

COMPREHENSIVE PERSONAL LIABILITY POLICY AGREEMENT

This policy, subject to all of its **terms**, provides personal liability insurance during the policy period. In return, **you** must pay the required premium.

DEFINITIONS

1. The words **you** and **your** mean the persons named in the policy. This includes **your** spouse if a resident of **your** household. The words **we**, **us** and **our** mean the insurer named in the policy.
2. **Bodily Injury** means bodily harm, sickness or disease to a person. This includes required care, loss of services, and death resulting therefrom.
3. **Business** means a trade, profession, or occupation whether full or part-time. This includes the rental of property to others. This includes **farming**.
4. **Domestic Employee** means a person employed by an **insured** to perform domestic duties. This does not include a person employed in **your business**.
5. **Insured** means:
 - a. **you**;
 - b. **your** relatives if residents of **your** household;
 - c. persons under the age of 21 in **your** care or in the care of **your** resident relatives;
 - d. persons using or caring for watercraft or animals owned by an **insured** to which this insurance applies. (This does not include persons using or caring for watercraft or animals in the course of **business** or without the owner's consent.);
 - e. persons in the course of performing domestic or like duties;
 - f. **your** legal representative, if **you** die while insured by this policy. This person is an **insured** only for liability arising out of the **insured premises**. An **insured** at the time of **your** death remains an **insured** while residing on the **insured premises**.
6. **Insured Premises** means:
 - a. the one to four family dwelling shown as the "residence premises" in this policy. This includes structures or parts of buildings where **you** reside;
 - b. all other premises shown in this policy;
 - c. all vacant land owned by or rented to an **insured**. This includes land where a residence is being built for the use of an **insured**. This does not include farm land;
 - d. that part of a residence, acquired by **you** while this policy is in effect, and to be used by **you**;
 - e. **your** cemetery lots and **your** burial vaults;
 - f. that part of a premises not owned by an **insured** if it is temporarily used as a residence by an **insured**;
 - g. all premises used by **you** in connection with **your** residence;
 - h. all access ways adjoining the **insured premises**.
7. **Motorized Vehicle** means a self-propelled land vehicle regardless of method of surface contact. This includes parts and equipment.

8. **Motor Vehicle** means a **motorized vehicle**, a trailer or a semitrailer, and all attached machinery or equipment, if:
 - a. it is subject to motor vehicle registration; or
 - b. it was originally designed for use on public roads.
9. **Recreational Motor Vehicle** means a **motorized vehicle**, a trailer, or attached equipment that is designed or is used for leisure time activities, and which is not a **motor vehicle**.
10. **Occurrence** means an accident. This includes loss from repeated exposure to similar conditions.
11. **Property Damage** means an injury to or the destruction of property. This includes the loss of use.
12. **Terms** means all provisions, exclusions, and definitions used in this policy.

PRINCIPAL COVERAGES

Coverage L - Personal Liability - We pay for damage for which an **insured** is liable by law if the **bodily injury** or **property damage** is caused by an **occurrence** to which this policy applies.

We defend a suit if it is due to **bodily injury** or **property damage** covered by this policy. We may investigate and settle claims or suits. We do not have to provide a defense after we have paid our limit of liability as a result of a judgment or a written settlement.

Coverage M - Medical Payments To Others - We pay the necessary medical expenses if they are incurred or medically determined within three years from the date of an accident causing **bodily injury** covered by this policy. Medical expenses means the reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, funeral services, prosthetic devices, and eyeglasses, including contact lenses. This applies to:

1. a person while on the **insured premises** with the permission of an **insured**;
2. a person while away from the **insured premises** if the **bodily injury**:
 - a. is a result of a condition on an **insured premises**;
 - b. is caused by an activity of an **insured**;
 - c. is caused by a person in the course of performing duties as a **domestic employee**;
 - d. is caused by an animal owned by or in the care of an **insured**;
 - e. is sustained by a **domestic employee** and arises out of and in the course of employment.

INCIDENTAL COVERAGES

These coverages are subject to all the **terms** of the Principal Coverages. They do not increase the limit of liability stated for the Principal Coverages, except for Claims and Defense Expense Coverage and First Aid Expense Coverage.

1. **Damage to Property of Others** - Regardless of an insured's legal liability, we pay for property of others damaged or destroyed by an insured, or we repair or replace the property, to the extent practicable, with property of like kind and quality. Our limit of liability for this coverage is \$250 per occurrence.
We do not pay for damage to property:
 - a. owned by, rented to, or leased to an insured, another resident of your household, or the tenant of an insured;
 - b. caused intentionally by an insured who has attained the age of 13;
 - c. resulting from:
 - 1) activities related to an insured's business;
 - 2) premises owned, rented, or controlled by an insured, other than an insured premises;
 - 3) the ownership, maintenance, use, loading or unloading of motorized vehicles, aircraft or watercraft.
2. **Contracts and Agreements Coverage** - We pay for damages for bodily injury or property damage resulting from liability assumed by an insured under a written contract made before the loss. This coverage does not apply to a contract in connection with business activities of an insured.
3. **Claims and Defense Expense Coverage** - If we defend a suit, we pay:
 - a. the costs taxed to an insured;
 - b. the expenses incurred by us;
 - c. the actual loss of earnings by an insured for time spent away from work at our request. (We pay up to \$50 per day.);
 - d. the expenses incurred by you at our request;
 - e. the interest which accrues after the entry of a judgment but ending when we tender or pay up to our limit of liability;
 - f. the premiums on appeal bonds or bonds for the release of attachments up to our limit of liability. (We are not required to furnish bonds.);
 - g. the premiums up to \$500 per bail bond required of an insured because of an accident or a traffic law violation arising out of the use of a vehicle to which this policy applies. (We are not required to furnish bonds.)
4. **First Aid Expense Coverage** - We pay the expenses incurred by an insured for first aid to persons, other than insureds, for bodily injury covered by this policy.
5. **Incidental Motorized Vehicle Coverage** - We pay for the bodily injury or property damage which:
 - a. occurs on the insured premises and is a result of the ownership, maintenance, use, loading or unloading of:
 - 1) a motorized vehicle if it is not subject to motor vehicle registration because of its type or use;
 - 2) a recreational motor vehicle;
 - b. results from:
 - 1) a golf cart while used for golfing purposes;
 - 2) a utility, boat, camp or mobile home trailer, except when the trailer is carried on, is towed by or is attached to a motor vehicle or a recreational motor vehicle;
 - 3) a motorized vehicle which is designed only for use off public roads and which is used mainly to service the insured premises;
6. **Watercraft**
 - a. We pay for the bodily injury or the property damage which results from the maintenance, use, loading or unloading of:
 - 1) a watercraft while it is on the insured premises;
 - 2) a watercraft which is not owned by or rented to an insured if the loss is a result of the activities of an insured;
 - 3) a watercraft which is owned by or rented to an insured and which is powered by inboard or inboard/outboard motors which total 50 horsepower or less;
 - 4) a sailing vessel with or without auxiliary power which is owned by or is rented to an insured and if it is less than 26 feet in length;
 - 5) a watercraft which is powered by outboard motors which total 25 horsepower or less.
 - b. We pay for the bodily injury or the property damage which results from the maintenance, use, loading or unloading of a watercraft that is powered by outboard motors which total more than 25 horsepower, if:
 - 1) the motors are listed in this policy;
 - 2) the motors are reported to us and a request for coverage is made within 45 days of acquisition by an insured;
 - 3) the motors are not owned by an insured.
7. **Incidental Business Coverage** - We pay for the bodily injury or the property damage which results from:
 - a. the occasional rental of that part of the insured premises that is normally occupied by you as a residence;
 - b. the rental of other parts of the insured premises to be used as a residence. (No family unit may include more than two roomers or boarders.);
 - c. the rental of a part of the insured premises to be used as a school, studio, office or private garage;
 - d. the incidental activities that are normally performed by minors;
 - e. the activities which are related to business pursuits and are normally considered non-business in nature.

EXCLUSIONS

1. This policy does not apply to liability which results from:
 - a. war. (This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. Discharge of a nuclear weapon is deemed a warlike act even if accidental.);
 - b. the ownership, maintenance, use, loading or unloading of aircraft, except for bodily injury to a person while performing duties as a domestic employee;
 - c. the ownership, maintenance, use, loading or unloading by an insured of motorized vehicles or watercraft, except:
 - 1) for bodily injury to a person in the course of performing duties as a domestic employee;
 - 2) if coverage is provided for by an Incidental Coverage;

HOW MUCH WE PAY FOR LOSS OR CLAIM

1. The limits of liability stated in this policy are the maximum amounts we pay for loss in a single occurrence regardless of the number of:
 - a. persons who are insured by this policy;
 - b. parties who sustain an injury or damage;
 - c. claims made or suits brought.The payment of a claim made under the Medical Payments to Others coverage does not mean that we are liable under the Personal Liability coverage.
2. **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 loss.
3. **Insurance Under More Than One Policy** - The insurance under this policy does not apply until the limits of all other policies covering the same loss have been exhausted.

WHAT YOU MUST DO IN CASE OF LOSS

1. **Notice:**
 - a. In the case of a loss (or if an insured becomes aware of anything that indicates that there might be a claim under this policy), the insured must promptly give us or our agent notice (in writing if requested).
 - b. The notice to us must state:
 - 1) the insured's name;
 - 2) the policy number;
 - 3) the time, the place, and the circumstances of the loss; and
 - 4) the names and the addresses of all potential claimants and all witnesses.
2. **Cooperation** - The insured must cooperate with us.
3. **Volunteer Payments** - An insured must not make payments or assume obligations or other expenses except at the insured's own cost. This does not apply to first aid to others at the time of **bodily injury**.
4. **Additional Duties - Personal Liability Coverage** - If a claim might result from an occurrence, the insured must:
 - a. promptly send to us copies of all legal papers, demands and notices;
 - b. at our request, assist in:
 - 1) a settlement;
 - 2) the conduct of suits (this includes the attendance at trials and hearings);
 - 3) the enforcing of rights of contribution or indemnification against all parties who may be liable to an insured for the injury or damage;
 - 4) the securing of and giving of evidence;
 - 5) obtaining the attendance of all witnesses.
5. **Additional Duties - Medical Payments To Others Coverage** - In the case of a medical payments loss:
 - a. the injured person (or one acting on such person's behalf) must:
 - 1) give us written proof of claim (under oath if requested) as soon as practical;
 - 2) give us permission to get copies of the medical records.
 - b. the injured person must submit to physical exams by doctors chosen by us when and as often as we may require.

- d. the use of a **motorized vehicle** in, or in the practice or the preparation for, racing, speed, pulling or pushing, demolition or stunt activities or contests;
 - e. the rendering of or the failing to render a professional service;
 - f. activities related to an **insured's business**, except as provided for by an Incidental Coverage;
 - g. the use of premises that are owned, rented or controlled by an **insured**, and that are not the **insured premises**, except for **bodily injury** to a person in the course of performing duties as a **domestic employee**;
 - h. a loss caused by an intentional act of an **insured** or done at the direction of an **insured**;
 - i. an **occurrence** for which an **insured** is also an **insured** under a nuclear energy liability policy or would be an **insured** but for the exhaustion of its limits of liability. (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.)
2. **Exclusions That Apply Only To Personal Liability** - This coverage does not apply to liability:
 - a. for **bodily injury to you**, and if residents of **your** household, **your** relatives, and persons under the age of 21 in **your** care or in the care of **your** resident relatives;
 - b. which is assumed under a contract or an agreement, except as provided for by an Incidental Coverage;
 - c. for damage to the property owned by an **insured**;
 - d. for damage to the property that is rented to, occupied by, used by, or in the care of an **insured**, except for the **property damage** to the **insured premises** that is caused by fire, smoke or explosion;
 - e. for sickness, disease or death of a **domestic employee** unless a written notice is received by us within 36 months after the end of the policy period in which the injury occurred;
 - f. resulting from the discharge, dispersal, release or the escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or a water course, body of water, bog, marsh, swamp or wetland, except if such discharge, dispersal, release or escape is sudden and accidental;
 - g. for the **property damage** which is a result of the discharge of substances from an aircraft;
 - h. for **bodily injury** if the benefits are payable or are required to be provided by an **insured** under a worker's compensation, non-occupational disability, occupational disease or like law.
 3. **Exclusions That Apply Only To Medical Payments To Others** - This coverage does not apply to the **bodily injury** to:
 - a. an **insured** or other person, who regularly resides on the **insured premises**, except a **domestic employee**;
 - b. a person while on the **insured premises** because a **business** is conducted or professional services are rendered on the **insured premises**;
 - c. a person if benefits are provided by a worker's compensation, non-occupational disability, occupational disease or like law.

POLICY CONDITIONS

1. **Assignment** - This policy is void if it is assigned without our written consent.
 2. **Bankruptcy** - Bankruptcy or insolvency of an insured does not relieve us of our obligations under this policy.
 3. **Cancellation**
 - a. By You - You may cancel this policy by giving to us a written notice or by returning the policy to us. You must state when thereafter the cancellation is to take effect.
 - b. By Us - We may cancel this policy by a written notice delivered to or mailed to you at the mailing address shown in this policy. Proof of delivery or mailing is a sufficient proof of notice.
 - c. We refund the premium for the unexpired part of the policy period as follows:
 - 1) if it is cancelled by us - on a pro rata basis;
 - 2) if it is cancelled by you - we calculate the refund in accordance with the rules in our manual.
 - d. Refund of premium - The payment or the tender of the unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the notice of cancellation, it will be sent to you within a reasonable time.
 - e. When we may cancel - We may cancel the policy if one or more of the following conditions exist:
 - 1) Non-payment of premium - If the premium has not been paid when due, we may cancel by giving you notice at least 10 days before the cancellation is to take effect.
 - 2) New policy - If this is a new policy which has been in effect less than 60 days and is not a renewal, we may cancel for any reason by giving you notice at least 30 days before the cancellation is to take effect. A renewal of a policy issued by us is not a new policy.
 - 3) Policy with term over one year - If this policy is written for a term longer than one year, we may cancel for any reason by giving you notice at least 30 days before the anniversary date.
 - 4) All other situations - If this policy has been in effect 60 days or more or if it is a renewal of a policy issued by us, we may cancel only for the following reasons and by giving you notice at least 30 days before the cancellation is to take effect:
 - (a) the policy was obtained through fraud, material misrepresentation or omission of fact which, if known by us, would have caused us not to issue the policy;
 - (b) there has been a material change or an increase in the hazard.
 - f. Time of cancellation - The cancellation date is the earliest of the following:
 - 1) the effective date and the hour of cancellation that is stated in the notice;
 - 2) the time you return the policy to us if no cancellation date is stated;
 - 3) the date on which the policy expires.
 4. **Non-Renewal** - We may elect not to renew or continue this policy by giving you a written notice of our intent at least 30 days before the date of expiration or the anniversary date. The notice may be delivered to or mailed to you at the mailing address shown in the policy. Proof of delivery or of mailing is a sufficient proof of notice. This policy terminates on its date of expiration or its anniversary date if you:
 - a. return the policy to us;
 - b. notify us or our agent in writing of your intent not to renew;
 - c. do not pay the renewal or the installment premium when it is due.
 5. **Conformity with Statute** - Terms of this policy in conflict with the laws of the state where the premises described in the policy are located are amended to conform to such laws.
 6. **Change, Modification, or Waiver of Policy Terms** - A waiver or change of terms of this policy must be issued by us in writing to be valid. If we adopt a revision during the policy period that broadens a coverage at no premium charge, the broadened coverage applies. If this policy is issued on a continuous basis (with no specific date of expiration) we may substitute or we may add, at the anniversary date, the forms or endorsements approved for use with this policy.
 7. **Misrepresentation, Concealment or Fraud** - This entire policy is void if, before or after the loss:
 - a. an insured has willfully concealed or misrepresented:
 - 1) a material fact or a circumstance concerning this insurance;
 - 2) an insured's interest herein;
 - b. there has been fraud or false swearing by an insured regarding matters relating to this insurance.
 8. **Policy Premium** - If this policy is issued with no date of expiration, it may be continued by the payment of the required premium.
 9. **Recoveries** - If we pay an insured for loss under this policy and payment is made by those responsible for the loss, the following provisions apply:
 - a. the insured must notify us or we will notify the insured promptly if either receives payment;
 - b. the proper expenses incurred by either party in making the recovery are reimbursed first;
 - c. we are entitled to the surplus over and above expenses up to the amount we paid under this policy;
 - d. if the recovery exceeds the amount we paid, the insured may keep the excess after deducting the expenses.
 10. **Subrogation** - If we pay under this policy, we may require from an insured an assignment of the rights of recovery. We are not liable for loss if an insured impairs our right to recover. You may waive your right to recover, in writing, before a loss occurs, without voiding coverage. If we pay a loss to or for an insured and the insured recovers from another party for the same loss, the insured shall reimburse us as provided under Recoveries.
 11. **Suit Against Us** - No suit may be brought against us unless:
 - a. all the terms of this policy have been complied with; and
 - b. the amount of an insured's liability has been fixed by:
 - 1) a final judgment against an insured which is a result of a trial; or
 - 2) a written agreement of an insured, the claimant and us.
- No person has rights under this policy to join us or implead us in actions that are brought to fix an insured's liability.