

### PERILS SECTION & REPLACEMENT COST PROVISIONS

This policy, under Principle Coverages A, B, C, and D insures against direct physical loss to covered property caused by the following perils:

**Coverage A — Residence and Coverage b — Related Private Structures — We** insure property covered under Coverages A and B for risks of direct physical loss, unless the loss is excluded under the Exclusions Applying to Coverages A and B or under the General Exclusions.

#### Exclusions Applying to Coverages A and B:

1. **Freezing, Discharge, Leakage, or Overflow — Unoccupied Residence — We** do not pay for loss caused by freezing or the resulting discharge, leakage, or overflow from any plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance if the residence is vacant, unoccupied, or under construction and unoccupied. This exclusion does not apply if **you** take reasonable care to:
  - a. maintain heat in the building; or
  - b. shut off the water supply and completely empty liquids from such system, heater, or appliance.
2. **Freezing, Thawing, Pressure, or Weight of Ice or Water — We** do not pay for damage caused by freezing, thawing, or pressure or weight of ice or water (whether driven by wind or not) to structures — other than structures that are buildings, carports, or mobile homes — such as:
  - a. swimming pools, fences, patios, paved areas;
  - b. Retaining walls, bulkhead, foundations;
  - c. wharves, docks, or piers.
3. **Theft — We** do not pay for loss caused by theft or attempted theft of any item that is not an integral part of a covered building or structure. **We** do not pay for loss caused by theft or attempted theft from a building or structure that is under construction and not occupied for its intended use.
4. **Vandalism, Burglary Damage, or Glass Breakage — We** do not pay for loss caused by vandals, burglary damage, or breakage of glass if the residence is vacant for more than 30 days in a row just before the loss. A residence being built is not vacant.
5. **Seepage or Leakage — We** do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.
 

Except as provided above, **we** pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance. **We** also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. **We** do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.
6. **Settling, Cracking, Shrinking, Bulging, or Expanding — We** do not pay for loss caused by the settling, cracking, shrinking, bulging, or expanding of a building structure mobile home, pavements, patios, or other outdoor structures.
7. **Birds, Vermin, Rodents, Insects, or Domestic Animals — We** do not pay for loss caused by birds, vermin, rodents, insects, or domestic animals, except as provided under Incidental Coverages.
8. **Smoke — We** do not pay for damage caused by smoke from agricultural smudging or industrial operations.
9. **Collapse — We** do not pay for loss caused by collapse, except as provided under Incidental Coverages.

10. **Hail, Ice, Sleet, Snow, or Wind — Outdoor Antennas** — We do not pay for loss to outdoor antennas, including their lead-in wiring, masts and towers; caused by hail, ice, sleet, snow, or wind.

11. **Pollution** — We do not pay for loss caused by the release, discharge, or dispersal of **pollutants**.

We pay for an ensuing loss that results from any of the above, unless the ensuing loss itself is excluded.

12. We do not pay for loss excluded under the General Exclusions.

**Coverage C — Personal Property** — We insure property covered under Coverage C against direct physical loss caused by the following perils, unless the loss is excluded under the General Exclusions:

1. **Fire or Lightning**

2. **Explosion**

3. **Windstorm or Hail** — However, we do not pay for loss:

a. to property inside a structure caused by dust, rain, sand, sleet, snow, or water, all whether driven by wind or not, which enter through an opening not made by the direct force of wind or hail:

b. to watercraft and their trailers, furnishings, equipment, and motors unless inside a fully enclosed building. (We do cover canoes and rowboats while on the **insured premises**); or

c. to outdoor antennas, including their lead-in wiring, masts and towers.

4. **Riot or Civil Commotion**

5. **Aircraft**

6. **Vehicles**

7. **Sudden and Accidental Damage from Smoke** — However, we do not pay for loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism** — However, we do not pay for loss on the **insured premises** if the residence is vacant for more than 30 days in a row just before the loss. A residence being built is not vacant.

9. **Burglary Damage** — This means damage to covered property caused by burglars. However, we do not pay for loss on the **insured premises** if the residence is vacant for more than 30 days just before the loss. A residence being built is not vacant.

10. **Falling Objects** — However, we do not pay for loss:

a. to property inside a structure, unless the object has first damaged an outside wall or the roof by impact:

b. to outdoor antennas, including their lead-in wiring, masts and towers; or

c. to the object which falls.

11. **Weight of Ice, Snow, or Sleet** which damages a structure or the property inside. However, we do not pay for loss to swimming pools and outdoor antennas, including their lead-in wiring, masts, and towers.

12. **Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging** of a heating, air-conditioning or automatic sprinkling system or water heater. However, we do not pay for loss caused by freezing.

13. **Accidental Discharge or Overflow of Liquids or Steam** from a plumbing, heating, air-conditioning, or automatic sprinkling system, water heater or from a domestic appliance. However:

a. We do not pay for loss caused by continuous or repeated seepage or leakage.

b. We do not pay for loss caused by freezing.

c. We do not pay for loss on the **insured premises** caused by accidental discharge or overflow which comes from off the **insured premises**.

d. we do not pay for loss if the residence has been vacant for more than 30 days in a row just before the loss. A residence being built is not vacant.

e. We do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes. (We do pay the reasonable cost of removing and replacing only those parts of the structure needed to repair the system, heater, or appliance.)

In this peril, a plumbing system does not include a sump, sump pump, and related equipment.

14. **Freezing** of a plumbing, heating, air-conditioning or automatic sprinkling system, water heater, or a domestic appliance. However, **we** do not pay for loss on the **insured premises** while the residence is vacant or unoccupied or under construction and unoccupied, unless **you** have taken reasonable care to:

- a. maintain heat in the building or mobile home; or
- b. shut off the liquid supply and drain the system, domestic appliance, or heater.

15. **Sudden and Accidental Damage from Artificially Generated Electrical Currents** — However, **we** do not pay for loss to tubes, transistors, and similar electronic components.

16. **Sinkhole Collapse** — This means loss caused by 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.

However, **we** do not pay for the value of land or the cost of filling sinkholes.

#### 17. **Volcanic Action**

This means:

- a. airborne volcanic blast, or airborne shock waves;
- b. ash, dust, or particulate matter; or
- c. lava flow.

However, **we** do not cover the removal of ash, dust or particulate matter that does not cause direct physical loss to covered property.

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### REPLACEMENT COST PROVISION

*(Not Applicable To Mobile Homes Whether Or Not On A Permanent Foundation)*

#### 1. **Replacement Cost Terms**

a. The Replacement Cost Terms apply only to buildings covered under Coverages A and B that have a permanent foundation and roof. They do not apply to:

- 1) mobile homes whether or not on a permanent foundation;
- 2) window air-conditioners;
- 3) awnings and canopies;
- 4) antennas;
- 5) appliances;
- 6) carpets; and
- 7) window coverings.

b. In determining the replacement cost, do not include the cost of:

- 1) excavations;
- 2) brick, stone, or concrete foundations;
- 3) piers and other supports which are below the surface of the ground inside the foundation walls; and
- 4) underground flues, pipes, wiring, and drains.

c. When the cost to repair or replace exceeds the lesser of \$2,500 or five percent of the limit on the damaged building, **we** do not pay for more than the actual cash value of the loss until repair or replacement is completed.

**You** may make a claim for the actual cash value of the loss before repairs are made. A claim for an additional amount payable under these **terms** must be made within 180 days after the loss.

d. If the **limit** on the damaged building is less than 80 percent of its replacement cost at the time of loss, the larger of the following amounts is used in applying the Loss Settlement Terms:

- 1) the actual cash value at the time of the loss; or
- 2) that part of the replacement cost of the damaged part which **our limit** on the building bears to 80 percent of the full current replacement cost of the building.

e. If the **limit** on the damaged building is at least 80 percent of its replacement cost at the time of loss, the smaller of the following amounts is used in applying the Loss Settlement Terms:

- 1) the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical; or
- 2) the amount spent to repair or replace the damage.

