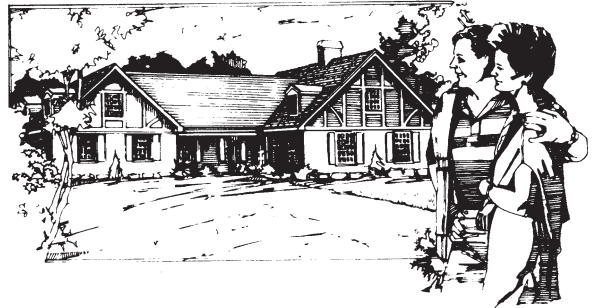


Your Insurance Policy



# HOME PROTECTOR PACKAGE



## Mendota Mutual Insurance Company

1019 Main Street, P.O. Box 498  
Mendota, Illinois 61342  
815-539-3426

*This package contains important legal  
documents.*

*Keep them in a safe place.*

## PLEASE READ YOUR POLICY CAREFULLY

Your insurance policy is made up of the policy booklet, the policy declaration page(s), and any accompanying endorsements.

### IF YOU HAVE A CLAIM, YOU SHOULD:

1. Take all precautions or necessary action to prevent additional harm to persons or property.
2. Discuss the accident or claim only with the civil authorities and your or our representative(s).
3. Notify your agent as soon as possible. He will assist you with claim procedures and state reporting regulations.

If you should have any questions about your insurance, please contact your agent or this company.

## HOME SECURITY PACKAGE

### INDEX

#### Page

- 2 Definitions
- 2 Insuring Agreement

### SECTION I – PROPERTY COVERAGE

- 3 Dwelling – Coverage A
- 3 Auxiliary Private Structures – Coverage B
- 3 Personal Property – Coverage C
- 4 Additional Living Expense or Loss of Rent – Coverage D
- 4 Additional Coverage – Coverage E
  - 4 Trees, Shrubs, Plants & Lawns
  - 4 Debris Removal
  - 4 Credit Card, Fund Transfer Card, Forgery and Counterfeit Money
- 5 Perils Insured Against
  - 5 Group 1 – Basic Perils
  - 6 Group 2 – Broad Form Perils
  - 7 Group 3 – Other Perils
- 7 Exclusions
- 8 Conditions
  - 8 Insurable Interest
  - 8 Your Duties After Loss
- 9 Loss Settlement

### SECTION II – LIABILITY COVERAGE

- 11 Definitions
- 12 Personal Liability – Coverage L
- 12 Medical Payments – Coverage M
- 13 Exclusions
- 14 Additional Coverages
  - 14 Claim Expenses
  - 15 First Aid Expenses
- 15 Conditions
  - 15 Limit of Liability
  - 15 Duties of an Injured Person – Coverage M

### GENERAL POLICY CONDITIONS – SECTIONS I & II

- 16 Policy Period
- 16 Cancellations
- 16 Non-Renewal

*This policy is written in new, simplified language format. To make it easier for you to understand the policy, definitions of key terms, which are in bold print throughout the policy, are included on a special Definitions Page at the beginning of the policy.*

# HOME SECURITY PACKAGE

## SECTION I – DEFINITIONS

THE TERMS THAT ARE DEFINED BELOW ARE IN BOLD FACE TYPE WHEN THEY APPEAR IN THE TEXT OF THIS POLICY.

1. **We, Us** and **Our** mean the Insurance Companies shown in the declarations.
2. **You** and **your** mean the policyholder named in the declarations and spouse, if living in the same household. **You** and **your** also mean a partnership, corporation, estate or trust as stated in the declarations.
3. **Insured** means the following residents of **your** household:
  - A. **You**;
  - B. **Your** relatives;
  - C. Any other person under the age of 21 in the care of those named above.
4. **Actual cash value** means the amount determined by replacement cost of the building or personal property less depreciation. Depreciation for purposes of these computations shall be based upon age, expected useful life, condition and obsolescence.
5. **Business** means any full or part-time trade, profession or occupation.
6. **Business property** means:
  - A. **Business** furniture, fixtures, equipment (including data processing or computer equipment and the recording or storage media used with the data processing or computer equipment for **business**, or personal purposes), or supplies (including blank or unexposed records or storage media and data processing or computer software that is capable of retail replacement with other of like kind and quality), or inventory.
  - B. Any part of an **insured location** in which a **business** is conducted.
  - C. The rental or holding for rental of any part of an **insured location** by an **insured**.

**Business property** does not mean:

  - A. The rental or holding for rental of an **Insured's residence**:
    - (1) On an occasional basis for us as a **residence**;
    - (2) In part, unless intended for use as a **residence** by more than two roomers or boarders;
    - (3) In part as an office, school or studio.
  - B. The rental or holding for rental of an **insured location**:
    - (1) For private garages not to exceed three stalls or car spaces.
7. **Insured location** means all locations described in the declarations which **you** own, rent or occupy. Land is no longer considered vacant when any construction operations have begun.
8. **Motor vehicle** means a motorized land vehicle, trailer or semi-trailer (including any attached machinery or apparatus), designed principally for travel on public roads. The following are not considered **motor vehicles** unless they are being towed by or carried on a **motor vehicle**:
  - A. utility, boat, camping or travel trailer;
  - B. farm implements;
  - C. farm machinery;
  - D. **recreational motor vehicles**;
  - E. any equipment which is designed for use principally off public roads and not licensed for road use.
9. **Occurrence** – Property Coverage, means an accident, including exposure to conditions, which results in damage to property, but does not include the loss of use of property.
10. **Recreational motor vehicle** means any motorized vehicle designed for recreation, principally used off public roads and not licensed for road use.
11. **Residence** means a one or two family dwelling and grounds. **Residence** also means that part of any other building used as a private **residence**, but it does not include any portion used for **business** purposes.
12. **Residence location** means a one or two family dwelling which is **your** principal **residence** and grounds. **Residence location** also means that part of any other building which is **your** principal residence but does not include any portion used for **business**.

## AGREEMENT

**We** agree with **you**, in return for **your** premium payment, to provide insurance for direct loss subject to all the terms of this policy. **You** have the coverages described in the declarations, subject to the indicated amounts of insurance.

## SECTION I – PROPERTY COVERAGE

### COVERAGE A – DWELLING

**We** insure the dwelling(s) on the **insured location** including attached structures. This coverage also includes:

1. Materials on or adjacent to the **insured location** or temporarily elsewhere for the construction, alteration or repair of the dwelling(s).
2. Detached building items such as screens, storm doors and windows.

### COVERAGE B – AUXILIARY PRIVATE STRUCTURES

**We** insure auxiliary private structures on the **insured location**, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection, are considered to be auxiliary private structures.

**We** do not cover structures:

1. Used in whole or part for **business** purposes.
2. Rented or held for rental to any person, not a tenant of the dwelling, unless used solely as a private garage.

### COVERAGE C – PERSONAL PROPERTY

**We** insure personal property owned or used by an **Insured** while it is anywhere in the world.

The following extensions and limits do not increase the Coverage C limit of liability:

#### 1. On Premises

**We** include the following coverage:

- A. If **you** ask **us**, the personal property of guests or **residence employees** is covered while on the portion of the **insured location** occupied exclusively by an **Insured**;
- B. Outdoor equipment not permanently installed.

#### 2. Off Premises

**Our** limit of liability for insured personal property while temporarily away from the **insured location** is 10 percent of Coverage C, but not less than \$1,000.

Personal Property on a newly acquired **insured location** is not subject to this limitation for the 30 days immediately after **you** begin to move property there.

#### 3. Improvements, Alterations or Additions

If **you** are a tenant, **you** may apply up to 10 percent of Coverage C to cover permanent fixtures, alterations, decorations and additions installed on the **residence location** and made or acquired at **your**

expense.

If the **residence location** is a condominium unit, **you** may apply up to 10 percent of Coverage C – Personal Property – to cover permanent fixtures, alterations, decorations or additions **you** own within **your** condominium unit. This does not include parts of the building structure or other property not owned exclusively by **you**.

#### 4. Special Limits of Liability

These limits do not increase the Coverage C limits of liability. The special limit for each lettered 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, passports, tickets and stamps;
- C. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard motors;
- D. \$1,000 on trailers not used with watercraft;
- E. \$1,000 on gravemarkers;
- F. \$1,000 for loss by theft of jewelry watches, furs, precious and semi-precious stones;
- G. \$2,000 for loss by theft of firearms;
- H. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter;
- I. \$2,500 on **business property** while located on the **insured location**; \$250 on **business property** while located off the **insured location**;
- J. \$500 on **recreational motor vehicles** not designed or licensed for road use;
- K. \$500 on dismantled camper bodies;
- L. \$200 on detached tires not insured elsewhere.
- M. \$500 on Outdoor Radio and Television Equipment (including satellite dishes). If excess Outdoor Radio and Television Equipment coverage is shown in the declarations, that coverage amount shall be additional insurance.

#### 5. Property NOT Insured

**We** do not insure:

- A. Animals, birds, insects or fish;
- B. **Motor vehicles**, their parts and equipment, other than **recreational motor vehicles** and detached tires;
- C. Camper bodies mounted on **motor vehicles**;
- D. Aircraft, their parts and equipment;

- E. Articles separately described and specifically insured by this or any other insurance;
- F. Any device, accessories or antennas designed for reproducing, receiving, transmitting or recording sound or picture, which could be connected to the electrical system of a **motor vehicle**, farm equipment or watercraft, while in or on the **motor vehicle**, farm equipment or watercraft;
- G. Property of roomers, boarders and other tenants not related to an **Insured**;
- H. Farm personal property commonly used in connection with or associated with a farming operation;
- I. Property in transit by common carrier.

## COVERAGE D – ADDITIONAL LIVING EXPENSE OR LOSS OF RENT

### 1. Additional Living Expense

If a covered loss makes **your residence location** uninhabitable, **we** will pay the reasonable increase in living expense necessary to maintain **your** normal standard of living while **you** live elsewhere. **We** will pay for the shortest time required:

- A. to repair or replace the damaged property; or
- B. for **you** to permanently relocate.

### 2. Loss of Rent

**We** will pay for **your** loss of normal rents resulting from a covered loss while the rental part of the **residence** is uninhabitable, less charges and expenses, which do not continue during that time.

**We** will pay for the shortest time required to repair or replace that part of the **residence** rented, not to exceed 1/12 of the amount of liability under Coverage D, for any one month.

### 3. Prohibited Use

If damage caused by a peril **we** insure against occurs at a neighboring premises, **we** will pay reasonable additional living expenses and loss of normal rents for up to two weeks should civil authorities prohibit occupancy of the **insured location**.

- 4. **We** do not cover loss or expense due to cancellation of any lease or agreement.
- 5. These periods of time will not be shortened by the expiration of the policy.

## COVERAGE E – ADDITIONAL COVERAGES

### 1. Trees, Shrubs, Plants and Lawns

**We** will pay up to 5 percent of Coverage A – Dwelling, not to exceed \$1,500, to cover trees, shrubs, plants and lawns on the **insured**

**location** where the loss occurred. **We** pay only for loss caused by the following perils: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vandalism and Malicious Mischief, Theft and Vehicles not owned or operated by an **Insured** or occupant of the **insured location** where the loss occurred. **We** will pay up to \$300 for any one tree, plant, shrub or lawn, including the cost of removing the debris of the covered item.

**We** do not cover trees, plants, shrubs or lawns:

- A. grown for **business** or farming purposes; or
- B. located more than 250 feet from the insured dwelling.

### 2. Debris Removal

**We** will pay reasonable expenses incurred for the removal of debris of covered property following an insured loss. If the damage to the insured property and the cost of the debris removal are more than **our** limit of liability for the covered property, **we** pay up to 5 percent of Coverage A – Dwelling, not to exceed \$1,500, per **occurrence**, for debris removal. If excess Debris Removal Coverage is shown in the declarations that coverage amount shall be additional insurance.

Debris removal provided under Coverage E2 does not apply to Trees, Shrubs, Plants and Lawns, Coverage E1. Pollutants clean up is excluded.

### 3. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money

Applies only if **we** provide insurance in this policy under Coverage C – Personal Property.

**We** will pay up to \$1,000 for:

- A. 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;
- B. 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;
- C. loss to an **Insured** caused by forgery or alteration of any check or negotiable instrument; and
- D. loss to an **Insured** through acceptance of good faith of counterfeit United States or Canadian paper currency.

**We** do not cover use of a credit card or fund transfer card:

- A. by a resident of **your** household;
- B. by a person who has been entrusted with either type of card; or
- C. 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.

#### Defense

- A. **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.
- B. 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 or **our** choice.
- C. **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.

#### 4. Fire Department Service Charge

**We** will pay up to \$500 per **occurrence** for **your** liability under a contract or agreement when a Fire Department is called to protect the insured property from the perils insured against. If excess Fire Department Service Charge Coverage is shown in the declarations, that coverage amount shall be additional insurance.

#### 5. Refrigerated Products

**We** will pay an amount not to exceed \$500 for loss or damage to contents (if insurance is provided under Coverage C – Personal Property) of a freezer or refrigerated unit on the **residence location**. If excess Refrigerated Products Coverage is shown in the declarations, that coverage amount shall be additional insurance. This coverage does not apply to farm personal property. The contents must be owned by an **Insured** and the loss or damage caused by change in temperature resulting from:

- A. Interruption of electrical service to refrigeration equipment caused by damage to the generating or transmission equipment which results in a breakdown in the system;
- B. Mechanical or electrical breakdown of the refrigeration system;
- C. Accidental interruption of electrical service.

The **Insured** must exercise diligence in inspecting and maintaining refrigeration equipment in proper working condition. If interruption of electrical service or mechanical breakdown is known, all reasonable means must be used to protect the insured property from further damage or this coverage is void.

No deductible applies.

#### 6. Reasonable Repairs

If **you** have a loss covered by this policy, **we** will pay the reasonable cost incurred by **you** for necessary repairs made solely to protect covered property from further damage, however this coverage does not increase the limit of liability that applies to the property being repaired.

#### 7. Change of Location

When **you** move to another location where **you** intend to permanently reside the Coverage C – Personal Property limit of liability applies at each location for 30 days from the date **you** begin to move, but not past the expiration date of the policy.

#### DEDUCTIBLE

**We** will pay for loss in each **occurrence** to covered property minus the deductible, if any, shown in the declarations.

#### PERILS INSURED AGAINST

**We** insure for direct loss to the property described caused by the following perils indicated in the declarations.

#### GROUP 1 BASIC PERILS

Applies is shown in the declarations:

##### 1. Fire or lightning

##### 2. Removal

When covered personal property is removed from the **insured location** because it is endangered by perils insured against, **we** insure for accidental loss to that property while it is in the course of removal and for 30 days after it has been removed to a proper place.

##### 3. Windstorm or Hail

These perils do not include:

- A. Loss caused by frost, cold weather, ice other than hail, snowstorm or sleet.
- B. Loss to the interior of a building of the property contained in the building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through that opening.

##### 4. Explosion

##### 5. Riot and Civil Commotion

##### 6. Aircraft – including self-propelled missiles and spacecraft.

##### 7. Vehicles

This peril does not include loss to driveways, walks, fences or foundations and retaining walls caused by any vehicle owned or operated by an **Insured** or occupant of an **insured location** where the loss occurred.

## 8. **Vandalism & Malicious Mischief**

This coverage does not include loss to property on the **insured location** if the dwelling has been vacant or unoccupied for more than 90 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant or unoccupied.

**We** will not pay for loss caused by anyone who is residing or has previously resided at the **residence** within 90 days immediately preceding the loss.

## 9. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

## GROUP 2 BROAD FORM PERILS

In addition to Group 1, Basic Perils, Broad Form Perils apply if shown in the declarations and only to Coverages A, B, C and D.

## 10. **Theft or Attempted Theft**

This peril includes attempted theft and loss of property from a known place when it is likely that theft occurred.

Personal property is considered as being on the **insured location** while placed for safekeeping in a bank, trust, safe deposit company or public warehouse.

A. This peril does not include:

- (1) Theft committed by an **Insured**;
- (2) Theft in or to a dwelling or building under construction, or of tools, materials or supplies for use in the construction until the dwelling or building is finished and occupied;
- (3) Loss of a precious or semi-precious stone from its setting;
- (4) Theft from any part of the **residence**, condominium unit or apartment rented to anyone other than an **Insured**;
- (5) Loss resulting from mysterious disappearance, inventory shortages, conversion or embezzlement;
- (6) Theft from the **insured location** which is vacant or unoccupied for more than 90 consecutive days immediately before the loss;
- (7) Loss resulting from theft of any credit card or similar device except as provided under Coverage E – Additional Coverages;
- (8) Loss resulting from the theft of a fund transfer card or similar device used for the deposit, withdrawal or transfer of funds, except as provided under Coverage E – Additional Coverages.

B. This peril does not include loss caused by theft that occurs away from the **insured location** of:

- (1) property while at any other **residence** owned, rented

to or occupied by an **Insured**, except property which normally accompanies **you** while on vacation or trips. Property of a student who is an **Insured** is covered while at a **residence** if the student has been there at any time during the last 45 days immediately before the loss;

- (2) Watercraft, including its furnishings, equipment and outboard motors. Other property in or on any private watercraft is covered; if the loss results from forcible entry into a securely locked compartment and there are visible marks of the forcible entry;
- (3) Unattended property in or on any **motor vehicle** or trailer other than public conveyance unless such property is within an enclosed area of such **motor vehicle** or trailer or if such **motor vehicle** or trailer is stolen and not recovered within 30 days. Property is not unattended when the **Insured** has entrusted the keys of the **motor vehicle** to a custodian; or
- (4) Trailers or campers.

## 11. **Sudden and Accidental Tearing Apart, Burning or Bulging** of a water heater or of a heating or air conditioning system of a building.

This does not cover loss by freezing.

## 12. **Accidental Discharge or Overflow** of water or steam from within a plumbing, heating or air conditioning system of a building or from within a household appliance including waterbeds and water filled furniture. **We** also pay for tearing out and replacing any part of a building on the **insured location** necessary to repair the system or appliance from which the water or steam escaped.

This peril does not include loss:

- A. To a building caused by continuous or repeated seepage or leakage;
- B. If the dwelling has been vacant or unoccupied for more than 90 consecutive days immediately before the loss. A dwelling being constructed or remodeled is not considered vacant or unoccupied if the water supply has been shut off and the system and appliances drained;
- C. To the system or appliance from which the water or steam escaped;
- D. Caused by or resulting from freezing.

## 13. **Freezing** of a plumbing, heating or air conditioning system of a building or of a household appliance. This peril does not include loss while the dwelling is vacant, unoccupied or being constructed or remodeled 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.

## 14. **Falling Objects**

This peril does not apply to loss to the interior of the building or property within unless the falling object first damages the exterior of the building. **We** do not cover damage to the falling object.

15. **Weight of Ice, Snow or Sleet** which damages the building or property in the building.

This peril does not apply to loss to:

- A. awnings and fences; or
- B. pavements, patios, swimming pools, foundations, retaining walls, bulkheads, piers, wharves or docks, when the loss is caused by freezing, thawing or by pressure or weight of ice or water.

16. **Collapse of Buildings or Any Part of a Building**

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This peril does not apply to loss to the following unless damage is caused directly by collapse of a building:

Awnings, fences, pavements, patios, swimming pools, underground pipes, flues, drains, cesspools, septic tanks, foundations, retaining walls, bulkheads, piers, wharves or docks.

17. **Breakage of glass or safety glazing material** which is part of a building, storm door or storm window.

This peril does not include loss if the dwelling has been vacant or unoccupied for more than 90 days immediately before the loss. A dwelling being constructed is not considered vacant or unoccupied.

18. **Sudden and accidental damage from artificially generated electrical current** to electrical appliances, devices, fixtures and wiring. This peril does not include loss to a tube, transistor or similar electronic components.

### GROUP 3 – OTHER PERILS

**We** insure against all the **Group 1 Basic Perils** and **Group 2 Broad Form Perils** and other risks of accidental direct physical loss to the dwelling(s) and other property if **Group 3** coverage is indicated in the declarations. To be covered, a loss must be accidental, and a direct physical loss to property, and it must not be excluded. **We** will be liable only when loss in each **occurrence** exceeds \$100 or a higher deductible amount if indicated in the declarations.

### SECTION 1 – EXCLUSIONS

**We** do not pay for loss resulting directly or indirectly from the following, either alone or in combination with other risks unless expressly stated:

1. Earthquake, volcano, landslide, mud flow, or other earth movement of any kind including subsidence.

However, **we** pay for direct loss by fire, explosion, and (if covered by this policy) theft, breakage of glass or safety glazing material resulting from earth movement.

2. Water Damage, meaning:

- A. Flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these whether wind driven or not;
- B. Water which backs up through sewers or drains;
- C. Water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

3. Loss to retaining walls not part of a building when such loss is caused by landslide, water pressure or earth movement of any kind.

4. Enforcement of any ordinance or law regulating the use, construction, repair or demolition of a building or other structure unless specifically provided under this policy.

**We** pay for loss resulting from acts of destruction by civil authority to prevent the spread of fire as long as the fire did not originate from a peril excluded by this policy.

5. Any property while:

- A. Operated in any race, test, event or competitive speed contest, preparation for or operation in any pre-arranged race, test, event or speed test, and whether the race or test had ended before the loss occurred;
- B. Used for hire or charter;
- C. Used in any unlawful activity including race or transportation.

6. Nuclear reaction, radioactive contamination or radiation, all whether controlled or uncontrolled, or however caused.

7. War (declared or undeclared), civil war, insurrection, rebellion or revolution.

8. Neglect by an **Insured** to use all reasonable means to save covered property at and after the time of loss when endangered by a peril insured against.

9. The interruption of **business**.

10. Damage to outdoor radio and television equipment unless additional premium is paid and described in the declarations. This exclusion



does not apply to outdoor radio and television equipment covered under Coverage C – Personal Property.

11. Loss by termites or other insects; wear and tear; corrosion deterioration; marring and scratching; smoke from agricultural smudging or industrial operations; rust; wet or dry rot; mold; mechanical breakdown; settlements, shrinkage or expansion in pavements, foundations, walls, floors, roofs or ceilings; or an inevitable loss or damage to property which is perishable in its own nature or which is liable to deteriorate due to climatic conditions; obsolescence or lack of normal preventive measures.

However, direct loss by fire, smoke (except as specifically excluded above), explosion, collapse, water damage covered elsewhere in this policy, and glass breakage resulting from such loss is covered.

12. Electronically stored information on tapes, wires, discs, or other software media created by or for the **Insured**.
13. Release, discharge, dispersal or absorbing of contaminants or pollutants.

**We** do not insure for loss of property described in Coverage A caused by any of the following. However, any ensuing loss to property described in Coverage A not 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 Section I;
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 **insured location**.

## SECTION 1 – CONDITIONS

### 1. Insurable Interest and Our Limit of Liability

In the event of a loss, **we** will not pay more than the insurable interest that an **Insured** person has in the property covered by this policy or more than the amount of coverage afforded by this policy.

For loss to property, **we** pay the lesser of the following amount:

- A. the applicable limit of liability;
- B. an amount not greater than **your** interest in the property;
- C. the cost of repairing or replacing the property with materials of like kind and quality to the extent practicable;
- D. the amount computed after applying the deductible or other limitation(s) applicable to the loss;
- E. the **actual cash value** of the property at the time of loss (except as provided under the Replacement Cost Provision, if applicable).

### 2. Your Duties After Loss

In the event of a loss to which this insurance may apply, **you** must see that the following duties are performed:

- A. Give us immediate written notice of loss. In case of theft, vandalism or malicious mischief, also notify **your** law enforcement agency;
- B. Protect the property from further damage. Make necessary and reasonable repairs to protect the property;
- C. Make a list of all damaged or destroyed property, showing in detail quantities, cost, **actual cash value** and amount of loss;
- D. Send **us** proof of loss within 60 days after loss, signed and sworn to by the **Insured** person. This proof of loss shall include:
  - (1) the time and cause of loss;
  - (2) the interest of insured persons and all others in the property;
  - (3) the **actual cash value** and amount of loss to the property;
  - (4) all encumbrances on the property;
  - (5) other insurance, warranties or guarantees covering the loss;
  - (6) changes in title, use, occupancy or possession of the property;
  - (7) if required, any plans and specifications of any damaged buildings or fixtures;
  - (8) an inventory of damaged personal property as described in 2C above.
- E. Exhibit the damage property to **us** or **our** representative as often as may be reasonably required;
- F. As often as may be reasonably required, **you** must submit to examinations under oath by any person named by **us** and sign the transcript of the examinations; and to the extent that it is within **your** power to do so, to produce employees or members of **your** household for examination under oath. At **our** request, each examination may be conducted outside of the presence of other persons who have not yet been examined, including **you**;
- G. Produce for examination all records and documents **we**

request and permit **us** to make copies;

- H. Produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere and records pertaining to any loss of rental income;
- I. At **our** request, cooperate in providing necessary information for determining amount of loss.

### 3. Vacancy, Unoccupancy or Abandonment Clause

Whenever a building has been vacant, unoccupied or abandoned for a period of five consecutive months (whether such period begins before or after the inception date of the present policy) **our** liability for loss to the building or personal property contained therein shall be 50% of the amount otherwise payable under this policy or 50% of the amount stated in the declarations, whichever is less.

This provision shall not waive the vacancy or unoccupancy provisions of:

#### Group 1 Basic Perils

- A. Vandalism and Malicious Mischief;

#### Group 2 Broad Form Perils

- A. Theft;
- B. Accidental Discharge and Overflow;
- C. Freezing;
- D. Glass Breakage.

### 4. Loss Settlement

In case of loss, one of the following loss settlement clauses will apply. The "1", "2", "3" or "4" in the loss settlement clause column in **your** declarations indicate the clause, as referred to below which is applicable to the property item described.

#### Loss Settlement Clause 1 – Actual Cash Value

**We** pay the **actual cash value**, as of time of loss, of the damaged part of the property, or the amount necessary to repair or replace it with material of like kind and quality, whichever is less. Loss settlement will not exceed the limit of liability described in the declarations.

#### Loss Settlement Clause 2 – 80 percent Replacement Cost Coverage

Loss to covered property will be settled as follows:

**We** pay for insured loss to buildings at replacement cost without deduction for depreciation, subject to the following conditions:

- (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80 percent or more of the full replacement cost of the building immediately prior to the loss, **we** will pay the cost of repair or replacement without deduction for depreciation. Payment will not exceed the smallest of the following

amounts:

- a. the limit of liability under this policy applying to the building;
  - b. the replacement cost of that part of the building damaged for equivalent construction and use on the same location; or
  - c. the amount actually and necessarily spent to repair or replace the damaged building.
- (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80 percent of the full replacement cost of the building immediately prior to the loss, **we** will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the building:
- a. the **actual cash value** of that part of the building damaged; or
  - b. that proportion of the cost to repair or replace, without deduction for depreciation, of that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80 percent of the replacement cost of the building.

#### Loss Settlement Clause 3 – Special Replacement Cost Coverage

**We** pay for insured loss to buildings at replacement cost without deduction for depreciation, subject to the following:

The damaged property will be repaired or replaced with commonly used building materials to place the property in a habitable condition. The type of materials will be agreed upon by **you** and **us**. If **you** and **us** cannot agree, settlement will be on an **actual cash value** basis with deduction for depreciation.

Payment will not exceed the smallest of the following amounts:

- (1) the limit of liability under this policy applying to the building;
- (2) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
- (3) the amount actually and necessarily spent to repair or replace the damaged building.

#### Loss Settlement Clauses 2 and 3

Loss to covered property will be settled as follows:

- (1) **We** pay **actual cash value** of the property at the time of loss, for: personal property, structures that are not buildings, carpeting, domestic appliances, awnings, outdoor equipment and outdoor antennas, whether or not attached to buildings.
- (2) When the cost to repair or replace the damage is more

than \$1,000 or more than 5 percent of the amount of insurance in this policy of the building, whichever is less, **we** will pay no more than the **actual cash value** of the damage until actual repair or replacement is completed.

- (3) In making claim under Loss Settlement Clauses 2 or 3, **you** may elect to disregard the condition requiring actual replacement or repair of the property, and to accept **actual cash value** for the loss, but such election shall not prejudice **your** right to make further claim within 180 days after loss for any additional coverage under Loss Settlement Clause 2 or 3, subject to all conditions.

may elect to disregard the condition requiring actual replacement or repair of the property, and to accept **actual cash value** for the loss, but such election shall not prejudice **your** right to make further claim within 180 days after loss for any additional coverage under Loss Settlement Clause 4, subject to all conditions.

- (4) When the replacement cost for the entire loss under this policy exceeds \$500, **we** will pay no more than the **actual cash value** for the loss or damage until the actual repair or replacement is completed.
- (5) Antiques, fine arts, paintings, statuary, collectibles and similar articles, are excluded by this coverage which, by their inherent nature, cannot be replaced with new articles. Also excluded, are articles whose age or history contribute substantially to their value.

#### Loss Settlement Clause 4 – Personal Property Replacement Cost

**We** pay for insured loss to personal property, structures that are not building, carpeting, domestic appliances, awnings, outdoor equipment or outdoor antennas, whether or not attached to buildings, at replacement cost.

The provisions of this policy which apply to insurance under Coverage C – Personal Property are amended as follows:

Wherever the term “**actual cash value**” appears, it is replaced by the term “replacement cost”, defined as the cost at the time of loss of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or no longer available, replacement cost shall mean the cost of a new article similar to that damaged, destroyed or stolen and which is of a comparable quality and usefulness.

- (1) **We** are liable under Loss Settlement Clause 4:
  - a. For any covered loss to personal property owned by an **Insured**;
  - b. For any covered loss to personal property which has been maintained in good workable condition and is being used or stored for use by an **Insured**; and
  - c. When the damaged, destroyed or stolen property has actually been repaired or replaced by **you**.
- (2) **Our** liability for loss under Loss Settlement Clause 4 shall not exceed the smallest of the following amounts:
  - a. The limit of liability under this policy applying to the damaged, destroyed or stolen property;
  - b. The replacement cost of the property;
  - c. The amount actually and necessarily spent by **you** to repair or replace the property;
  - d. 400% of the **actual cash value** of the property.

- (3) In making claim under Loss Settlement Clause 4, **you**

#### 5. Inflation Protection

Applicable only if Loss Settlement 2 or 3 is shown in the declarations.

The limit of liability shown for Dwelling – Coverage A will be revised at each policy renewal to reflect a rate of change in construction cost indexes. Any adjustments to Dwelling – Coverage A will result in adjustments in: Auxiliary Private Structures – Coverage B, Personal Property – Coverage C and Additional Living Expense or Loss of Rent – Coverage D in accordance with applicable rules and rates.

**You** have the right to request a change in the limits of liability. **We** will not reduce the limits of liability shown in the Declarations without **your** consent.

#### 6. Loss to a Pair or Set

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

- A. repair or replace any part to restore the pair or set to its value before the loss; or
- B. pay the difference between **actual cash value** of the property before and after the loss.

#### 7. 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 or damage sustained.

#### 8. Insurance Under More Than One Policy Including Warranty or Guarantee

If there is other insurance, warranty or guarantee applying to a loss or claim, or would have applied in the absence of this policy, this insurance shall be considered excess. This policy shall not apply or contribute to the payment of any loss or claim until such other insurance, warranty or guarantee is exhausted.

**We** may permit other insurance by endorsement to this policy.

If other insurance is permitted, **we** are not liable for a greater proportion of any loss from any peril or perils than:

- A. the amount of insurance under this policy bears to the whole amount of insurance covering the property, whether collectible or not, and whether or not such other insurance covers against the additional peril or perils insured under this policy;
- B. **our** pro rata share in excess of the amount of the deductible where this policy is subject to a deductible clause.

#### 9. **Future Losses**

Any loss **we** pay under this policy does not reduce the limits of liability for future losses.

#### 10. **Glass Replacement**

Loss for breakage of glass shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

#### 11. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either one can demand that the amount of loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of the receipt of the written demand. The two appraisers shall 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 county where the **insured location** is situated to select an umpire.

The appraisers shall submit a written report of an agreement to **us**. The amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss.

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

#### 12. **Suit Against Us**

No action can be brought unless the policy provisions have been complied with and the action is started within one year of the date of loss.

However, this one year period is extended by the number of days between the date proof of loss is submitted and the date the claim is denied in whole or in part.

#### 13. **Our Option**

If **we** give **you** written notice within 30 days after **we** receive **your** signed, sworn statement of loss, **we** may take all or any part of the property at the agreed or appraised value.

#### 14. **Loss Payment**

**We** will adjust all losses with **you**. **We** will pay **you**, unless some other payee is named in the policy or proof of loss, to receive payment. Payment for loss will be made within 30 days after **we** reach agreement with **you**, entry of a final judgment, or the filing of an appraisal award with **us**.

#### 15. **Abandonment of Property**

**We** need not accept any property abandoned by any **Insured**.

#### 16. **No Benefit to Bailee**

This insurance will not, in any way, benefit any person or organization who may be caring for or handling property for a fee.

#### 17. **Intentional Loss**

If **you** or any **Insured** causes or procures a loss to property covered under this policy for the purpose of obtaining insurance benefits then this policy is void as to all **Insureds** and **we** will not pay **you** or any other **Insured** for this loss.

#### 18. **Increase of Hazard.**

**We** will not pay for loss if **you** create or know of a condition that increases the chance of loss arising from a Peril **we** insure against.

## **SECTION II – LIABILITY COVERAGE DEFINITIONS**

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. In addition, certain words and phrases are defined as follows:

- 1. **Bodily injury** means bodily harm, sickness or disease, including required care, loss of services and death that results.
- 2. **Business** includes trade, profession or occupation.
- 3. **Insured** means **you** and residents of **your** household who are:
  - A. **your** relatives;
  - B. other persons under the age of 21 and in the care of any person named above;
  - C. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by **you** or any person included in 3.A. or 3.B. above. A person or organization using or having custody of these animals or watercraft in the course of any **business** or without consent of the owner is not an **Insured**;
  - D. With respect to any vehicle to which this policy applies:

- (1) Persons while engaged in **your** employ or that of any person included in 3.A. or 3.B. above; or
- (2) Other persons using the vehicle on an **insured location** with **your** consent.

4. **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; 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 in 4.A. or 4.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 to four 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.

5. **Occurrence** means an accident, including continuous exposure to conditions, which results, during the policy period, in **bodily injury**; or **property damage**.

6. **Property damage** means physical injury to, destruction of, or loss of use of tangible property.

7. **Residence employees** means:

- A. An employee of an **Insured** 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**.

8. **Residence premises** means:

- A. The one family dwelling, other structures, and grounds; or
- B. That part of any other building;

where you reside and which is shown as the **residence premises** in the Declarations.

**Residence premises** also means a two, three or four family dwelling where **you** reside in at least one of the family units and which is shown as the **residence premises** in the Declarations.

## LIABILITY COVERAGES

### COVERAGE L – 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 the **Insured** is legally liable. Damages include prejudgment interest awarded against the **Insured**.
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 the amount **we** pay for damages resulting from the **occurrence** equals our limit of liability.

### COVERAGE M – 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**.

## EXCLUSIONS

1. **Coverage L – Personal Liability** and **Coverage M – Medical**

**Payments to Others** do not apply to **bodily injury** or **property damage**:

- A. Which is expected or intended by the **Insured**.
- B. (1) Arising out of or in connection with a **business** engaged in by an **Insured**. This exclusion 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**;
- (2) Arising out of the rental or holding for rental of any part of any premises by an **Insured**. This exclusion does not apply to the rental or holding for rental of an **insured location**:
- On an occasional basis if used only as a residence;
  - 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
  - In part, as an office, school, studio or private garage.
- C. Arising out of the rendering of or failure to render professional services.
- D. Arising out of a premises:
- owned by an **Insured**;
  - rented to an **Insured**; or
  - rented to others by an **Insured**;
- that is not an **insured location**.
- E. Arising out of:
- the ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an **Insured**;
  - the entrustment by an **Insured** of a motor vehicle or any other motorized land conveyance to any person; or
  - vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.
- This exclusion does not apply to:
- a trailer not towed by or carried on a motorized land conveyance.
  - a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
    - not owned by an **Insured**; or
    - owned by an **Insured** and on a **insured location**.
  - a motorized golf cart when used to play golf on a golf course.

- a vehicle or conveyance not subject to motor vehicle registration which is:
  - used to service an **Insured's** residence;
  - designed for assisting the handicapped; or
  - in dead storage on an **insured location**.

F. Arising out of:

- the ownership, maintenance, use, loading or unloading of a watercraft described below;
- the entrustment by an **Insured** of a watercraft described below to any person; or
- vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a watercraft described below.

Watercraft:

- with inboard or inboard-outdrive motor power owned by an **Insured**;
- with inboard or inboard-outdrive motor power of more than 50 horsepower rented to an **Insured**;
- that are sailing vessels, with or without auxiliary power, 26 feet or more in length owned by or rented to an **Insured**; or
- powered by one or more outboard motors with more than 50 total horsepower if the outboard motor is owned by an **Insured**. But, outboard motors of more than 50 total horsepower are covered for the policy period if:
  - you** acquire them prior to the policy period and:
    - you** declare them at policy inception; or
    - your** intention to insure is reported to us in writing within 45 days after you acquire the outboard motors.
  - you** acquire them during the policy period.

This exclusion does not apply while the watercraft is stored.

G. Arising out of:

- the ownership, maintenance, use, loading or unloading of an aircraft;
- the entrustment by an **Insured** of an aircraft to any person; or
- vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

- H. Caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- I. Which arises out of the transmission of disease by an insured through sexual contact.
- J. Arising out of sexual molestation, corporal punishment or physical or mental abuse.
- K. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and 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 physician.

Exclusions D., E., F., and G. 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**.

2. **Coverage L – Personal Liability** does not apply to:

- A. Liability:
  - (1) for any loss assessment charged against **you** as a member of an association, corporation or community of property owners;
  - (2) under any contract of agreement. However, this exclusion does not apply to written contracts:
    - a. that directly relate to the ownership, maintenance or use of an **insured location**; or
    - b. where the liability of others is assumed by the **Insured** prior to an **occurrence**;
 unless excluded in (1) above or elsewhere in this policy.
- B. **Property damage** to property owned by the **Insured**.
- C. **Property damage** to property rented to, occupied or used by or in the care of the **Insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion.
- D. **Bodily injury** to any person eligible to receive any benefits:
  - (1) voluntarily provided; or
  - (2) required to be provided;
 by the **Insured** under any:
  - (1) workers' compensation law;
  - (2) non-occupational disability law; or
  - (3) occupational disease law.
- E. **Bodily injury** or **property damage** for which an **Insured** under this policy:
  - (1) is also an insured under a nuclear energy liability policy; or
  - (2) would be an **Insured** under that policy but for the exhaustion of its limit of liability.
 A nuclear energy liability policy is one issued by:

- (1) American Nuclear Insurers;
  - (2) Mutual Atomic Energy Liability Underwriters;
  - (3) Nuclear Insurance Association of Canada;
- or any of their successors.

F. **Bodily injury to you** or an **Insured** within the meaning of part A. or B. of **Insured** as defined.

3. **Coverage M – Medical Payments to Others**, does not apply to **bodily injury**:

- A. to a **residence employee** if the **bodily injury**:
  - (1) occurs off the **insured location**; and
  - (2) does not arise out of or in the course of the **residence employee's** employment by an **Insured**.
- B. to any person eligible to receive benefits:
  - (1) voluntarily provided; or
  - (2) required to be provided;
 under any:
  - (1) workers' compensation law;
  - (2) non-occupational disability law; or
  - (3) occupational disease law.
- C. from any:
  - (1) nuclear reaction;
  - (2) nuclear radiation; or
  - (3) radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
  - (4) any consequence of any of these.
- D. To any person, other than a **residence employee** of an **Insured**, regularly residing of any part of the **insured location**.

## ADDITIONAL COVERAGES

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

1. **Claim Expenses**

**We** pay:

- A. expenses **we** incur and costs taxed against an **Insured** in any suit **we** defend;
- B. premiums on bonds required in a suit **we** defend, but not for bond amounts more than the limit of liability for Coverage L. **We** need not apply for or furnish any bond;
- C. reasonable expenses incurred by an **Insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting **us** in the investigation or defense of a claim or suit;

D. 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.

## 2. 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 **you** or any other **Insured**.

## 3. Damage to Property of Others

**We** will pay, at replacement cost, up to \$500 per **occurrence** for **property damage** to property of others caused by an **Insured**.

**We** will not pay for **property damage**:

- A. caused intentionally by an **Insured** who is 13 years of age or older;
- B. to property owned by an **Insured**;
- C. to property owned by or rented to a tenant of an **Insured** or a resident in your household; or
- D. arising out of
  - (1) a **business** engaged in by an **Insured**;
  - (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 or use of aircraft, watercraft or motor vehicles of all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an **Insured**.

## CONDITIONS

### 1. Limit of Liability

**Our** total liability under Coverage L for all damages resulting from any one **occurrence** will not be more than the limit of liability for Coverage L as shown in the Declarations. This limit is the same regardless of the number of **Insureds**, claims made or persons injured. 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**.

**Our** total liability under Coverage M 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 M as shown in the Declarations.

### 2. Severability of Insurance

This insurance applies separately to each **Insured**. This condition will not increase our limit of liability for any one **occurrence**.

### 3. Duties After Loss

In case of an accident or **occurrence**, the **Insured** will perform the following duties that apply. **You** will help **us** by seeing that these duties are performed:

- A. Give written notice to **us** or **our** agent as soon as is practical, which sets forth:
  - (1) the identity of the policy and **Insured**;
  - (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
  - (3) names and addresses of any claimants and witnesses;
- B. Promptly forward to **us** every notice, demand, summons or other process relating to the accident or **occurrence**;
- C. At our request, help **us**:
  - (1) to make settlement;
  - (2) to enforce any right of contribution of indemnity against any person or organization who may be liable to an **Insured**;
  - (3) with the conduct of suits and attend hearings and trials;
  - (4) to secure and give evidence and obtain the attendance of witnesses;
- D. Under the coverage – Damage to Property of Others – submit to **us** within 60 days after the damaged property, if in the **Insured's** control;
- E. the **Insured** will not, except at the **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**.

### 4. Duties of an Injured Person – Coverage M – Medical Payments to Others

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.

The injured person will submit to physical examination by a doctor of **our** choice when and as often as **we** reasonable require.

### 5. Payment of Claim – Coverage M – Medical Payments to Others

Payment under this coverage is not an admission of liability by an **Insured** or **us**.

### 6. Suit Against Us

No action can be brought against **us** unless there has been compliance with policy provisions.



No one will have the right to join **us** as a party to any action against an **Insured**. Also, no action with respect to Coverage L can be brought against **us** until the obligation of the **Insured** has been determined by final judgment or agreement signed by **us**.

7. **Bankruptcy of an Insured**

Bankruptcy or insolvency of an **Insured** will not relieve **us** of **our** obligations under this policy.

8. **Other Insurance – Coverage L – Personal Liability**

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.

9. **Subrogation**

An **Insured** may waive in writing before a loss all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**.

If an assignment is sought, an **Insured** must sign and deliver all related papers and cooperate with **us**.

Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

## GENERAL POLICY CONDITIONS

1. **Policy Period**

This policy applies to loss in Section 1, or **bodily injury** or **property damage** in Section II, which occurs during a term of one year beginning at 12:01 AM central standard time on the effective date shown in the declarations. Coverage continues for additional terms of one year, if **you** have paid the required premium on or before the anniversary date of this policy. Coverage ceases at 12:01 AM on the expiration date shown in the declarations.

2. **Liberalization Clause**

If **we** adopt any revision which would broaden the coverage under this policy, without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

3. **Concealment or Fraud**

**We** do not cover any **Insured** who has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance. If **you**, or any person meeting the definition of

**Insured**, intentionally conceal or misrepresent any material fact or circumstance relating to this insurance, the policy will be void as to all **Insured's**, including **you**.

4. **Waiver or Change of Policy Provisions**

A waiver or change of any provision of this policy must be in writing to be valid. **Our** request for an appraisal or examination shall not waive any of **our** rights.

5. **Cancellation**

A. **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.

B. **We** may cancel this policy only for the reasons stated in this condition. The cancellation notice, together with our reason for cancellation, will be mailed to **you** at **your** last mailing address known to **us**, and **we** will obtain a certificate of mailing.

(1) When **you** have not paid the premium, **we** may cancel at any time by mailing **you** at least 10 days notice of cancellation.

(2) When this policy has been in effect for less than one year and is not a renewal with **us**, **we** may cancel for any reason by mailing **you** notice at least 30 days before the date cancellation takes effect.

(3) When this policy has been in effect for one year or more, and if it is a renewal with **us**, **we** may cancel if this policy was obtained by misrepresentation or fraud or for any act which measurably increases the risk originally accepted. This can be done by mailing **you** notice at least 30 days before the date cancellation takes effect.

C. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

D. If the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal**

**We** may elect not to renew this policy, **We** may do so by mailing **you**, together with our reasons for non-renewal, 30 days advance notice, at **your** last mailing address known to **us**, of intention not to renew, and **we** will obtain a certificate of mailing.

A copy of the notice will also be sent a mortgagee or lienholder if named in this policy at the last mailing address known by **us**.

If **we** have issued insurance to the **Insured** and it has been in effect with **us** for five or more years, **we** will not exercise **our** right of nonrenewal unless:

A. the policy was obtained by misrepresentation or fraud, or

- B. the risk originally accepted has measurably increased, or
- C. the **Insured** has received sixty (60) days notice of **our** intention not to renew in the manner provided in the first paragraph.

7. **Assignment**

Assignment of this policy shall not be valid unless **we** give **our** written consent.

8. **Subrogation (Section I)**

**We** may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**. If an assignment is sought, any **Insured** shall sign and deliver all related papers and cooperate with **us** in any reasonable manner.

9. **Death**

If **you** die during the policy period, this policy, while in force, covers **your** legal representative and any person having temporary custody of the **insured location**.

10. **Mutuality of Policy**

By accepting this policy, **you** become a member of the **MENDOTA MUTUAL INSURANCE COMPANY** with all the rights and privileges as provided in the Company by-Laws in force at the time this policy takes effect or that become in force during the continuance of this policy.

If there is coverage in this policy under Section II – Liability Coverage, **you** also become a member of Rockford Mutual Insurance Company with all the rights and privileges of a member as provided in the Company By-Laws in force at the time this policy takes effect or that become in force during the continuance of this policy.

Upon cancellation or termination of this policy, **you** will cease to be a member of either Company, and **your** rights and interests in the Companies will terminate.

11. **Contingent Liability Clause**

The **MENDOTA MUTUAL INSURANCE COMPANY** is an assessable Company and each member of the Company shall be liable for any assessments levied by the Company pursuant to the Farm Mutual Insurance Company Act of 1986. Such assessments will be levied as often as may be necessary to pay actual losses and expenses of the Company. The assessments will be levied upon all members who were policyholders within a one year period preceding the date of the decision to levy the assessment. Notwithstanding the policy provision entitled “Mutuality of Policy” such contingent liability could be imposed after cancellation or termination of this policy. If an assessment is levied, each member shall be liable for his or her pro rata share of an assessment when due, shall without further notice, render the policy suspended as to the interest of the **Insured** until such payment be made, and in no case shall the Company be

liable to the **Insured** for any loss occurring during such suspension.

**ROCKFORD MUTUAL INSURANCE COMPANY** is **NON-ASSESSABLE** and the liability of each member is limited to the premium deposit on the policy issued and shall be without contingent liability.

## SEPARATION OF LIABILITY

The **MENDOTA MUTUAL INSURANCE COMPANY** assumes liability for all coverages under Section I.

**ROCKFORD MUTUAL INSURANCE COMPANY** assumes liability for all coverages under Section II.

# ANNUAL MEETING

The Annual Meeting of the **MENDOTA MUTUAL INSURANCE COMPANY** shall be held at the Home Office of the Company in Mendota, Illinois on the fourth Tuesday of January in each year at 1:30 P.M.

The Annual Meeting of the **ROCKFORD MUTUAL INSURANCE COMPANY** is held at the Home Office of the Company in Rockford, Illinois, on the fourth Thursday of April in each year at 10:00 A.M.

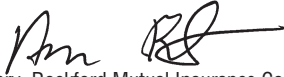
**IN WITNESS WHEREOF**, this policy is signed by the President and Secretary of the **MENDOTA MUTUAL INSURANCE COMPANY** and **ROCKFORD MUTUAL INSURANCE COMPANY** and countersigned on the attached declarations by an authorized representative of the companies

President, Mendota Mutual Insurance Company

Secretary, Mendota Mutual Insurance Company



President, Rockford Mutual Insurance Company



Secretary, Rockford Mutual Insurance Company

In compliance with Public Act 86-1407, you are hereby notified that any complaints relating to your insurance coverage may be directed to the following:

Mendota Mutual Insurance Co.  
P.O.Box 498  
1019 Main Street  
Mendota, Illinois 61342  
Phone: 815-539-3426

or

Rockford Mutual Insurance Co.  
P.O. Box 5626  
Rockford, Illinois 61125  
Toll Free: 800-747-2957

or

Public Service Division  
Department of Insurance  
320 W. Washington Street  
Springfield, Illinois 62767

Your insurance agent may be able to answer any questions and then it would not be necessary to write either of the above organizations.