nuclear Hazard**

- 1) "We" do not pay for loss caused by nuclear reaction, radiation, or radioactive contamination:

- a) whether controlled or uncontrolled; or
- b) however caused;

or any consequence of such reaction, radiation, or contamination.

- 2) Loss caused by nuclear reaction, radiation, or radioactive contamination is not considered loss caused by:

- a) fire;
- b) explosion; or
- c) smoke;

even if this policy provides coverage for loss caused by one or more of these perils.

- 3) Direct loss by fire resulting from nuclear reaction, radiation, or radioactive contamination is covered.

e. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared or civil war;
- 2) warlike action by a military force, including action taken in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the "terms" of this exclusion and involves nuclear reaction, radiation, or radioactive contamination, this War And Military Action exclusion supersedes the Nuclear Hazard exclusion.

Discharge of a nuclear weapon is deemed a warlike action even if it is accidental.

f. **Water Damage** -- "We" do not pay for loss caused by "water damage" whether the "water damage" results from or is caused by human or animal forces or an act of nature.

If weather conditions contribute in any way with "water damage" to produce a loss, this exclusion applies.

"We" do cover direct loss to covered property caused by fire or explosion resulting from "water damage".

This exclusion does not apply to loss caused by theft.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

a. **Acts Or Decisions** -- "We" do not pay for loss caused by or resulting from the act or decision of any person, group, organization, or governmental body. This includes the failure to act or decide.

But if an act or decision results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

b. **Birds, Vermin, Rodents, Insects, Or Animals** -- "We" do not pay for loss caused by:

- 1) birds;
- 2) "vermin";
- 3) rodents;
- 4) insects; or
- 5) any animal owned or kept by an "insured".

c. **Breakage** -- "We" do not pay for loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains, and similar fragile articles.

However, this exclusion does not apply to breakage caused by:

- 1) fire or lightning;
- 2) windstorm or earthquake;
- 3) explosion, collapse of a building, or collision or overturn of transporting vehicles;
- 4) riot, strikers, or vandalism; or
- 5) theft or attempted theft.

d. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

- e. **Marring or Scratching** -- "We" do not pay for loss caused by marring or scratching.
- f. **Neglect** -- "We" do not pay for loss caused by the neglect of an "insured" to use all reasonable means to save and preserve covered property at and after the time of a loss.
- g. **Repairing or Processing Work** -- "We" do not pay for loss to covered property other than jewelry, watches, and furs, caused by any repairing, processing, or other work upon the property. This includes, but is not limited to, handling, adjusting, servicing, or maintenance.
- h. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But "we" do cover loss caused by rain, snow, sleet, hail, or bursting of pipes.

- i. **Wear And Tear, Deterioration, Or Inherent Vice** -- "We" do not pay for loss caused by wear and tear, gradual deterioration, inherent vice, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

WHAT MUST BE DONE IN CASE OF LOSS

- 1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police in the case of loss by theft.

- 2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

- 3. **Proof Of Loss** -- "You" must send "us", within 90 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;
- c. "your" interest and the interests of all others in the property involved, including all liens;
- d. changes in title of the covered property during the policy period; and
- e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

- 4. **Examination** -- As often as "we" reasonably request, all "insureds" must:

- a. submit to examination under oath in matters that relate to the loss or claim; and
- b. sign such statement made under oath.

5. **Records** -- "You" must produce records and documents relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cash Value** -- The value of covered property is based on the actual cash value at the time of loss (with a deduction for depreciation).
2. **Loss To A Pair Or Set** -- If there is a loss to an item that is part of a pair or set "we" pay:
 - a. only to replace or repair the item to restore the pair or set to its value just before the loss; or
 - b. the difference in the actual cash value of the pair or set just before the loss and the actual cash value just after the loss.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "declarations" in any one occurrence.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation at the time of loss for the covered property;
 - b. the cost to repair the covered property to its condition just before the loss;
 - c. the cost to replace the covered property with other property of equivalent kind and quality, to the extent practicable; or
 - d. the "limit" of insurance.
4. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
5. **Insurance Under More Than One Policy** -- "You" may have another policy that insures the same loss. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
6. **Coverage Under A Service Plan** -- If a loss is covered by this policy and the loss is also covered by a service plan, "we" pay only for the amount of covered loss in excess of the amount due from the service plan. But "we" do not pay more than the applicable "limit".

Service plans include, but are not limited to, service agreements, extended warranty plans, restoration plans, and product protection plans.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

LOSS PAYMENT

1. Loss Payment Options --

- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged property at the time of loss;
 - 2) pay the cost of repairing the lost or damaged property to its condition just before the loss;
 - 3) pay the cost of replacing the lost or damaged property with other property of equivalent kind and quality, to the extent practicable; or
 - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice Of Our Intent To Repair Or Replace** -- "We" must give "you" notice of "our" intent to repair or replace within 30 days after receipt of a duly executed proof of loss.

2. Adjustment And Payment Of Loss --

- a. **Your Property** -- "We" adjust all losses with "you". Payment will be made to "you" unless:
 - 1) another loss payee is named in the policy; or
 - 2) a claim has been paid by others.
- b. **Property Of Others** -- Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner.

3. Conditions For Payment Of Loss -- An insured loss will be payable 60 days after a satisfactory proof of loss is received and the amount of the loss has been established either by:

- a. written agreement with "you";
- b. the filing of an appraisal award with "us";
or
- c. the entry of a final judgment.

CONDITIONS

1. Appraisal -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Assignment** -- This policy may not be assigned without "our" written consent.
3. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.
4. **Change, Modification, Or Waiver Of Policy Terms** --
 - a. A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
 - b. "Our" request for an appraisal or examination under oath does not waive policy "terms".
5. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
6. **Death** -- The "terms" in a. and b. below apply if any "insured" dies.
 - a. "We" provide coverage for the legal representative of the deceased person:
 - 1) but only with respect to property of the deceased person covered by this policy at the time of death; and
 - 2) only to the extent that coverage is provided by this policy.

b. "Insured" includes:

- 1) an "insured" who is a member of the deceased person's household at the time of the deceased person's death, but only while such person resides at the deceased person's household; and
- 2) persons having proper, temporary custody of the deceased person's covered property, but only with respect to such property and only until such time as a legal representative is appointed and qualified.

7. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
8. **Liberalization** -- If a revision of a form or endorsement which would broaden coverage without an additional premium is adopted during the policy period, or within 60 days before this coverage is effective, the broadened coverage will apply.

However, this does not apply to revisions adopted as part of an overall program revision that both broadens and restricts coverage, whether "we" bring about the program revision by introducing:

- a. a subsequent edition of "our" policy; or
 - b. an endorsement that amends "our" policy.
9. **Loss Payable Clause** -- With respect to those items of personal property for which a loss payee is shown on the "declarations", the definition of "insured" is extended to include that loss payee, but only with respect to those items of personal property.

If "we" cancel or do not renew this policy, "we" will so notify, in writing, any loss payees shown on the "declarations".

10. Misrepresentation, Concealment, Or Fraud

-- This coverage is void as to "you" and any other "insured" if, before or after a loss:

- a. "you" or any other "insured" have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
- b. there has been fraudulent conduct or false swearing by "you" or any other "insured" with regard to a matter that relates to this insurance or the subject thereof.

11. Policy Period

-- "We" pay for a covered loss that occurs during the policy period.

12. Recoveries

-- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

- a. "you" must notify "us" promptly if "you" recover property or receive payment;
- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;

d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and

e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.

13. Restoration Of Limits

-- A loss "we" pay under this coverage does not reduce the applicable "limits".

14. Subrogation

-- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

15. Suit Against Us

-- No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.