

Farmers Smart Plan Condominium Declarations



Policy Number: 97038-08-04
Effective: 8/8/2022 12:01 AM
Expiration: 8/8/2023 12:01 AM
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Property Insured: 1072 Amberton Ln
 Thousand Oaks, CA 91320-3515
Underwritten By: Fire Insurance Exchange
 6301 Owensmouth Ave.
 Woodland Hills, CA 91367

Premiums

▶ **Policy Premium** **\$919.00**

*also see Information on Additional Fees below

This is not a bill.

Your bill with the amount due will be mailed separately.

Description of Property

Year of Construction	Construction Type	Number of Stories	Occupancy
1990	Frame or Any Other	1 Story	Owner Occupied (Primary Resident)

Property Coverage

Coverage	Limit	Coverage	Limit
Coverage A - Unit Owner's Building Property	\$30,000	Coverage C - Personal Property	\$40,000
Coverage D - Loss of Use	\$28,000	Contents Replacement Cost	Covered
Additional Living Expense Term	12 Months		

Liability Coverage

Coverage	Limit	Coverage	Limit
Coverage E - Personal Liability	\$500,000	Coverage F - Guest Medical	\$1,000
Personal Injury	Not Covered		
Association Loss Assessment	\$11,500		

Additional Coverage

Coverage	Limit
Building Ordinance or Law	10%

Deductible

Type of Loss	Deductible
Liability Losses	\$0
All other covered property losses	\$500

Declarations (continued)

How We Settle a Covered Loss for Property Claims

All loss settlement options, including replacement cost options, are subject to the terms, conditions and limitations stated in the policy, which includes its endorsements. Certain optional endorsements may contain their own loss settlement provisions not reflected here.

<i>Property Losses</i>	<i>Loss Settlement Terms</i>
Unit Owners Building Property (Pays up to the limit for Coverage A)	Replacement Cost
Fence	Actual Cash Value
Personal Property (Pays up to the limit for Coverage C)	Replacement Cost

Discounts Applied to Policy

<i>Discount Type</i>	<i>Discount Type</i>
Auto/Home	Claim Free

Policy and Endorsements

This section lists the policy form number and any applicable endorsements that make up your insurance contract. Any endorsements that you have purchased to extend coverage on your policy are also listed in the coverages section of this declarations document:
56-6235 1st ed.; 25-8531 10-12

Other Information

- Please contact your Farmers[®] agent for a free Farmers Friendly Review[®] so that you can ensure that your family is properly protected. Your agent can explain all of the policy discounts/credits, coverage options and our various other product offerings that may be available to you.
- Ask your Farmers[®] Agent about flood insurance.

*Information on Additional Fees

The "Fees" stated in the "Premium/Fees" section on the front apply on a per-policy, not an account basis. The following additional fees also apply:

- 1. Service Charge per installment** (In consideration of our agreement to allow you to pay in installments):
 - For Recurring Electronic Funds Transfer (EFT) and enrolled online billing (paperless): **\$0.00** (applied per account)
 - For other Recurring EFT plans: **\$5.00** (applied per account)
 - For all other payment plans: **\$7.00** (applied per account)
- 2. Late Fee: \$15.00** (applied per account)
- 3. Returned Payment Charge: \$25.00** (applied per check, electronic transaction, or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account)
- 4. Reinstatement Fee: \$12.00** (applied per policy)

If this account is for more than one policy, changes in these fees are not effective until the revised fee information is provided for each policy.

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

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READ YOUR POLICY CAREFULLY.

- This policy is a legal contract between you (the policyholder) and us (the Insurer). **It Contains Certain Exclusions.**

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Farmers Smart Plan Condominium Policy (continued)

Introduction

Property Coverage:

In Section I, this policy insures different kinds of property; however, not all property is insured. This policy will not pay for all types of loss or damage or for all causes of loss or damage to covered property. Coverage is dependent upon whether the type of loss or damage is covered, and if covered, then whether the cause of loss or damage is covered.

Settlements, including replacement cost settlements, and coverages in this policy, are subject to the limits of insurance stated herein.

If loss occurs, refer to Section I - Property Conditions, Duties After Loss.

Liability Coverage:

In Section II, this policy provides coverage for certain damages you become legally obligated to pay because of **bodily injury** or **property damage** resulting from an **occurrence**. If the Declarations show that **personal injury** coverage applies, this policy provides coverage for certain **personal injuries**. Further, the amount we will pay is subject to the limits of insurance. Coverage is also subject to certain conditions.

If a claim should be made against you, refer to Section II - Liability Conditions, Duties After Loss.

Additional Optional Coverages You May Purchase:

In Section III, this policy lists several additional optional coverages that you may purchase for an added premium. There are other additional optional coverages not listed in this section that you may also purchase as an endorsement for an added premium. When purchased, these coverages will be shown in the Declarations and they are then part of your policy.

Agreement

You agree:

1. to pay premiums when due; and
2. to comply with all applicable terms of this policy.

In return, we will insure you for the coverages and limits as shown in this policy. This policy includes the Declarations and any endorsements.

Accuracy of Information and Changed Circumstances

The Coverage A (**Unit Owner's Building Property**) **stated limit** is the most we will pay if your **unit owner's building property** sustains a loss. The actual cost to replace the **unit owner's**

building property at the time of loss may be different. We do not guarantee that the **stated limit** represents the actual cost to replace the **unit owner's building property**. You may have additional insurance as provided in Extensions of Coverage or by endorsement.

You are responsible for selecting appropriate amounts of coverage, including:

1. Coverage A (**Unit Owner's Building Property**);
2. Coverage C (Personal Property);
3. Coverage D (Loss of Use);
4. Coverage E (Personal Liability); and
5. Coverage F (Medical Payments to Others).

You agree that all information you have provided to us is accurate. We may provide you with information about your **unit owner's building property** or this insurance. You agree to cooperate in determining if all information is correct and complete. You agree to notify us within 60 days if any information is not correct or complete, or changes.

Definitions

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations and your spouse or registered domestic partner under applicable state law if a resident of the same household with you. Any domestic partner must be registered prior to the date of a loss.

- a. your spouse;
- b. your civil union partner; or
- c. your domestic partner.

Any marriage, civil union or domestic partnership must be legally entered into under local, state or federal laws of the United States and its territories or another country, prior to the date of loss.

"We," "us" and "our" refer to the insurer named in the Declarations. Also certain words and phrases are defined as follows:

1. **Actual cash value** - means the reasonable replacement cost at time of loss less deduction for depreciation.
We may depreciate all replacement costs, except we will not depreciate:
 - a. labor cost, other than the intrinsic labor costs that are included in the cost of manufactured materials or goods; and
 - b. those components of the structure that are normally not subject to repair and replacement during the useful life of the structure.
2. **Aircraft** - means :

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- a. any device used or designed for flight, including:
 - (1) an unmanned, unpowered or remotely piloted aerial device or vehicle which is deemed an **aircraft** by a federal or governmental agency, including but not limited to, a drone; or
 - (2) **aircraft** parts, accessories, or equipment.
- b. **Aircraft** does not include model, hobby or small unmanned **aircraft** not used or designed to carry people or cargo, operated strictly for recreational purposes and:
 - (1) in compliance with local, state and federal laws, rules and regulations; or
 - (2) operated by a person thirteen years of age or younger.
3. **Association** – means the membership of all **condominium unit** owners and the managing body of the **condominium unit** owners which governs and manages the **condominium development**. For purposes of this insurance, property owned by all unit owners in common will be deemed to be **association** property. **Association** does not include any management person or entity employed by the **association** to manage or maintain the **condominium development**.
4. **Annual aggregate limit** - means the total we will pay for all covered **occurrences** combined which happen in each **policy period**. This limit applies regardless of the number of such **occurrences** or loss events, or **insureds** or claimants.
5. **Bodily injury** - in Section II - Liability means physical harm to the body, including physical sickness or disease to a person other than an **insured**. This includes reasonable required care, loss of services and death that results.

Bodily injury does not include:

 - a. psychological or mental injury or effect, including, but not limited to, fear, depression, humiliation, anxiety, anguish, shock or distress, unless it arises from actual physical harm to the body of a person;
 - b. transmission or exposure of a communicable disease by any **insured** to any other person;
 - c. Acquired Immune Deficiency Syndrome (AIDS), AIDS related Complex, Human Immunodeficiency Virus (HIV);
 - d. any autoimmune disease; or
 - e. any symptom, injury, condition, effect, illness or disease related to subsections a. through d. above, or resulting from any **noxious substance**. A symptom, injury, condition, effect, illness or disease includes, but is not limited to, fatigue, insomnia, stomach aches, headaches or ulcers.
6. **Building law** – means any governmental ordinance, code, regulation, order or law which regulates repair, replacement, rebuilding, demolition, or removal of covered damage to the **condominium unit**.
7. **Building structure** - means a structure which is a building that is fully enclosed with walls and a roof. A roof or wall does not include a temporary roof or wall structure or any kind of temporary tarp, sheeting or other covering, unless it has been installed temporarily due to recent damage covered by this policy and then only for a reasonable amount of time to repair the recent damage.
8. **Business** - means any full or part-time employment, trade, profession, or occupation, or a commercial, mercantile or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular or is a secondary or supplemental source of income or is an **insured's** principal means of livelihood. Profit and profit motive are irrelevant. **Business** includes a **home share business**.

Business does not include volunteer activities for a not-for-profit organization or public agency for which no money is received other than payment of expenses. **Business** does not include incidental and infrequent personal economic activity such as a garage or yard sale or hobby. **Business** does not include any self-employed, occasional activity by a person under 18 years of age, which activity has no employees or subcontracted independent contractors and is of a type of activity normally performed by persons under 18 including, but not limited to, babysitting, lawn mowing or paper delivery.
9. **Business property** - means property related to or used for **business** or for **business** purposes.
10. **Claimed loss** – means your claim of direct physical loss or damage to property.
11. **Component parts** – mean each of the individual constituent items or parts of covered property. By way of example, for a roof, the individual **component parts** or items of the roof would include, as applicable: a truss, a rafter, a section of decking, underlayment, sheathing or drip edge, a shingle, a tile or other outer covering, a pipe jack, a vent or a skylight, and all other individual items or parts. Each of these individual items or parts would also be **component parts** of the unit owner's building property.
12. **Condominium development** – means the real property development in which the **condominium unit** is located, and which is governed by the **association**.
13. **Condominium unit** – means the unit, and garage if legally described as part of that unit, that you own exclusively and which is used principally as a private residence, at the address shown in the Declarations. For purposes of this insurance, the **condominium unit** will include those

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items exclusively owned by you as determined by the **Association's** bylaws and conditions, covenants and restrictions:

- a. finished materials of the **condominium unit's** interior walls, floors and ceiling, including but not limited to tile, wallpaper, paint, paneling, finished flooring, and any other materials constituting part of an interior finished surface; and
- b. all cabinets, countertops, doors, plaster or wallboard, windows and fixtures, including built-in **household appliances**, which are not personal property, and which are part of or are within the interior of the **condominium unit**. This excludes any utilities, components or parts within the walls such as framing, insulation, pipes, ducts, conduits or wiring unless you exclusively own those items.

The **condominium unit** does not include any part of the **building structure** in which the **condominium unit** is located, except as may be defined above as part of the **condominium unit**.

14. **Contamination** - means the actual, perceived or suspected introduction, existence, presence, proliferation or spread of any **noxious substance, nuclear substance, pathogen, fungus** or pollutant on, to, or in land, **water**, air, buildings, structures or personal property, either on or off the **residence premises**, which may harm or injure the property or its usefulness or characteristics, or which may harm or injure any person. The presence of dust or dirt, or soot, char, ash or other organic particulate matter is not **contamination**.
15. **Earthquake** - means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other natural cause.
16. **Earth movement** - means any movement of earth, including, but not limited to, any type of soil or rock, or mixture of soil and rock, or fill, regardless of magnitude. Examples of **earth movement** include, but are not limited to:
 - a. **earthquake**, landslide, mudslide, debris flow or mudflow;
 - b. collapse; vibrating, settling, cracking, shrinking, bulging, heaving, subsiding, eroding, sinking, rising, shifting, shearing, expanding, lateral movement, displacement, compacting or contracting of or any pressure by surface or subsurface earth or fill; and
 - c. volcanic activity, including eruption, explosion or lava flow.

Earth movement, except **earthquake**, includes any movement of earth whether combined with, caused by or

resulting from natural or man-made events or **water**, and whether the **water** event is man-made or naturally occurring or is sudden, abrupt and accidental or is constant, repeating, gradual, intermittent, steady or slow.

17. **Fungus or fungi** - means any part or form of **fungus, fungi**, including mold, mildew, spores, wet or dry rot, parasitic microorganisms, mycelial agent or fragment, scents, or mycotoxins. This includes any byproduct of any of the foregoing, whether germinated, whether forming a colony or infestation, whether aerosolized, and whether visible or not visible to the unaided human eye.
18. **Home share business** - means:
 - a. the:
 - (1) rental or holding for rental; or
 - (2) mutual exchange of services; of the **residence premises** for a specific period of time, in whole or in part, by any **insured** to a **home-sharing occupant** directly or through the use of a **home-sharing network platform** or rental agency; and
 - b. any other related property or services made available by any **insured** for use during such:
 - (1) rental; or
 - (2) mutual exchange of services; except those property or services provided by another party.
19. **Home-sharing network platform** - means an online-enabled application, web site or digital network that:
 - a. is used for the purpose of facilitating, for money, mutual exchange of services or other compensation, the rental of a **condominium unit**, in whole or in part; and
 - b. allows for the agreement and compensation with respect to such rental to be transacted through such online-enabled application, web site or digital network.
20. **Home-sharing occupant** - means a person, other than any **insured**, who:
 - a. has entered into an agreement for a specified period of time or arranged compensation with any **insured** directly or through a **home-sharing network platform** for a **home share business**; or
 - b. is accompanying or staying with a person described in item a. of this provision under a **home share business**.The terms resident, roomer, roommate, boarder or tenant do not include a **home-sharing occupant**.
21. **Household appliance** - means:
 - a. a common household device operated by gas or electric current. This includes, but is not limited to, an air conditioning unit, heating unit, refrigerator, dishwasher, ice maker, clothes washer, **water** heater, disposal or

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dehumidifier, and any hoses directly attached thereto;
and

- b. a **water** softener or filtration system connected to the **residence premises plumbing system**, and any hoses directly attached thereto.

Household appliance does not include furniture, waterbeds, aquariums or sump pumps. A **household appliance** is not part of the **plumbing system**.

22. **Incurred property damage** – in the Section I – Property condition of Appraisal means the verifiable, actual theft or the accidental, direct, distinct and demonstrable physical injury to or destruction of property.

23. **Insured** - means:

- a. you;
- b. permanent residents of your household who are:
 - (1) your relatives; or
 - (2) other persons under the age of 21 and in the care of any person described above in subsection a. or b. (1);
- c. a student enrolled in school full time, as defined by the school, who was a permanent resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in b.(1) above; and
- d. in Section II - Liability, **insured** also means:
 - (1) any person or organization legally responsible for animals or watercraft covered in Section II - Liability which are owned by you, or anyone included in subsection b. or c. above. Any person or organization using or having custody of these animals or watercraft in the course of any **business** or without permission of the owner is not an **insured**.
 - (2) with respect to any vehicle covered as personal property under Section I of this policy:
 - i. any person while using or maintaining the vehicle while engaged in the employment of the **insured**; or
 - ii. any other person using the vehicle on an **insured location** with an **insured's** consent.

The **association** is not an **insured**.

24. **Insured location** - means:

- a. the **residence premises**;
- b. that part of any other premises, structures and grounds you use as a private residence and:
 - (1) which is shown in the Declarations; or

- (2) which you acquire during the **policy period** for your use as a private residence;

- c. any premises you use in connection with a premises described in subsections 24.a. or 24.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 or land with minimal improvements, other than farm or ranch land, owned by or rented to an **insured** and shown in the Declarations;
 - f. land owned by or rented to you on which a one or two family dwelling is being built as your private residence;
 - g. individual or family cemetery plots or burial vaults of an **insured**; and
 - h. any part of a premises occasionally rented to an **insured** for other than **business** use, but only when it is actually rented to the **insured**.
25. **Marring** - means any disfigurement, blemish, discoloration, weathering or stretching, or the like, of or to covered property, including, but not limited to, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering or thinning, whether occurring at once or over time.
26. **Motor vehicle** -
- a. means:
 - (1) any self-propelled vehicle or any self-propelled machine, whether operable, which is designed for movement on land or on land and in **water**, including, but not limited to, any type of automobile, hovercraft or air cushion vehicle;
 - (2) parts, equipment, machinery, furnishings or accessories whether attached to or located in or upon such vehicle or machine described in subsection a. above;
 - (3) E-bicycles, gas powered bicycles and other similar items; and
 - (4) any trailer or semi-trailer which is being carried on, towed by, or hitched for towing by a vehicle or machine described in subsection a.(1) above.
 - b. The following are not considered **motor vehicles**:
 - (1) a motorized golf cart not subject to **motor vehicle** registration:
 - i. on the **residence premises**;
 - ii. while on the golf course and used for golfing purposes; or
 - iii. while in a private residential community, including its public roads upon which a motorized golf cart

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can legally travel, which is subject to the authority of a property owners **association** and contains the **condominium unit**; or

- (2) lawn, garden or farm equipment which is not designed for principal use on public roads and which is principally used in the **condominium development**;
 - (3) recreational vehicles designed principally for off-road recreational use that are only used in the **condominium development**, including, but not limited to, all-terrain vehicles;
 - (4) battery powered toys including, but not limited to, children's motorized cars ,bicycles and hover boards;
 - (5) a pedal-assist bicycle that has a motor, which provides assistance only when the rider is pedaling; or
 - (6) a motorized assisted living device designed to assist the disabled.
27. **Noxious substance** - means any hazardous, toxic, or **contaminating** solid, liquid, vaporous, gaseous or thermal substance which may cause or result in harm, destruction, damage or injury to the environment or any living thing, or to covered property, the **residence premises** or any other property, or maybe an irritant or a nuisance.

Noxious substances include, but are not limited to, asbestos, silica, radon, fumes, odors, smoke, including from tobacco products, acids, alkalis, chemicals, carbon monoxide, oil, fuel, fuel oil, gasoline, lead, lead paint, polychlorinated biphenyls (PCBs), solvents or waste, including any residuals, and any substance listed as a hazardous substance by any government agency or body. Waste includes materials which are to be or have been recycled, reconditioned or reclaimed.

Noxious substances do not include smoke or fumes from a fire, or commonly available chemicals or products in quantities normally found in a residential household used for cleaning, maintenance or other common residential purposes.

28. **Nuclear hazard** - means:
- a. a nuclear explosion, including shockwaves, and nuclear reaction and nuclear radiation;
 - b. the dispersal or spread of **nuclear substances** or nuclear radiation by any means. These include, but are not limited to, conventional explosion, fallout, or radioactive **contamination**, all whether controlled or uncontrolled or whether intended or accidental, however caused; and
 - c. the negligent, defective or improper design, construction, operation or maintenance of a nuclear

facility or any facility which uses, handles, stores or processes **nuclear substances**.

Nuclear hazard is also intended to include any other act or omission which results in a **nuclear hazard**.

29. **Nuclear substance** - means any solid, liquid, vaporous, gaseous or thermal substance contaminated by or with nuclear radiation, or which gives off harmful levels of nuclear radiation.
30. **Occurrence** - in Section II - Liability means:
- a. an accident which first occurs during the **policy period**, and which results in **bodily injury** or **property damage**. Repeated or continuous exposure to the same general harmful conditions, whether occurring during one **policy period** or occurring over more than one **policy period**, is considered to be one **occurrence**; or
 - b. the commission of an offense which is first committed during the **policy period** and which results in **personal injury**. A series of similar or related offenses, whether occurring during one **policy period** or occurring over more than one **policy period**, is considered to be one **occurrence**.
31. **Pathogen** - means any biological or microbial organism or substance which may cause or result in harm, destruction, damage, injury or disease to any living thing or to property. **Pathogens** include, but are not limited to, bacteria, bacterium, viruses, or any part or by-product of bacteria, bacterium or viruses, including bacterial or viral toxins.
32. **Personal injury** - in Section II – Liability – means injury, other than **bodily injury**, to a person other than an **insured** which occurs during the **policy period**, and which arises out of one or more of the following offenses:
- a. false arrest, detention or imprisonment;
 - b. malicious prosecution;
 - c. the wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, **condominium unit** or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. oral or written publication of material that violates a person's right of privacy.
- Personal injury does not include false arrest, wrongful imprisonment or detention in connection with or arising out of molestation, abuse or corporal punishment.

Farmers Smart Plan Condominium Policy (continued)

33. **Plumbing system** - means all **water** supply and distribution pipes, plumbing fixtures and traps, drainage and vent pipes of a **building structure** or structure, or an in-ground sprinkler system on the **residence premises**.

A **plumbing system** does not include any of the following:

- a. a bath or shower unit (not including the bath tub);
- b. a roof drainage system, including, but not limited to, gutters, drain pipes or downspouts;
- c. a sump or sump pump or sump-pump well or related equipment, pipes or connectors;
- d. any part of a drainage ditch or channel; or
- e. that part of any system designed to remove or drain **water** away from the **residence premises**, which part is not:
 - (1) within; or
 - (2) directly under the slab or foundation of;
a **building structure** on the **residence premises**.

34. **Policy period** – means the time period in the Declarations starting on the effective date and time continuing to the expiration date and time.

35. **Property damage** - in Section II - Liability – means direct, distinct and demonstrable, physical injury to, or destruction of, tangible property, including loss of use resulting from the direct, distinct and demonstrable, actual physical injury to, or destruction of, the property.

Property damage does not mean:

- a. actual, threatened, feared, constructive or alleged diminution or loss of value or equity;
- b. functional impairment or loss of use of property unless the property has sustained direct, distinct and demonstrable, physical injury or destruction; or
- c. non-economic damages.

36. **Remediate or remediation** - means to:

- a. (1) decontaminate, abate, treat, contain, isolate, remove, extract, clean, mitigate, neutralize, quarantine or detoxify;
 - (2) monitor, evaluate, detect, investigate, test or measure for;
 - (3) haul away or dispose of; or
 - (4) respond in any way to, or assess the effects of;
- any **nuclear substance, noxious substance, pathogen, fungus**, or pollutant, or any **contamination**, whether on or off the **residence premises**; or
- b. remove, restore or replace any land, **water**, air, building, structure or personal property which is threatened with

or has been affected, damaged, infested, polluted or injured by **contamination**.

37. **Residence employee** - means an employee of an **insured** who performs duties related to the ownership, maintenance or use of the **residence premises**. This includes employees who perform similar duties elsewhere for an **insured** if the duties relate to the **residence premises**. This does not include employees while performing duties related to a **business** of an **insured**.

38. **Residence premises** - means the **condominium unit**, and any structures and common property of the **condominium development** that are reserved for the sole and exclusive use of the owner of the **condominium unit** to the exclusion of any other unit owners.

39. **Separate structure** - means those structures in the **condominium development** that you solely own, including but not limited to, a fence, sidewalk, driveway, patio, built in barbeque, deck, pier, wharf, boat dock or spa in the **condominium development**, whether or not abutting or connected to the **building structure** containing the **condominium unit**. **Separate structures** do not include any property owned in common with any other unit owner(s).

40. **Stated limit(s)** - means the dollar amounts stated as coverage limits in the Declarations for the different types of coverages.

41. **Unit owner's building property** - means

- a. the **condominium unit**;
- b. building additions and alterations, installations or additions comprising a part of the **residence premises**;
- c. fixtures and appliances that are built-in or permanently affixed;
- d. real property owned solely by you which pertains solely to the **residence premises**; and
- e. **separate structures**.

42. **Vacancy or vacant** - means:

- a. no one is legally using the **condominium unit** as a principal, habitual place of abode; and
- b. a predominant amount of the personal property has been removed or is absent from the **condominium unit**.

The **condominium unit** will be considered legally used only if it is with your knowledge and approval.

If the **condominium unit** is under active construction or is being actively repaired because of damage otherwise covered by this policy, it will not be considered **vacant** even if a. and b. above apply. A **condominium unit** is under active construction when it is being erected as a new structure or when it is undergoing substantial improvements,

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renovations, remodeling or modifications and the construction results in substantial continuing activities by persons associated with the construction project within the **building structure** containing the **condominium unit** or within the **condominium unit** during the time of the loss or damage. A recently purchased **condominium unit** that is not under active construction will be deemed **vacant** beginning the date of purchase until legally occupied as a principal, habitual place of abode.

This definition will apply whether or not the **condominium unit** is in fact habitable.

43. **Vandalism or malicious mischief** - means malicious or willful intentional physical injury or damage to property.
44. **Water** - means **water** (H₂O) alone, whether in liquid, frozen, or vapor form, or any liquid, sewage or sludge which contains **water**, whether or not contaminated or combined with or containing other chemicals, particulates, microorganisms or impurities. **Water** includes, but is not limited to, rain, snow, sleet, slush, ice, dampness, vapor, condensation, moisture, steam and humidity.
45. **Water - reverse flow** - means the flow of **water** through any sewage, septic or drainage system, or a drain, drain line or drainage channel, or a sump or sump pump, or similar system designed to drain or pump **water** away from the premises, when the flow of **water** is in the opposite or reverse direction from that which the system, drain line, channel, sump or pump was designed to drain or pump. A stoppage within any of the foregoing which is within the **building structure** containing the **condominium unit**, with a resulting overflow of **water** is a backup and is not a **water-reverse flow**.

Section I - Property

Section I – Property Coverage

Section I - Loss or Damage Insured

Coverage A (**Unit Owner's Building Property**) and Coverage C (Personal Property)

We insure accidental direct physical loss or damage to that property described in **Section I - Types of Property Insured**. Loss or damage means theft of or distinct and demonstrable, actual physical injury to, or destruction of, the property. Loss or damage does not include functional impairment or the loss of use of property unless the property has been stolen or has sustained distinct and demonstrable, actual physical injury or destruction. Loss or damage does not include:

1. functional impairment;

2. economic obsolescence;
3. the loss of use of property unless the property was stolen or sustained accidental, direct, distinct and demonstrable, physical injury or destruction;
4. any actual or perceived decrease in the market value;
5. any reduction in serviceability of property; or
6. any sentimental value, however measured or determined.

Loss or damage to property consists of certain types of loss or damage. This policy does not insure covered property for the types of loss or damage described in **Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage**.

Loss or damage to property is caused by perils (causes of loss or damage). This policy does not insure loss or damage to covered property directly or indirectly caused by, arising out of or resulting from the excluded causes of loss or damage set forth in **Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage**, whether the excluded cause of loss or damage occurs on or away from the **residence premises**.

We do not provide Loss of Use or any Extensions of Coverage for any uninsured type of loss or damage or any excluded cause of loss or damage, unless specifically provided otherwise.

Section I - Types of Property Insured

Coverage A (Unit Owner's Building Property)

We insure the following as Coverage A (**Unit Owner's Building Property**):

1. that property defined as **unit owner's building property**; and
2. materials and supplies owned by you on or adjacent to the **residence premises** for use in construction of the **condominium unit**.

We do not insure:

1. land or the value of land, including land on which your **condominium unit** or the **condominium development** is located. We do not cover the cost to restore, replace, repair or rebuild land. If covered loss or damage occurs to your **condominium unit** and to the land on which the **condominium unit** or **condominium development** is located, we do not cover any increased cost to repair or replace the **condominium unit** because of damage to the land. Land includes, but is not limited to, trees, shrubs, plants and lawns on land. However, we do provide limited coverage for trees, shrubs, plants and lawns in Section I -Extensions of Coverage, Trees, Shrubs, Plants and Lawns;

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- any type of warranty, service or maintenance contract covering property;
- separate structures** which are intended for use in **business** or which are actually used in whole or in part for **business** purposes by an **insured** or any other person, including the storage of **business property**;
- separate structures** rented or held for rental to any person not a tenant of the **condominium unit**, unless used solely as a private garage;
- any type of assessment, including **association** assessments, except as provided elsewhere in this policy;
- property owned by the **association**, unless otherwise described as part of the **condominium unit**; or
- an **insured's** individual interest in any **association** common property, except as provided elsewhere in this policy.

Coverage C (Personal Property)

We insure personal property owned or used by an **insured** anywhere in the world. At your request after a loss, we will also insure personal property:

- owned by others while the property is in the **condominium unit**, or on any part of the **residence premises**, if the **condominium unit** is occupied by an **insured**. However, property of tenants, roommates, roomers, live-ins, boarders or **home-sharing occupants** not related to an **insured** is not covered; and
- owned by and in the control of a **residence employee** while in the service of an **insured** anywhere in the world.

We do not insure:

- any type of assessment, including **association** assessments, except as provided elsewhere in this policy; or
- property owned by the **association** or an **insured's** individual interest in any **association** common property, except as provided elsewhere in this policy.

Special Limits on Certain Personal Property

Special limits of insurance apply to certain types of personal property. The limits shown below do not increase the Coverage C **stated limit**. The limit for each numbered group is the total limit for any one loss event for all property in that group. The lowest applicable special limit shall apply to personal property that falls into more than one group.

- The noted special limits apply to loss or damage from any covered cause of loss to the types of property that follow:

- Property Usually Located at an Insured's Residence Other than the Residence Premises.**
10% of the Coverage C **stated limit** on personal property which is usually located at an **insured's** residence other than the **residence premises**. This includes property of a student **insured** while away at school. This is an aggregate limit which applies to all personal property usually located at an **insured's** other residence, even if the property is also subject to one or more of the following specific special limits that follow. This limit does not apply to personal property in a newly acquired principal residence for the first 45 days after the **insured** begins moving to the new residence.
- Business Property.**
Coverage for loss or damage to **business property**, is limited to:
 - \$2,500 limit while on the **residence premises**; and
 - \$500 limit while away from the **residence premises**.
- Money, Currency, Gift Certificates and Cards, Scrip and Metals.**
\$250 limit on money; cashiers checks; currency, or any type of currency proxy, like bitcoin or crypto-currency; gift certificates or cards, stored value cards, scrip, smart cards or any card used as money (other than bank issued credit or debit cards); bank notes; medals; coins; bullion; and platinum, gold and silver and other precious metals (other than gold ware, silverware, platinum ware or pewter ware). This includes collections of all such property.
- Securities, Deeds, Valuable Papers, Personal Records and Stamps.**
\$1,000 limit on securities; deeds; evidences of debt; letters of credit; notes other than bank notes; legal documents and other valuable papers; personal records including, but not limited to, photographs, videos, financial and health records; manuscripts; passports; tickets; and stamps and stamp collections. This limit includes the costs to research, replace or restore the information from the lost or damaged material.
- Cards and Comic Books.**
\$200 limit per trading or collectible card or comic book and \$1,500 total limit on all cards or comic books. This includes sports cards, game cards and trading cards of any kind.
- Watercraft and Windsurfers.**
\$1,500 limit on watercraft and windsurfers. This includes their trailers, furnishings, equipment and outboard motors, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.

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- g. **Trailers.**
\$1,200 limit on trailers, including recreational trailers, not used with watercraft or windsurfers, which are not being carried on, towed by or hitched for towing by a **motor vehicle**.
 - h. **Motor Vehicle Parts.**
\$2,000 limit on **motor vehicle** parts, equipment, machinery, furnishings or accessories not attached to or located in or upon any **motor vehicle**.
 - i. **Portable Electronic Equipment – Off Premises.**
\$5,000 limit on computers, electronic data processing equipment; personal electronics entertainment equipment; communication equipment; accessories; electronic media or recording or storage media and its data, whether or not it is **business property**, when it is off the **residence premises**. Such property that cannot be replaced with other property of like kind and quality on the current retail market is not covered.
2. The noted special limits apply to loss or damage caused by theft to the types of property that follow:
- a. **Jewelry, Watches, Precious and Semi-precious Stones, and Furs.**
\$1,000 limit on any one article and \$2,500 total limit on theft of jewelry; costume jewelry; watches including smartwatches; precious and semi-precious stones; and furs, including articles for which fur represents the principal value. This applies even if such items are considered art or used as decoration.
 - b. **Firearms.**
\$2,500 limit on theft of firearms. This includes:
(1) their scopes or mounts whether attached or not; and
(2) all other firearm related equipment and ammunition.
 - c. **Silverware, Gold Ware, Platinum Ware and Pewter Ware.**
\$2,500 limit on theft of silverware; gold ware; platinum ware; and pewter ware. This includes articles for which any such metal represents the principal value.
 - d. **Imported Rugs, Carpets and Tapestries.**
\$5,000 limit on theft of imported rugs, carpets and tapestries. This applies even if such items are art or decoration. Imported means made or manufactured in whole or in part outside of the United States.
- Section I - Types of Personal Property Not Insured**
- We do not insure:
- 1. personal property separately described and specifically insured in this or any other policy;
 - 2. any type of warranty, service or maintenance contract covering property;
 - 3. any animals or creatures. This includes, but is not limited to, mammals, birds, fish, reptiles, insects and spiders, except as provided in Section I – Extensions of Coverage;
 - 4. watercraft and windsurfers, including their trailers, furnishings, equipment and outboard motors, all while being carried on, towed by or hitched for towing by a **motor vehicle**. This only applies to loss or damage caused:
 - a. while that **motor vehicle** is in motion; or
 - b. by another **motor vehicle** that is in motion;
 - 5. trailers while being carried on, towed by or hitched for towing by a **motor vehicle**;
 - 6. **motor vehicles**;
 - 7. any sound, video, mapping, tracking or communications equipment or device or system designed:
 - a. for reproducing, detecting, receiving, transmitting, recording or playing data, signals, maps, location, sound, videos or pictures; and
 - b. only to be operated from the electrical system of any **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer while such equipment, device or system is in, on, or installed in a **motor vehicle**, motorized land conveyance, watercraft, camper or home trailer. This equipment includes, but is not limited to: any kind of mobile telephone; radio transceivers or transmitters; scanning monitor receivers; radar or laser detectors; car radio receivers; tape or disc players or recorders; or global positioning system devices. It also includes any accessories, antennas, tapes, discs, software, reels, cassettes, cartridges, carry cases or other devices used with such equipment, device or system;
 - 8. **aircraft** or self-propelled missiles;
 - 9. property located in or on that part of the **residence premises** which is regularly rented or held for rental to others;
 - 10. property of an **insured** which is rented or is available for rent to others when it is away from the **residence premises**;
 - 11. property of tenants, roommates, roomers, live-ins, boarders or **home-sharing occupants** not related to an **insured**;
 - 12. property of:
 - a. a **home-sharing occupant**; or
 - b. any other person occupying the **residence premises** as a result of any **home share business**;
 - 13. **water**, electricity or gas;
 - 14. marijuana, except as provided in the Section I - Extensions of Coverage, or any property which is illegal for an **insured** to possess under federal or state law; or

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15. intangible personal property.

Coverage D - Loss of Use

The **stated limit** for Loss of Use is the total limit for all Additional Living Expense, Loss of Rents and Prohibited Use coverages for any one loss event.

1. Additional Living Expense.

If covered accidental direct, distinct and demonstrable, physical loss or damage to the **condominium unit** makes that part of the **condominium unit** where you reside uninhabitable by you, or if accidental direct, distinct and demonstrable, physical loss or damage to the building containing the covered property, makes the **condominium unit** uninhabitable by you, we will reimburse you for the actual, reasonable and necessary increase in living expense incurred by you. This coverage is for you and any other **insureds** in your household to maintain the normal standard of living you had at the time of the loss event. Reimbursement for additional living expense will be for the shortest time reasonably needed to:

- a. repair or replace the loss or damage to the **condominium unit** or the building in which the **condominium unit** is contained; or
 - b. permanently relocate;
- but in no event for more than the time period shown in the Declarations.

If a covered loss or damage is related to an event for which a "state of emergency" as defined in Section 8558 of the California Government Code has been declared, coverage for additional living expenses shall be for a period of no less than 24 months from the inception of the loss. We shall grant an extension of up to 12 additional months, for a total of 36 months, if you acting in good faith and with reasonable diligence encounter a delay or delays in the reconstruction process that are the result of circumstances beyond your control. Circumstances beyond your control include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work. Additional extensions of six months shall be provided to you for good cause.

Additional living expense that raises your standard of living will not be reimbursed. Upon our request, you must provide receipts for expenses incurred. Additional living expense will be paid for only one household, regardless of the number of named insureds.

2. Loss of Rents.

If covered accidental, direct, distinct and demonstrable, physical loss or damage to covered property makes that part of the **condominium unit** rented to others or held for rental by you uninhabitable, we cover your actual loss of rents less any expense that does not continue during the loss period. We pay for the shortest time needed to repair or replace the damaged property, but in no event for more than 12 months. Loss of rents due to cancellation of a lease or agreement is not covered. This coverage only applies if the use of the part rented is for private residential living purposes. We do not cover any Loss of Rents for a **home share business**.

3. Prohibited Use.

We provide Additional Living Expense or Loss of Rents as described above for no more than two weeks if a civil authority prohibits you from use of the **condominium unit** or of the **building structure** in which the **condominium unit** is contained because of accidental, direct, distinct and demonstrable, physical damage to a neighboring premises or another unit in the **building structure**, which damage would have been covered by this policy if the damage had occurred to the **condominium unit**. Prohibited Use coverage does not apply to threatened damage or only because of area wide utility outage. For this coverage to apply the **condominium unit** must otherwise be habitable or fit to live in. We do not cover Prohibited Use for a **home share business**.

The time periods in subsections 1., 2. and 3. above are not limited by cancellation, expiration, renewal or non-renewal of this policy. No deductible applies to subsections 1., 2. and 3. above.

Section I - Extensions of Coverage

We will insure you for the Extensions of Coverage as described below, except as otherwise shown in the Declarations. Unless otherwise expressly stated, the following Extensions of Coverage are subject to all the policy terms, exclusions, deductibles, and conditions, including without limitation the terms and limitations of any uninsured loss or damage or excluded cause of loss or damage set forth in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage and in any other Extension of Coverage.

1. Limited Water Coverage.

- a. We provide limited coverage for accidental direct, distinct and demonstrable, physical **water** damage of covered property from direct contact with **water**, but only if the **water** results from:
 - (1) the melting of a build-up of ice on portions of the roof or roof gutters on a **building structure**.

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- (2) hail, rain, snow, or sleet entering through an opening in the roof or wall of a **building structure**, and only if the opening is first caused by damage from the direct force of the following:
- fire;
 - lightning;
 - explosion resulting from combustion (other than nuclear explosion);
 - riot or civil commotion;
 - aircraft** or vehicles;
 - vandalism or malicious mischief**;
 - collapse of a **building structure** or structural part of the **building structure**;
 - falling objects;
 - windstorm;
 - hail; or
 - theft or attempted theft.
- (3) the freezing of and a discharge, leakage or release of **water** as a result of the freezing from a **plumbing system**, heating, air-conditioning or automatic fire protection system or a **household appliance**. We only cover the **water** damage from freezing if you, or any delegee, have used reasonable care to:
- maintain heat in the **condominium unit** or heated **separate structure** owned solely by you; or
 - shut off the water supply and drain the **plumbing system**, other system or **household appliance** of **water**.
- Under this subsection (3) we will cover loss or damage from freezing to the covered heating, air conditioning or automatic fire protection system, or **plumbing system**, except for an exterior sprinkler system, or a **household appliance** from which the **water** discharged, erupted, released or overflowed. Heat turned off is not reasonable care unless you have complied with subsection a.(3)ii.
- (4) a sudden, abrupt and accidental discharge, eruption, overflow or release of **water**, other than a **water - reverse flow**, from within any portion of:
- a **plumbing system**;
 - a heating or air conditioning system;
 - an automatic fire protection system; or
 - a **household appliance**;

- provided the discharge, eruption, overflow or release of **water** is not directly or indirectly caused by, or arises out of or results from flood, including debris flow and mud flow, from any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind.
- b. The limited coverage for **water** damage described in subsection a.(4) above applies even if the sudden, abrupt and accidental discharge, eruption, overflow or release of **water** is caused by the following Section I – part B. Excluded Causes of Loss or Damage:
- Faulty, Inadequate, Defective or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture or Construction;
 - Inherent Vice or Latent Defect;
 - Wear and Tear, Deterioration or Mechanical Breakdown;
 - Corrosion, Deterioration, Decay or Rust;
 - Power Interruption;
 - Pests or Animals;
 - Pressure by Trees, Shrubs, Plants or Lawns; or
- by the Collapse of **Building Structure** or Structural Part of the **Building Structure** Extension of Coverage. All the foregoing in a. or b. must either occur on or be on the **residence premises**, unless the damage is to covered personal property which is off the **residence premises** when damaged. For purposes of this provision only, this coverage will include a sudden, abrupt and accidental discharge, eruption, overflow or release of **water** from a **plumbing system** within a **building structure** where the **residence premises** is located.
- c. A sudden, abrupt and accidental discharge, eruption, overflow or release of **water** does not include a constant or repeating gradual or slow release of **water**, or the infiltration or presence of **water** over a period of time, regardless of the volume of **water** involved. We do not cover any **water**, or the presence of **water**, over a period of time from any constant or repeating gradual or slow, seepage, leakage, trickle, collection, spray or mist, infiltration or overflow of **water** from any source, even if from the usage of those items described in subsection a.(4) above, whether known or unknown to any **insured**.
- d. If **water** damage covered in subsection a.(4) above occurs on the **residence premises** to the **condominium unit** or to a **building structure** that you solely own,

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- and is part of Coverage A (**Unit Owner's Building Property**), we will pay the reasonable cost of tearing out and replacing that part of the **condominium unit** or the **building structure** actually necessary for you to gain access and repair only that specific part of the system or **household appliance** from which the **water** suddenly, abruptly and accidentally discharged, erupted, overflowed or was released. Any costs incurred under this subsection are subject to the Coverage A **stated limit**.
- e. In subsection a.(4) above, we do not cover loss or damage to any system or **household appliance** from which the **water** discharged, erupted, released or overflowed.
- f. We do not cover any loss or damage caused by or which consists of or is composed of or which is the movement, settling, cracking, bulging, shrinking, heaving, erosion, washing out or expanding of a foundation; slab; concrete floor, concrete pad or sidewalk or patio, or the like; or any wall, including foundation or retaining wall, foundation fill, or pavement.
- g. This is not additional insurance. All loss, damage or expense in this Extension of Coverage is subject to the applicable Coverage A or C **stated limit** or any other limit of insurance.
- h. **Water** damage under subsection a.(4) will include any **contamination** damage from any **contaminant** in the **water** when it exited the system or **household appliance**, except **fungi**.
2. **Building Ordinance or Law.**
- a. If the Declarations show that Building Ordinance or Law coverage applies, then we will pay for the increased costs that you actually and necessarily incur when you repair, replace, rebuild, demolish or remove, hereinafter "repair", covered damage to the property insured by **unit owner's building property** because of or resulting from the enforcement of any **building law**. If this coverage applies, then we will pay up to the percentage shown in the Declarations of the applicable Coverage A (**Unit Owner's Building Property**) **stated limit**. The **building law** must:
- (1) be adopted by the local government in which the **unit owner's building property** is located;
 - (2) be in force on the date of loss or damage; and
 - (3) directly apply to the part of the **unit owner's building property** which sustained the covered damage.
- b. Enforcement of the **building law** must directly apply to the "repair" of:
- (1) that specific part of the **unit owner's building property** that has sustained the covered damage; or
 - (2) a covered but undamaged part of the **unit owner's building property** which is "physically necessary" in the course of repairs to complete the "repair" of that part of the **unit owner's building property** which has sustained the covered damage. "Physically necessary" does not include where a **building law** does not directly apply to the covered damage, but a governmental authority will not approve or permit "repair" of the covered damage unless you or anyone acting on your behalf also complies with that **building law**.
- c. We do not cover:
- (1) the actual or perceived loss in value to the **unit owner's building property** due to the requirements of any **building law**;
 - (2) the cost to "repair", stabilize or otherwise restore land;
 - (3) the costs to comply with any **building law** which requires an **insured** or others to **remediate** the **unit owner's building property** or a part thereof;
 - (4) the increased cost to "repair" if the **unit owner's building property** is not intended for the same type of occupancy as the pre-loss event **unit owner's building property**;
 - (5) the increased cost to "repair" the **unit owner's building property** until it is actually "repaired";
 - (6) those increased costs of construction, renovation or repair that are a result of your failure to timely undertake repairs or rebuilding of damage;
 - (7) the costs of demolition if you should fail to reasonably mitigate or "repair" loss or damage and as a result the **unit owner's building property** then becomes subject to demolition;
 - (8) those costs of complying with any **building law** that you were required to comply with before the covered loss or damage, even if the **building law** was not actually being enforced, and which **building law** you failed to comply with;
 - (9) those costs of complying with any **building law** that regulates the zoning or use of the **unit owner's building property**;
 - (10) those costs to "repair" property owned by the **association**, except as provided in Section II – Liability Extensions of Coverage, Association Loss Assessment Coverage; or
 - (11) those costs of conforming, correcting or remedying any original or subsequent construction, addition,

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modification, renovation or "repair" to a building or other structure which did not conform to a **building law** in effect when the construction, modification, renovation or "repair" or replace was performed.

- d. If you should rebuild or replace the **unit owner's building property** at another location, then we will only pay in this Extension of Coverage the increased costs that you would have incurred to "repair" the **unit owner's building property** at the same location.
- e. The decision of whether or not a **building law** applies will be reviewable by a court.
- f. This coverage does not cover loss or damage from any loss event if covered under Section II - Extensions of Coverage, Association Loss Assessment Coverage.
- g. This is additional insurance.

3. Debris Removal.

We will reimburse you for the reasonable and necessary expenses you incur to remove debris caused by or resulting from covered loss or damage.

If the amount of loss or damage, including reimbursable debris removal expense, exceeds the applicable Coverage A or C **stated limit** for the type of damaged property, we will reimburse you up to an additional 5% of the applicable **stated limit** for the excess reimbursable debris removal expense you have incurred. This is additional insurance. No deductible applies.

Debris removal does not include, and we will not reimburse, any expenses incurred by you or anyone acting on your behalf to:

- a. **remediate any contamination**; or
- b. remove, restore or replace any **contaminated land, water**, air, buildings, structures or personal property, either on or off the **residence premises**.

This Extension of Coverage does not apply to the removal of any tree, shrub, plant or lawn, unless the tree, shrub, plant or lawn first damaged covered Coverage A property. Then the removal of the tree, shrub, plant or lawn will be included in this Debris Removal Extension of Coverage.

4. Trees, Shrubs, Plants and Lawns.

We will cover trees, shrubs, plants and lawns solely owned by you and located on the **residence premises** for accidental, direct, physical loss or damage resulting from the following perils:

- a. fire or lightning;
- b. explosion resulting from combustion;
- c. riot or civil commotion;

- d. **aircraft**, not owned or operated by any **insured**;
- e. vehicles, not owned or operated by any **insured**;
- f. **vandalism or malicious mischief**; or
- g. theft.

Property grown for **business** purposes, marijuana, or property which is illegal to possess under federal or state law is not covered.

The limit for this Extension of Coverage, including any necessary debris removal of any trees, shrubs, plants or lawns, for any one loss event will not exceed 5% of the Coverage A **stated limit**. No more than \$500 will be paid for any one tree, shrub or plant, including necessary debris removal. This coverage is additional insurance.

Except as provided therein, debris removal for trees, shrubs, plants and lawns is not covered in Section I – Extensions of Coverage, Debris Removal.

5. Fire Department Service Charge.

We will pay up to \$500 for fire department charges incurred when the fire department is called to save or protect covered property from covered loss or damage.

This is additional insurance. No deductible applies.

6. Emergency Removal of Property.

We pay for damage from any cause to covered property:

- a. while being removed from a premises actually and imminently endangered by a peril not otherwise excluded in this policy; and
- b. while being removed for not more than 30 days from the date of removal.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage C **stated limit** or any Special Limits on Certain Personal Property.

7. Food Spoilage.

We will pay for the cost of loss or damage to personal property in a refrigerator or freezer on the **residence premises** which thaws or spoils due to interruption of electrical utility service. The interruption must originate away from the **condominium unit**. This is not additional insurance. We will pay up to a \$500 limit. This coverage has a \$50 deductible. The policy deductible does not apply. It is subject to the Coverage C **stated limit**.

8. Identity Fraud

- a. Identity Fraud Indemnity Coverage. We will pay up to \$1,500 for loss sustained by an **insured** caused by any of the following:

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- (1) a knowing transfer or use, without authority, of the identity of, or a means of identification of, an **insured** to obtain goods, services or other benefits from an innocent third party. The transfer or use must be with intent to commit, or to aid or abet, unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law;
- (2) theft or unauthorized use of a credit, debit or fund transfer card issued to that **insured**;
- (3) forgery or alteration of a check or other negotiable instrument made or drawn upon an **insured's** account; or
- (4) acceptance in good faith by an **insured** of counterfeit United States or Canadian paper money.

No deductible applies to this subsection a. Any loss payable in this subsection a. will be reduced by any amount we pay in any other coverage of this policy for the same loss event.

- b. Identity Fraud Expense Coverage. If the Declarations show Identity Fraud Expense Coverage as part of Identity Fraud Coverage, then we will reimburse up to the **stated limit** for Identity Fraud Expense Coverage for the costs and expenses identified below. For this Extension of Coverage to apply:

- (1) the costs or expenses must be the direct result of an act described in subsection a. which first commences during the **policy period**;
- (2) the act described in subsection a. must be reported to us within 90 days after the date of discovery; and
- (3) the costs or expenses must be incurred within 12 months after the date of discovery.

Reimbursable costs and expenses are:

- (1) costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors, credit agencies or card issuers that have required that such affidavits be notarized;
- (2) costs for certified mail to law enforcement agencies, credit bureaus, financial institutions or similar credit grantors or card issuers;
- (3) lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies, card issuers and/or legal counsel, or to complete fraud affidavits, or to attend legal proceedings, up to a maximum payment of \$250 per day for a maximum of ten days;
- (4) loan application fees for re-applying for a loan(s) when the original application is rejected solely

because the lender received incorrect credit information;

- (5) reasonable attorney fees incurred for:
 - i. defense of lawsuits brought against that **insured** by merchants, card issuers or their collection agencies;
 - ii. the removal of any criminal or civil judgments wrongly entered against that **insured**; and
 - iii. challenging the accuracy or completeness of any information in a consumer credit report; and
 - (6) charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit bureaus, or card issuers to report or discuss any of the subsection a. loss events.
- c. The additional duties of the **insured** after loss are to:
- (1) cooperate in the investigation of the covered event and provide receipts, bills or other records that support the **insured's** claim for reimbursement under this Extension of Coverage; and
 - (2) immediately notify the police and, if applicable, the issuer of the card, credit bureau, credit reporting agency, or credit grantor. Failure to comply with the terms and conditions of the reporting requirements of the grantor of credit will void coverage for any further loss after such failure.
- We will reimburse any costs or expenses incurred in fulfilling these duties, up to a total amount of \$500.
- d. Any act, or series of acts, committed by any person(s), or in which any person(s) is involved or implicated, is considered to be one loss event, even if a series of acts continues into subsequent **policy periods**.
- e. We do not cover loss or expense:
- (1) arising from or in connection with any **business** engaged in by any **insured**;
 - (2) arising from any fraudulent, dishonest or criminal act by an **insured**, any person acting in concert with an **insured**, any authorized representative of an **insured**, or any **residence employee**, regardless of whether any of these act alone or in collusion with others;
 - (3) arising out of use of any card, identification or information by a resident of the **residence premises** or a relative of the **insured** which enables any of the activities in subsection a. above;
 - (4) if an **insured** has not complied with all terms and conditions by which any card is issued; or
 - (5) resulting from any use of a credit card or other credit information of an **insured** by persons or entities

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to whom the account information has been made available by an **insured** for the purchase of goods, services, money or property, and the **insured** is disputing the transaction for any reason whatsoever, including, but not limited to, disputes over the quality or amount of goods, services, money or property provided or authorized.

Regardless of the number of **insureds** or loss events, our total aggregate limit of insurance in this Extension of Coverage for loss, costs and expense for any **policy period** is the Identity Fraud **stated limit** shown in the Declarations. The policy deductible does not apply.

9. **Collapse of Building Structure or Structural Part of the Building Structure.**

We cover loss or damage to covered property caused by collapse of a **building structure** or any structural part of the **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**. The collapse must be a direct result of:

- a. weight of ice, snow, sleet or rain which collects on a roof;
- b. weight of persons, animals, personal property or equipment; or
- c. defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

The collapse must be a sudden, abrupt and accidental, actual and complete falling down of the **building structure** or of a structural part of the **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**. A structural part of a **building structure** means a part of the **building structure**, which if it fell down, would threaten the structural integrity of the **building structure**. Substantial impairment of a **building structure** or structural part of a **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**, without a sudden, abrupt and accidental, actual and complete falling down is not a collapse. Collapse does not mean imminent or threatened collapse. Collapse does not include bending, sagging, bowing, leaning, movement, settling, cracking, bulging, shrinkage, heaving or expansion, whether natural or otherwise, of the **building structure** or a structural part of the **building structure**, or of a patio cover, carport cover, deck or the like attached to the exterior of the **building structure**, unless an actual and complete falling down has occurred. This Collapse Extension of Coverage does

not apply to **separate structures** which are not **building structures**.

For purposes of this Extension of Coverage only, a **building structure** means a structure fully covered by a roof.

This is not additional insurance. All loss or damage in this Extension of Coverage is subject to the applicable Coverage A or C **stated limit** or any Special Limits on Certain Personal Property.

10. **Arson, Burglary or Vandalism or Malicious Mischief Reward.**

We will pay up to the amount specified below for information which leads to an arson, burglary or **vandalism or malicious mischief** conviction in connection with loss or damage to property covered by this policy:

- a. \$5,000 limit for arson;
- b. \$1,000 limit for burglary; and
- c. \$500 limit for **vandalism or malicious mischief**.

In no event will the amount of the reward exceed the total amount of the loss or damage. We will pay no more than the highest applicable limit for any one loss event. No limit shall be increased, regardless of the number of persons providing information for that loss, the number of claims being made for that loss or the fact that the loss may involve loss or damage to property under Coverages A and C.

No deductible applies. This is additional insurance.

11. **Lock Re-keying.**

We will reimburse you up to \$500 for expense you incur to re-key, replace, re-code, program, or reprogram locks on exterior doors of the **condominium unit**, when the keys or remote devices used with those doors are part of a covered loss and these exterior doors are for your exclusive use.

No deductible applies. This is additional insurance.

12. **Pet Coverage.**

We will pay reasonable amounts up to \$500 for the veterinary care, burial, disposal, injury or death of household pets owned or kept by you that are injured or die resulting from any covered loss in Section I – Property Coverage that occurs on the **residence premises**. Settlement will be based on the monetary value of the household pets up to a maximum of \$500 in the aggregate for all pets in any covered loss event under Section I – Property Coverage.

For the purposes of this Extension of Coverage only, a household pet is a fully domesticated animal owned by you for personal companionship, such as a dog, a cat, a reptile, a bird or a rodent. Household pet does not include:

- a. any type of horse, cow, pig, sheep, goat, chicken, turkey, rooster; or

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- b. captive fur-bearing animal, or any animal commonly kept for food or profit.

This is not additional insurance; it is subject to the Coverage C **stated limit**.

13. **Marijuana.**

We will pay up to a total of \$300 for marijuana per loss event if it is legal in the state. This is for marijuana in any form.

14. **Property Owned by the Association.**

- a. We will pay for accidental, direct, distinct and demonstrable, physical loss or damage to property owned by the **association**, if the type of damage is a damage which would be covered in this policy and the damage is caused by a peril not otherwise excluded in this policy, and the property exclusively services only the **residence premises** or is reserved for your sole and exclusive use. This coverage only applies to Section I of this policy.
- b. This coverage is limited to the lesser of the following amounts for any one loss event:
 - (1) the Homeowners Association's policy deductible; or
 - (2) \$10,000.
- c. This coverage does not cover loss or damage from any loss event if covered in Section II – Extensions of Coverage, Association Loss Assessment Coverage or if covered in Section II – Liability Coverage. If covered by both Section II – Liability Coverage and by this Association Loss Assessment Coverage extension of coverage, then the loss or damage will be paid by this Association Loss Assessment Coverage extension of coverage.
- d. The Condo policy's deductible applies to this coverage.
- e. This is additional insurance.

Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or Damage

A. Uninsured Types of Loss or Damage.

We do not insure property covered by this policy, provide Loss of Use coverage or extend coverage in any Extensions of Coverage, for any loss or damage consisting or composed of any of the uninsured types of loss or damage listed below, whether on or off the **residence premises**, however caused, whether the loss or damage occurred immediately or over time, or is the result of, a natural or man-made activity, condition or event, except as may be stated otherwise.

Uninsured types of loss or damage are never covered regardless of whether any acts, omissions or decisions of any persons, group, organization, association or governmental

body or any other cause of loss or event contributes concurrently or in any combination or sequence to cause the uninsured type of loss or damage, except as may be stated otherwise.

Uninsured types of loss or damage can occur in combination with insured loss or damage. If any uninsured type of loss or damage does occur in combination with or in sequence to insured loss or damage, the uninsured type of loss or damage is not covered. If the insured loss or damage and uninsured loss or damage cannot be physically segregated from each other for any reason, including, but not limited to, what perils caused the loss or damage or the extent or timing of the loss or damage caused by individual perils, then none of the loss or damage will be insured by this policy.

1. Water Damage.

We do not insure loss or damage which consists of, is composed of or which is **water** damage, except as covered under Section I – Extensions of Coverage, Limited Water Coverage or unless if caused by fire or lightning.

2. Nuclear Damage.

We do not insure loss or damage which consists of or is composed of or which is nuclear radiation. Further, we do not cover any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of nuclear damage.

3. Construction Defect.

We do not insure loss or damage which is a construction defect on the **residence premises**, except as covered under Section I – Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure or unless if by fire or lightning.

4. Inherent Vice or Latent Defect.

We do not insure loss or damage which is an inherent vice or latent defect in covered property.

5. Contamination.

We do not insure loss or damage which consists of, is composed of or which is **contamination** except as provided in Section I – Extensions of Coverage, Limited Water Coverage, or unless if by fire or lightning. Nuclear **contamination** is not insured, even if caused by fire or lightning. Further, we do not cover any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of any **contamination** or

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of any **nuclear substance, noxious substance, fungi, pathogen** or pollutants.

6. **Breakage, Impairment, Corruption or Failure of Personal Property.**

We do not insure loss or damage which is the breakage, impairment, corruption or failure of personal property, including any electronic or mechanical part of the personal property, except as provided in item 15.

7. **Wear and Tear, Deterioration or Mechanical Breakdown.**

We do not insure loss or damage which is wear and tear, deterioration or mechanical breakdown, unless if by fire or lightning.

8. **Marring.**

We do not insure loss or damage which is **marring** of covered property except as provided in item 15.

9. **Corrosion, Deterioration, Decay or Rust.**

We do not insure loss or damage which consists of, is composed of or which is corrosion, deterioration, decay or rust, unless if by fire or lightning. This includes, but is not limited to, any decomposition, breakdown and/or decay of man-made or natural material or matter by any agent.

10. **Fungi.**

We do not insure loss or damage which consists of, is composed of or which is **fungi**, unless if caused by fire or lightning. Further, we do not cover any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of **fungi**.

11. **Pathogen.**

We do not insure loss or damage which consists of, is composed of or which is a **pathogen**, unless if caused by fire or lightning. Further, we do not cover any **remediation** or provide any Loss of Use or any Extensions of Coverage for expenses directly or indirectly due to, arising out of or resulting from **remediation** of a **pathogen**.

12. **Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding.**

We do not insure loss or damage which consists of, is composed of or which is the movement, settling, cracking, bulging, shrinking, heaving, bending or expanding of any part of covered property, except as provided in item 15.

Movement, settling, cracking, bulging, shrinking, heaving, bending or expanding of any part of covered property includes, but is not limited to, foundations, foundation fill material, foundation piers, foundation beams, footings, slabs, pads, patios, walls, floors, ceilings, roofs, roof structures, supports, walks, driveways, pavements, curbs, fences, retaining walls, bulkheads, spas or swimming pools.

13. **Building Ordinance or Law.**

We do not insure the increased costs of or from the enforcement of any **building law**, except as provided in Section I – Extensions of Coverage, Building Ordinance or Law.

However, we do insure direct, physical loss or damage which results from order of governmental or public authorities to prevent the spread of a fire if the fire results from a cause of loss which would have been covered by this policy.

14. **Home Share Business.**

We do not insure loss or damage which is caused by, arises out of or results from a **home share business** or which is caused by, arises out of or results from any **insured** or any **home-sharing occupant(s)** through a **home share business**.

15. **Exceptions to Uninsured Types of Loss or Damage.**

- a. We do insure:
 6. Breakage, Impairment, Corruption or Failure of Covered Personal Property;
 8. **Marring**; and
 12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding; which is directly caused by the following causes of loss, subject to the terms, conditions and limitations set forth in subsection B. Excluded Causes of Loss or Damage for any such cause of loss:
 - (1) fire or lightning;
 - (2) windstorm or hail;
 - (3) smog, smudging or smoke (all only if sudden, abrupt and accidental);
 - (4) explosion resulting from combustion (other than nuclear explosion);
 - (5) riot or civil commotion;
 - (6) **aircraft** or vehicles;
 - (7) theft or attempted theft;
 - (8) falling objects;
 - (9) fall of trees or limbs, including felling, topping or trimming of trees;

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- (10) weight of ice, snow or sleet which causes damage to personal property contained in a building; or
- (11) artificially generated electric current.

b. We also insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property; and

8. **Marring**,

which is directly caused by the following subsection

B. Excluded Cause of Loss or Damage **vandalism or malicious mischief**; and by the Section I – Extensions of Coverage:

(1) Limited Water Coverage; and

(2) Collapse of a Building Structure or Structural Part of the Building Structure.

These coverage exceptions in subsection b. are subject to the terms, conditions and limitations set forth for the exclusion and Extensions of Coverage.

Any exception to uninsured loss or damage will not apply if it occurs in combination or in sequence with any existing or other uninsured type of damage.

B. Excluded Causes of Loss or Damage.

Except as provided elsewhere in this policy, we do not:

- a. insure property covered by this policy;
- b. provide Loss of Use coverage; or
- c. extend coverage in any Extensions of Coverage;

for loss or damage which directly or indirectly is caused by, arises out of, or results from any of the excluded causes of loss or damage listed below, whether the loss or damage occurs on or away from the **residence premises**. Acts or omissions of persons or other causes or other events can cause, contribute to, combine with or aggravate any of the excluded causes of loss or damage to cause loss or damage. Loss or damage caused by an excluded cause of loss or damage is not covered regardless of any acts, omissions or decisions of any persons, group, organization, association or governmental body or any other causes or other events which aggravate or contribute concurrently or in any combination or sequence with the excluded cause of loss or damage.

If covered and excluded causes of loss or damage each cause loss or damage to property such that the resulting damage is indistinguishable except as to the timing or sequence of the causes of the damage, then none of the loss or damage is insured by this policy.

Excluded Causes of Loss or Damage are excluded whether they are, or are the result of, natural or man-made activities,

conditions or events. Excluded Causes of Loss or Damage apply to exclude the loss or damage arising from or as a result of the excluded activity, condition or event, whether the loss or damage is direct or indirect or immediate or consequential.

However, we do insure accidental, direct, physical loss or damage by fire when the fire results from an excluded cause of loss or damage, except when the fire results from:

- a. Governmental Action, Destructive Acts, Nuclear Hazard, Meteorites, Illegal Substances or Vandalism or Malicious Mischief or Arson if the **condominium unit** is **vacant**; or
- b. an Increase in Hazard within the control or knowledge of an **insured**.

We do insure loss or damage which consists of or is composed of **water** damage from a covered fire, but we never insure loss or damage by or resulting from **earth movement** or flood caused directly or indirectly by fire.

- 1. **Earth Movement.**
- 2. **Water.**

This exclusion includes, but is not limited to:

- a. a **water - reverse flow**;
- b. flood, including debris flow and mud flow, any form of surface **water**, waves, tsunami, seiche, tidal **water**, tidal waves, storm surge or overflow or escape of a body of **water**, or spray from any of these, whether or not driven by wind; or
- c. **water** from any source whatsoever, on or below the surface of the ground, whether natural or otherwise.

This **water** exclusion applies even if **water** combines or contributes in any way with any other excluded cause of loss or damage hereunder to cause loss or damage, including, but not limited to, **fungi** or any **noxious substance**.

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

- 3. **Nuclear Hazard.**
- 4. **Neglect or Lack of Maintenance or Failure to Make Repairs.**
Lack of maintenance includes a failure to undertake any maintenance.
- 5. **Faulty, Inadequate, Defective or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture or Construction.**

We do not insure loss, damage or costs which directly or indirectly are caused by, arise out of or result from, or any

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costs of fixing or making good, any faulty, inadequate, defective or incomplete planning, zoning, development, surveying, siting, engineering, design, specifications, workmanship, maintenance, servicing, renovation, repair, manufacture, construction, grading, compaction, or materials that is for, is used in or is part of a method or process involving any type of personal property owned or used by an **insured** or any type of real property (including land or any improvements) whether or not the real property is owned or used by an **insured**.

This exclusion applies:

- a. whether the activity is by an **insured** or by any person, group, organization, association or governmental body;
- b. whether or not an **insured** knew of or approved the activity;
- c. whether the property is on or off the **residence premises**;
- d. whether the property is insured by this policy;
- e. whether the activity involves a flawed quality of the property itself or involves a flawed process, method or procedure in producing property or which affects property;
- f. whether the activity being performed on one item of property damages another item of the same or different property in the process; or
- g. whether the activity damages one aspect or part of property and another aspect or part of the same or different property becomes flawed as a result.

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

6. **Inherent Vice or Latent Defect.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any inherent vice or latent defect in property or a quality in or of the property that causes it to damage or destroy itself, whether or not such defect or quality could have been discovered upon reasonable inspection.

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

7. **Contamination.**

We also do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage, which directly or indirectly is due to, arises out of, or results from **contamination**.

8. **Wear and Tear, Deterioration or Mechanical Breakdown.**

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

9. **Corrosion, Deterioration, Decay or Rust.**

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

10. **Fungi.**

This exclusion includes, but is not limited to, the discharge, dispersal, migration, release or escape of any **fungi**, whether combined with, caused by, or resulting from **water**. Further, we do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation** of **fungi**.

11. **Noxious Substance.**

This exclusion includes, but is not limited to, the local or widespread discharge, dispersal, seepage, migration, release or escape of any **noxious substance**. This exclusion applies whether or not:

- a. the **noxious substance** was used legally, normally or intentionally for a purpose for which it was intended and whether its use was confined within the general area of its intended use; or
- b. the **noxious substance** was the result of some legal and normal use of any process or product.

We do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation** of any **noxious substance**.

12. **Pathogen.**

This exclusion includes, but is not limited to, the discharge, dispersal, migration, release or escape of any **pathogen**. Further, we do not insure any **remediation** or provide any coverage for Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation** of a **pathogen**.

13. **Building Ordinance or Law.**

Except as otherwise provided in Section I – Extensions of Coverage, Building Ordinance or Law, we do not insure loss or damage or increased costs which directly or indirectly is caused by, arises out of or results from the enforcement of any **building law**.

14. **Governmental Action.**

- a. This exclusion applies to the confiscation, seizure, quarantine, condemnation, destruction or other deprivation, hereinafter "action", of or injury to any

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property covered by this policy by any governmental authority or order of governmental authority. This exclusion applies even if:

- (1) the governmental authority mistakenly believes it has the right to engage in the conduct;
 - (2) the "action" is sustained by property not intended or expected by the governmental authority;
 - (3) the damage is different, or greater or of a different quality than that intended or expected by the governmental authority;
 - (4) the governmental authority did not understand that "action" may result; or
 - (5) the "action" is incidental to policing activity of the governmental authority.
- b. However, we do insure direct, physical loss or damage caused by acts of "action" of your property by any governmental authority or order of governmental authority:
- (1) taken at the time of a fire to prevent its spread, if the fire would be otherwise covered in this policy; or
 - (2) if, subject to the Destructive Acts exclusion, the action is incidental to policing activity of a governmental authority, which policing activity is directly caused by or results from the activities of a person who is not an **insured**, or who is not a tenant, roommate, roomer, live-in, or boarder or who is not a **home share occupant**.

15. Power Interruption.

We do not insure loss or damage which is directly or indirectly caused by, arises out of or results from the interruption of power or other utility service which originates off the **residence premises**, except as provided in Section I – Extensions of Coverage, Limited Water Coverage from freezing of a **water** pipe or Food Spoilage Coverage.

16. Failure to Protect Covered Property.

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from the failure or neglect of an **insured** to use all reasonable means to mitigate or abate covered loss or damage or to protect covered property at and after the time of loss or damage, or when property is endangered by a covered cause of loss or damage.

17. Destructive Acts.

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any destructive act directed against civilian, military or

governmental personnel or property by any domestic or foreign person(s), organization(s), association(s), entity or entities, government or any quasi-governmental body. This exclusion:

- a. includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, seizure, rebellion and revolution, all whether or not by military or paramilitary personnel, and including any direct or indirect consequence of these;
- b. applies even if the loss or damage is sustained by property not intended or expected; and
- c. does not include acts of **vandalism or malicious mischief**.

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

18. Theft.

We do not insure for theft:

- a. from a **condominium unit** that is under construction, until after the construction has been completed and when the **condominium unit** is occupied by an **insured**;
- b. from a **condominium unit** that is undergoing remodeling or renovation unless the **condominium unit** is occupied by an occupant who is legally using the **condominium unit** as a principal, habitual place of abode;
- c. from the **residence premises**:
 - (1) if the **condominium unit** has been **vacant** for a period of more than 30 days prior to the theft or no person has actually legally lived in the **condominium unit**; or
 - (2) if the date of the theft is not known and if for a period of more than 30 days prior to the date on which the theft is discovered the **condominium unit** has been **vacant** or no person has actually lived in the **condominium unit**;
- d. committed by any **insured** or at the direction of any **insured**;
- e. committed by any person who is or has regularly resided at an **insured location**. However, theft committed by a **residence employee** is covered;
- f. from any part of a **residence premises** rented to others;
- g. of property from any other premises owned, occupied by or rented to an **insured** unless an **insured** is temporarily residing there at the time of the theft. Property of an **insured** in a secured rental storage facility is covered. Property of a student **insured** is

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covered at a residence away from the **residence premises** if the student has been at the residence any time 45 days before the theft;

- h. of watercraft, campers or trailers and their equipment, furnishings and outboard motors when off the **residence premises**;
- i. of building materials and supplies while off the **residence premises**;
- j. directly or indirectly is caused by, arises out of or results from any type of sale or transfer of real or personal property, whether voluntary or involuntary, including, but not limited to, internet transactions, or any investment or any investing activity, all whether induced to do so by or resulting from conversion, fraud, false pretenses or other deceptive practices; or
- k. committed by or at the direction of any person to whom an **insured** has given a power of attorney, or any other similar power, or any type of authorization in or over the property of the **insured**.

Theft includes attempted theft. Theft does not include mysterious disappearance of property. We do not insure a shortage of property or property taken by someone who claims a right to such property through a written or oral agreement with any **insured** unless a court of law rules that a theft did occur. To be covered by this policy, any theft must be immediately reported to the local police.

19. **Mysterious Disappearance.**

Mysterious disappearance is an unexplained loss of property. It includes losing or misplacing property.

20. **Vandalism or Malicious Mischief or Arson.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from:

- a. **vandalism or malicious mischief** if:
 - (1) the **condominium unit** has been **vacant** for a period of more than 30 days prior to the **vandalism or malicious mischief**; or
 - (2) it is committed by any person who is or has regularly resided in the **condominium unit**; or
- b. arson, whether a result of **vandalism or malicious mischief**, if the **condominium unit** has been **vacant** beyond a period of 60 consecutive days prior to the arson.

For subsections a. and b., if the date that the **vandalism or malicious mischief** or arson occurred is not known, then the date of discovery of the damage will be the date of loss.

Vandalism or malicious mischief does not include theft of property. Each time period can begin before this policy incepts.

21. **Pests or Animals.**

This exclusion only applies to:

- a. pests; or
- b. animals or creatures owned or kept by an **insured**, tenants, roommates, roomers, live-ins, or boarders.

Pests or animals include, but are not limited to, bats; rats, mice and other rodents; bees; termites; moths; vermin; birds; fish; reptiles; raccoons; insects; or spiders.

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

22. **Smog, Smudging or Smoke.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from smog, smudging or smoke:

- a. from the manufacturing of controlled substances, or from legal or illegal commercial, manufacturing, industrial or agricultural operations, whether on or off the **residence premises**, even if sudden, abrupt and accidental; or
- b. which originates on the **residence premises**, unless the smog, smudging or smoke is sudden, abrupt and accidental.

23. **Pressure by Trees, Shrubs, Plants or Lawns.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from pressure by, push from or presence of:

- a. any trees, shrubs, plants or lawn; or
- b. any root system from any trees, shrubs, plants or lawn.

However, see Section I – Extensions of Coverage, Limited Water Coverage for limited coverage for **water** damage.

24. **Soil Conditions.**

Soil conditions include, but are not limited to, corrosion, erosion, chemicals, compounds, elements, formation of crystals, suspensions or gels of or in the soil, or saturation of the soil.

25. **Wind or Hail.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from wind or hail:

- a. to personal property covered by this policy contained in a **building structure** caused by sand or dust unless the direct force of wind or hail first damaged

Farmers Smart Plan Condominium Policy (continued)

the **building structure** causing an opening in a roof or outside wall and then sand or dust enters through this opening and causes the loss or damage to the personal property;

- b. to watercraft and windsurfers, including their trailers, furnishings, equipment and outboard motors, unless inside a fully enclosed **building structure** at the time of loss or damage; or
- c. to cloth awnings, greenhouses and their personal property, radio and television towers, masts and antennas, including lead-in wiring, and wind chargers and windmills.

26. **Aircraft or Vehicles.**

However, we do insure loss or damage from accidental, direct, physical contact by an **aircraft**, or any refuse from an **aircraft**, or a vehicle with covered property or with a structure containing the covered property. Coverage will not apply unless the **aircraft** or vehicle is moving. Section I - Extension of Coverage Food Spoilage and loss or damage caused by an artificially generated electrical current are not subject to this exclusion.

27. **Falling Objects.**

- a. We do not insure loss or damage to covered property which is caused by or results from objects which fall as a result of any cause of loss or damage excluded in this policy.
- b. We do not insure loss or damage to personal property contained in a **building structure** caused by:
 - (1) a falling object, unless the direct force of the falling object first damages the roof or an outside wall of the **building structure**; or
 - (2) sand or dust, unless the direct force of a falling object first damages the roof or an outside wall of the **building structure** and then sand or dust enters through this opening and causes the loss or damage to personal property.
- c. We do not insure loss or damage to covered property caused by or resulting from meteorites.

A falling object is a material, inanimate thing which can be touched. Loss or damage to the falling object itself is not covered.

28. **Collapse.**

However, we do provide limited coverage for collapse of a **building structure** or any structural part of a **building structure** in Section I – Extensions of Coverage, Collapse of Building Structure or Structural Part of the Building Structure.

29. **Sales or Transfers of Property.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from any type of sale or transfer of real or personal property by or to an **insured**, including, but not limited to, internet transactions, and whether by conversion, fraud, trickery, false pretenses or other deceptive practices.

30. **Pollution.**

We also do not insure any **remediation** or provide any coverage in Loss of Use or any Extensions of Coverage which directly or indirectly is due to, arises out of, or results from **remediation** of pollution.

This exclusion does not apply to loss or damage caused by sudden, abrupt and accidental smoke or fumes from a fire.

31. **Refinishing, Renovating, Repairing, Servicing, Restoring, Reconditioning, Retrofitting or Retouching of Personal Property.**

32. **Weather Conditions.**

This only applies if the weather condition contributes to or combines with any cause of loss or damage excluded in this policy to cause loss or damage, except if with Falling Objects or Power Interruption. This applies:

- a. whether or not the weather condition affects property covered by this policy; and
- b. whether the property is on or off the **residence premises**.

33. **Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding of any Structure.**

34. **Malfunction or Failure of Software or a Computer System.**

This applies whether or not a result of error or malicious activities.

35. **Extremes of Temperature.**

This exclusion includes freezing, except as provided in Section I – Extensions of Coverage, Limited Water Coverage.

36. **Illegal Substances.**

We do not insure loss or damage which directly or indirectly is caused by, arises out of or results from the sale, growth, manufacture, cultivation, distribution, delivery, processing or transfer of marijuana or of any illegal substance as defined by federal or state law by any **insured**. Such illegal substances include but are not limited to explosives, cocaine, LSD, methamphetamines, and all narcotic drugs.

Farmers Smart Plan Condominium Policy (continued)

Section I - Property Conditions

1. Limits of Insurance.

- a. The **stated limits** or any other applicable limits of insurance in this policy are the most we will pay for covered loss or damage. You are responsible for selecting the **stated limits**.
- b. Subject to **stated limits**, with each covered loss or damage to property covered by Coverage A (**Unit Owner's Building Property**), the amount of insurance coverage applicable will be reduced by the estimated amount of the loss or damage until reconstruction or repairs are actually made.

2. Insurable Interest.

If more than one person or entity has an insurable interest in the covered property, the most we will pay is an amount equal to the **insured's** interest, unless specifically stated otherwise herein.

3. Duties After Loss.

In case of covered loss or damage to property, it is your responsibility to:

- a. give prompt written notice to us or our agent without unnecessary delay. In case of theft, you must also immediately notify the police. In case of loss under Section I - Extensions of Coverage, Identity Fraud, involving an unauthorized use of a credit card, debit card, fund transfer card, forgery, or acceptance of counterfeit money, you must also immediately notify the police, and as appropriate, the issuer of the card, credit bureau, credit reporting agency, and the credit grantor;
- b. protect the property from further damage. You should make any reasonable and necessary emergency repairs or perform loss mitigation needed to protect the property from further damage. See Section I – Property Conditions, Emergency Services following. Failure to perform emergency repairs or act to mitigate the loss may result in continuing or secondary damages which may not be covered by this policy. You must keep records and receipts of your costs;
- c. make a list of all damaged or destroyed personal property showing in detail the quantity, description, **actual cash value**, replacement cost, age and amount of loss. Attach all bills, receipts and related records that support your figures;
- d. cooperate with our investigation of the loss or damage and our request for proof of any repairs or replacement of the damaged property;

e. as often as we reasonably require:

- (1) show us the damaged property or provide us and our representatives access to the damaged property and the **residence premises** in order to, among other things, determine the types of loss or damage and the extent and cause thereof, and costs of repair or replacement;
- (2) provide us with records, documents and other information we may request, and permit us to make copies. This includes, but is not limited to, banking records, asset, debt and income information, records and documents, credit history and other financial records, prior insurance losses with us or other insurers, or receipts for property damaged, if obtainable;
- (3) allow us to take samples of damaged property for inspection, testing and analysis;
- (4) submit to examinations under oath at such times and places as we reasonably designate. We may require the examinations to be taken separately and apart from any other person defined as you or **insured**. Each examinee must sign a transcript of their examination;
- (5) if requested, provide us with a copy of your **association's** Conditions, Covenants and Restrictions, information regarding your **association's** insurance coverage, your **association's** mailing address and phone number and the person or committee that handles your **association's** insurance claims process; and
- (6) produce representatives, employees, members of your household or others for interviews or examinations under oath to the extent it is within your power to do so.

Submission to a requested examination(s) under oath is a condition precedent to recovery in this policy. Our denial of your claim shall not act as a waiver of our right to examinations under oath; and

- f. send us within 60 days after our request, your signed, sworn statement showing:
 - (1) date, time, location and cause of loss or damage;
 - (2) interests of all **insureds** and all others in the property involved;
 - (3) all legal claims against the property involved, including lienholders;

Farmers Smart Plan Condominium Policy (continued)

- (4) all other insurance and any warranty, service or maintenance contract which may cover the loss or damage (see Other Insurance condition following);
- (5) all information we request to investigate the claim;
- (6) changes in title or occupancy of the property;
- (7) specifications and detailed repair estimates of any damaged structure;
- (8) a list of stolen, damaged or destroyed personal property described in subsection 3.c. above;
- (9) receipts and records that support additional living expenses and loss of rents; and
- (10) evidence which states the amount and cause of loss to support a claim under Extensions of Coverage, Identity Fraud coverage.

To the extent an **insured**, other than you, is a beneficiary of coverage in this policy, that **insured** shall also be responsible for complying with the duties and responsibilities set forth in this policy respecting loss or damage, including examinations under oath and production of information requested by us.

4. Emergency Services.

In the event your covered property sustains covered loss or damage, you should protect the property from further damage. You should make any reasonable and necessary emergency repairs or act to mitigate the loss to protect the property from further damage (hereinafter "emergency services"). We will reimburse the necessary, reasonable costs you incur on an emergency basis at or soon after the time of loss to mitigate further damage from the covered event. If you undertake emergency repairs or services, you must give prompt notice to us or our agent without unnecessary delay and show us the damaged property or provide us and any of our representatives access to the damaged property so that we may, among other things, determine the types of loss or damage and the extent and cause thereof, and estimate the reasonable costs of repair or replacement, if covered. This is not additional insurance. Expenses incurred for emergency services are subject to the applicable Coverage A or C **stated limit** and any Special Limits on Certain Personal Property that apply to the property. Emergency services do not include mitigation or abatement of uninsured types of loss or damage, including, but not limited to, **remediation** of any **nuclear substance, noxious substance, pathogen, fungus**, or pollutant, or any **contamination**.

If you report loss or damage to covered property and if you have not already performed reasonable, necessary emergency services, at our sole discretion we may assist you

in obtaining such emergency services before we determine if the loss or damage is covered by this policy. Although we are not obligated to do so, we may advise you of, or we may refer, an independent contractor to perform such emergency services. However, you are responsible for contracting for such emergency services with the independent contractor at any time. You have the right to reject the independent contractor at any time. The provision of such emergency services will not prejudice our right to later deny coverage for any loss or damage.

It is solely your responsibility to direct or manage the activities of any independent contractor providing emergency services. We make no representation as to the skill or experience of any independent contractor. We do not warrant the workmanship of any independent contractor. We are not responsible for the acts or failures to act of any independent contractor. We do not assume liability for injuries sustained by you or any other person resulting from or arising from any repair, attempted repair or from any acts to mitigate the loss.

5. How We Settle Covered Loss.

Covered accidental direct physical loss or damage will be settled as follows.

- a. Coverage A (**Unit Owner's Building Property**) and Property Owned by the **Association**. We will only settle covered loss or damage on the basis of use as a private residence.
 - (1) Settlement for covered loss or damage to a specific, individual **component part(s)** of covered property within Coverage A (**Unit Owner's Building Property**) and Property Owned by the **Association**, except for fences, will be settled at reasonable and necessary replacement cost, without deduction for depreciation, for the lesser of the following:
 - i. the applicable **stated limit** or other limit of insurance in this policy that applies to the damaged or destroyed **unit owner's building property component part(s)** and property owned by the **association**;
 - ii. the reasonable repair or replacement cost of that specific **component part(s)** of the **unit owner's building property** and property owned by the **association** damaged for equivalent construction with materials of like kind and quality on the **residence premises**, determined as of the time of loss or damage;
 - iii. the reasonable and necessary amount actually spent to repair or replace the specifically damaged **component part(s)** of the **unit**

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owner's building property and property owned by the **association**; or

- iv. the loss to the interest of the **insured** in the property.

When the cost to repair or replace damaged property is more than \$2,500, we will pay no more than the **actual cash value** of the damaged **component part(s)** of property until actual repair or replacement is completed. If the **unit owner's building property** and property owned by the **association** is rebuilt or replaced at a different location, the costs described in subsection ii. above are limited to the costs which would have been incurred if the **unit owner's building property** and property owned by the **association** had been rebuilt or replaced at its location on the **residence premises**.

Reasonable and necessary replacement cost:

- i. does not include damage to property otherwise uninsured or excluded in this policy; and
- ii. may be based on discounted pricing available to you for the repair or replacement.

(2) Fences

Covered loss or damage to fences will be settled on an **actual cash value** basis, subject to the applicable **stated limit**.

b. Coverage C (Personal Property).

(1) If the Declarations show that Personal Property

Replacement Cost coverage applies, then covered accidental direct physical loss or damage to covered personal property, except for those types of personal property described in subsection (3) below, will be settled at replacement cost without deduction for depreciation for an amount that is reasonably necessary to repair or replace the damaged property, but for no more than the lesser of the following:

- i. any **stated limit** or other limit of insurance in this policy that applies to the property;
- ii. the replacement cost of that part of the property damaged for equivalent manufacture or construction with materials of like kind and quality, determined as of the time of loss;
- iii. the reasonable amount actually and necessarily spent to repair or replace damage to the property; or
- iv. the loss to the interest of the **insured** in the property.

Reasonably necessary replacement costs may be based on discounted pricing we obtain which is made available to you for repair or replacement.

- (2) We will pay no more than the **actual cash value** of the property at the time of loss until actual repair or replacement is completed. Except for those types of personal property described in subsection (3) below, you may collect any additional amount on a replacement cost basis. To do so the property must have been repaired or replaced in accordance with and subject to Section I - Property Conditions, Replacement Cost Settlement – Time Limitation.
- (3) Covered loss or damage to the following types of personal property, whether or not attached to buildings or any structure, will be settled as shown below in subsection (4):
 - i. property which cannot be replaced;
 - ii. property not in workable condition at the time of loss or damage;
 - iii. property, the age or condition of which has rendered it either obsolete or unusable for the purpose for which it was originally intended;
 - iv. paintings; etchings; pictures; tapestries; art glass windows; or other bona fide works of art or rarity, historical value or artistic merit, including, but not limited to, valuable rugs; statuary; marble; rare books; manuscripts; bronzes; porcelains; rare glass; or bric-a-brac;
 - v. antiques, including, but not limited to, furniture, metalware, tools, toys, and bric-a-brac;
 - vi. photographs or negatives; digital or analog storage medium that contains data; or articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs, and collectibles and collector's items;
 - vii. a motorized golf cart that is not a **motor vehicle**;
 - viii. farm equipment principally used on the **residence premises**;
 - ix. recreational vehicles designed principally for off-road recreational use that are only used on the **residence premises**, including, but not limited to, all-terrain vehicles; or
 - x. **motor vehicle** parts if covered; equipment, machinery, furnishings or accessories not attached to or located in or upon any **motor vehicle**.

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- (4) The covered types of personal property shown above in subsection (3) will be settled for no more than the lesser of the following:
 - i. **actual cash value**;
 - ii. any **stated limit** or other limit of insurance in this policy that applies to the property; or
 - iii. the reasonable and necessary amount actually spent to replace lost property or to repair damage to the property.
- (5) The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.
- (6) We may repair or replace damaged property with equivalent like kind and quality property.
- c. General contractor fees or charges:
 - (1) will only be included as reasonable replacement costs if it is reasonably likely that the services of a general contractor will be required to manage, supervise and coordinate repairs; and
 - (2) will be paid as set forth in subsection d. that follows, unless the statutory or regulatory law of your state requires that such fees and charges be paid with the **actual cash value** settlement.
- d. **Actual cash value** and replacement cost settlements will not include payment of:
 - (1) increased costs of or from the enforcement of any **building law**;
 - (2) general contractor fees or charges; or
 - (3) costs to match property which is not damaged with materials used to repair or replace damaged property; unless such fees, charges, or costs are covered by this policy, and if covered, until you actually incur and pay such fees, charges and costs.
6. **Replacement Cost Settlement – Time Limitation.**

For any loss to property which may be settled on a replacement cost basis, you have 365 days from the date of our first payment toward **actual cash value** to collect any amounts due for replacement cost settlement. Additional extensions of six months shall be provided if good cause can be shown. If the loss or damage is related to an event for which a "state of emergency" as defined in Section 8558 of the California Government Code was declared, you will have 24 months from the date of our first payment toward **actual cash value** to make a claim for replacement cost. The property must be actually repaired or replaced by you to collect replacement cost. If you do not actually repair or replace the property within 365 days from the date of our first payment toward **actual cash value**, then the loss or damage will only be settled at **actual cash value**.
7. **Other Insurance and Assignment.**

Except as provided below, this insurance is excess of any other insurance covering the same property. If covered property sustains loss or damage covered by the other insurance, we will be liable only for that portion of the loss covered by this policy that is in excess of the limit of insurance that applies to the other insurance. For this provision, other insurance includes any type of warranty or service or maintenance contract.

If the **unit owner's building property** sustains loss or damage covered by this policy and that loss or damage is also insured by a policy of property insurance obtained by the **association**, then we will pay you, or pay on your behalf, for the loss or damage covered by this policy. You then authorize and agree to cooperate with us if we seek reimbursement for that payment on your behalf from such other policy to the extent of our payment to you, or if requested by us, you agree to assign to us all rights, title, claims and interests you may have by such other policy as respects the loss or damage, to the extent of our payment to you.

If insurance is issued by us or any other insurer comprising Farmers Insurance Group® covering the loss or damage, the loss or damage will only be payable by the single policy providing the highest limit of insurance.
8. **Deductible Clause.**

We only pay for loss or damage when a covered loss exceeds the deductible(s) amount that applies to the property. The deductible(s) applies separately to each loss or damage event. All **stated limits**, including special limits, will be applied after the appropriate deductible(s) to the loss or damage is applied.
9. **Loss or Damage to a Pair or Set.**

We may elect to:

 - a. pay for the repair or replacement of any part of the pair or set to restore it to its value before the loss or damage; or
 - b. pay the difference between the **actual cash value** of the property before and after the loss or damage.

Loss or damage to a part does not mean a total loss or damage of the pair or set.
10. **Appraisal.**
 - a. If you or we fail to agree on the **actual cash value** or the **incurred property damage** of your **claimed loss**, either you or we may make a written demand for appraisal. However, both parties must agree to an appraisal. The

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appraisal shall be made in strict conformance with the terms of this Appraisal condition. Neither you nor we may assign the right to demand appraisal, whether before or after loss or damage. Any assignment shall be void.

- b. (1) Within 20 days of the receipt of a written demand for appraisal, you and we each shall:
- appoint a qualified individual person as an appraiser; and
 - notify the other in writing of the appraiser's name and contact information.
- (2) In order for a person to be qualified to act as an appraiser, the person must be competent, independent, neutral and impartial. A person:
- who has performed, or who is employed by any entity which has performed any work, or a person who has provided any service for either you or us in relation to any **claimed loss** under this policy, whether or not such work or service has been or will be paid; or
 - who has or may perform, or who is employed by an entity which has or may perform repairs or replacement of your property;
- shall not be qualified to serve as an appraiser.
- (3) Upon acceptance of the appointment, each appraiser shall within 5 days disclose in writing to you and to us any known facts which a reasonable person may consider to affect the independence, neutrality or impartiality of the appraiser, including without limitation:
- any financial or personal interest in the outcome of the appraisal; and
 - any current or previous relationship with you or us, or your or our counsel, other representative(s) or experts, or with the other appraiser.
- c. You and we may provide the appraisers, and the umpire if appointed, with estimates, expert opinions, appraisal forms or any information you or we believe to be relevant to the appraisal. Any such documents and information must also be provided to the other party. However, no formal legal discovery shall be conducted by either the appraisers, any umpire, or you or us during or for the preparation of the appraisal, and no court reporter shall be used. The rules of civil procedure and the rules of evidence shall not apply to the appraisal process, and no hearing shall be conducted by the appraisers at which either you or we provide any evidence pertaining to your **claimed loss**.
- d. (1) The appraisers shall determine the **incurred property damage**, if any, to each of the **component parts** of that property for which you have **claimed loss**, and the **actual cash value** of the **incurred property damage**, as of the date of the loss. In determining the **actual cash value** of the **incurred property damage**, the appraisers shall only use reasonable costs of materials of like kind and quality unless the policy expressly provides otherwise.
- (2) The appraisal shall separately state and itemize the following for each individual **component part** of the **incurred property damage**:
- a description of each **component part** of the property;
 - a description of the distinct and demonstrable physical injury to or destruction of each **component part**, if any, without reference to what caused the damage;
 - a description of the reasonably necessary repairs or replacements for each **component part** of property;
 - the estimated costs of the reasonably necessary repairs or replacement(s) to each **component part** of property;
 - the estimated amount of proper depreciation and/or obsolescence to each **component part** of property; and
 - the **actual cash value** of the **incurred property damage**.
- (3) The appraisers will provide detailed, verifiable support:
- of the reasonableness of the costs, including unit costs;
 - that the materials are of like kind and quality, if the policy loss settlement requires like kind and quality settlement; and
 - of the factors and basis used to determine depreciation and/or obsolescence.
- (4) The appraisers may consider and provide you and us with a separate statement of the estimated cost(s) for any repairs or replacements which may be required by **building laws**, but the appraisers may not determine whether such amounts are covered by this policy.
- (5) The appraisers shall submit their written appraisal in strict conformance with this subsection d., to both you and to us, and the amounts agreed upon by the appraisers will be the **incurred property damage**

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and the **actual cash value** of the **incurred property damage** to each **component part** of property for which you have **claimed loss**, and will be binding.

- (6) The appraisers are not authorized to, and shall not decide the cause, or causes, of your **claimed loss** or any **incurred property damage**.
- (7) The appraisers are not authorized to decide whether any **incurred property damage** is covered by this policy.

Substantial conformance with this Appraisal condition does not satisfy the terms of this Appraisal condition. As appropriate, each of the foregoing shall also apply to theft.

- e. (1) If the appraisers cannot agree on the **incurred property damage** or the **actual cash value** of the **incurred property damage**, they will advise each of us of their failure to agree and of the need to appoint an umpire to resolve their differences. The appraisers may then agree on an umpire. If the appraisers advise each of us that they cannot agree on an umpire, you or we shall then first request the American Arbitration Association (AAA) to select an umpire.
 - (2) Only if the AAA advises you and us in writing that it cannot appoint an umpire may we then jointly request a judge of a district court in the judicial district where the **residence premises** is located to select an umpire. A judge of a district court does not include a commissioner or a judge of a county court at law, a justice court, a municipal court, a probate court, or of a commissioner's court.
 - (3) In order for a person to be qualified to act as an umpire, such person must be qualified and meet the conditions as required in subsection b.(2).
 - (4) Upon the appointment of an umpire by the appraisers, AAA or a district judge, the umpire shall within 5 business days disclose in writing to you and to us the information required in subsection b.(3).
 - (5) Within 20 days of a qualified umpire being appointed, each of the appraisers shall then submit to the umpire, and to both you and us, their appraisals. Their appraisals shall contain all of the information required in subsection d. above, and shall identify each specific matter upon which they disagree and explain in detail why they disagree. Both appraisers and the umpire shall then together meet and confer. The umpire shall then prepare an appraisal. A written appraisal in strict conformance with and setting forth all the information required in subsection d. above, agreed upon and signed by the umpire and either one or both of the two appraisers will determine the **incurred property damage** and the **actual cash value** of the **incurred property damage** of your **claimed loss**, and will be binding.
- (6) If a vacancy should occur regarding the umpire, the vacancy shall be filled in accord with the foregoing process by which the vacating umpire was appointed. Any appointed umpire is subject to (3) and (4) of this subsection e.
 - f. Each party will pay the costs of the appraiser it chooses. The costs of the umpire, including if appointed by AAA, and all other reasonable expenses of the appraisal will be shared and paid equally by you and us. If AAA appoints the umpire, we will pay AAA's process fees.
 - g. The appraisal shall not:
 - (1) determine whether your **claimed loss** or any **incurred property damage**, or any part thereof, is covered by this policy;
 - (2) determine the cause or causes of the **claimed loss** or any **incurred property damage**;
 - (3) make any factual finding which directly or indirectly determines whether your **claimed loss** or **incurred property damage**, or any part thereof, is covered by this policy;
 - (4) interpret this policy;
 - (5) award or determine any interest or penalties;
 - (6) determine whether property which has not sustained **incurred property damage** is to be matched with materials used to repair or replace property that has sustained **incurred property damage**, or any amount for matching;
 - (7) determine whether the services of a general contractor will be required to manage, supervise and coordinate the repairs, or any amount for general contractor's fees or charges; or
 - (8) determine loss settlement under a loss settlement provision of this policy.
 - h. Any demand for appraisal must be made within the contractual suit limitations period stated in this policy. After that time neither you nor we may demand an appraisal.
 - i. If you or we timely demand an appraisal, then upon request or motion made by either you or us for abatement of any suit for or involving the **claimed loss**, the suit shall be abated until after an appraisal award is made in strict conformance with this Appraisal condition.
 - j. Even after an appraisal award, we retain the right to deny any **claimed loss** or **incurred property damage**, or any part thereof.

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11. Intentional Acts, Criminal Acts, and Fraud.

- a. We do not provide coverage for loss or damage if any **insured** has before or after the loss or damage or in relation to any insurance provided in this policy:
 - (1) concealed or misrepresented any material fact or circumstance;
 - (2) intentionally caused or arranged for the loss or damage;
 - (3) directly or indirectly caused the loss or damage while engaged in committing or concealing a felony as defined by either federal or state law;
 - (4) engaged in fraudulent conduct; or
 - (5) made material, false statements.

We do not provide coverage for loss or damage resulting from a criminal act committed by or at the direction of any **insured**. This applies whether the loss or damage is the intended result of such an act, even if not subjectively intended or expected by any **insured**. This applies even if any **insured** is not actually charged with or convicted of a crime. We do not provide coverage for loss or damage which arises or results from or is caused by a criminal act for which any **insured** is actually convicted or for which any **insured** pleads guilty, no contest or true in a criminal proceeding.

If the loss or damage is related to a state of emergency, as defined in subdivision (b) of Section 8558 of the Government Code, the time limit to bring suit is extended to 24 months after inception of the loss or damage.

12. Suit Against Us.

No suit or other action can be brought against us, our agents or our representatives unless there has been full compliance with all the terms of this policy, including, but not limited to:

- a. submission to requested examinations under oath; or
- b. valuation of the **actual cash value** and/or **incurred property damage** by appraisal, if the suit or action involves such.

Suit on or arising out of the Section I - Property Coverage of this policy must be brought within one year after inception of the loss or damage. If the loss or damage is related to a state of emergency, as defined in subdivision (b) of Section 8558 of the Government Code, the time limit to bring suit is extended to 24 months after inception of the loss or damage.

13. Loss Adjustment and Payment.

If, within a six-month period, we assign more than two adjusters to be primarily responsible for a claim for loss, we will provide you with a written status report of the claim in a timely manner. The report will include a summary of any decisions or actions that are substantially related to the disposition of the claim. This includes but is not limited to,

the amount of losses to structures or contents, the retention or consultation of design or construction professionals, the amount of coverage for losses to structures or contents and all items of dispute.

At our option, we may adjust all losses with you. We may pay you unless another payee is named in the policy, in which case we will pay as interests appear. We will pay within 30 days after:

- a. we reach agreement with you;
- b. a final judgment; or
- c. an appraisal award.

However, if the **association** has an insurable interest in any property covered by this policy, subject to your assignment of rights as stated herein, we will pay you the full settled loss.

Upon receipt of an appraisal award, in conformance with the Appraisal provision of this policy, payment by us of the award, or any part of the award, within the time required in this policy estops any contractual or extra-contractual claim by you which may directly or indirectly arise from or may be related to the failure of you and us to agree as to the **actual cash value** and/or the **incurred property damage** of your **claimed loss**. Your failure or refusal to accept our payment does not affect estoppel. Our payment of the award, or partial payment, binds you and us to that part paid and estops any contractual or extra-contractual claim as to that part paid.

14. Abandoned Property - Our Option.

We need not accept property abandoned by an **insured**. At our sole option and discretion, we may repair or replace any part of the damaged property with material or property of like kind and quality or we may take all or part of the damaged property at an agreed or the appraised value. We will give you written notice of our intention within 30 days after receipt of your signed sworn statement of loss or the written agreement from the appraisal.

15. Mortgagee Clause.

- a. Mortgagee includes trustee or loss payee. If a mortgagee is named in this policy, a covered loss will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages. If we deny your claim, based on your act, omission, or neglect, such denial will not apply to a mortgagee's valid claim if the mortgagee:
 - (1) knows and promptly notifies us of any change of ownership, occupancy, or **vacancy**, or of substantial change in risk;
 - (2) pays on demand any premiums due if you have failed to do so; and

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- (3) submits a signed, sworn statement of loss within 60 days after we notify the mortgagee of your failure to do so.
- b. All policy conditions and terms will apply to the mortgagee, except Misrepresentation, Concealment or Fraud, unless committed by the mortgagee or its representatives. A mortgagee will only have a valid claim if it knows and promptly notifies us of any change in ownership, occupancy or **vacancy**, or of a substantial change in risk.
- c. We will give the mortgagee at least 10 days notice before we cancel this policy. If we pay the mortgagee for any loss and deny payment to you:
 - (1) we have right of recovery against any party responsible for the loss; and
 - (2) at our option, we may pay off the entire mortgage debt to the mortgagee. In this event, we receive full assignment and transfer of the mortgage, including all security held as collateral to the mortgage debt, and we are subrogated to all the rights of the mortgagee under the mortgage.

A mortgagee's claim will not be impaired by transfer of a right of recovery.
- d. If the **condominium unit** is foreclosed upon under the deed of trust or any other legal means, or if the mortgagee otherwise acquires ownership of the **condominium unit**, in our sole and absolute discretion, we may comply with a request by the mortgagee to cancel this policy of insurance on behalf of all parties who have an interest insured by this policy.

16. No Benefit to Bailee.

This insurance will not benefit any person, association or organization who may be storing, holding or caring for or handling or moving property for a fee. We will not recognize any assignment or grant any coverage hereunder to any such person, association or organization.

17. Salvage.

We have salvage rights to damaged property for which we pay loss benefits. We have the right to all or part of the property which may be recovered, including property substituted by others to conceal the loss.

Section II - Liability

Section II - Liability Coverage

We will insure you for the coverages as described below except as otherwise indicated in the Declarations.

Coverage E (Personal Liability)

We will pay those damages which an **insured** becomes legally obligated to pay because of:

1. **bodily injury** resulting from an **occurrence**; or
2. **property damage** resulting from an **occurrence**.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered by Coverage E (Personal Liability). Our obligation to defend a suit seeking damages, which is a court proceeding initiated by the filing of a complaint seeking damages, ends once we have paid our applicable **stated limit**. We may investigate and settle any claim or suit seeking damages that we consider appropriate.

We do not have any duty to defend or settle any suit involving actual, alleged, threatened or declared **bodily injury** or **property damage** not covered under this liability insurance. This applies whether or not the suit is groundless, false or fraudulent.

Coverage F (Medical Payments To Others)

We will pay reasonable medical expenses for necessary medical services furnished to a person to whom this coverage applies for treatment of **bodily injury**. This will apply for services within three years from the date of the **occurrence** causing **bodily injury**.

Necessary medical services are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services. These include the costs of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses, and hearing aids.

Necessary medical services do not include:

1. treatment, services, products or procedures that are:
 - a. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the **bodily injury**;
2. the use of thermography or other related procedures of a similar nature; or
3. purchase, rental cost, or use of:
 - a. hot tubs, spas, water beds;
 - b. exercise equipment;
 - c. heating or vibrating devices;
 - d. furniture or equipment not primarily designed to serve a medical purpose;
 - e. memberships in health clubs; or
 - f. medical reports, unless requested by us.

A reasonable medical expense means the usual and customary expense for the necessary medical services.

Usual and customary expenses are those costs generally accepted throughout the medical profession and within the

Farmers Smart Plan Condominium Policy (continued)

United States of America as appropriate and necessary for the treatment of a **bodily injury**. Your health care provider may charge more than usual and customary expense. Should this occur, the additional charges may not be covered by your policy.

This coverage applies to:

1. persons on an **insured location** with permission of an **insured**; or
2. persons off an **insured location** if the **bodily injury** is:
 - a. the result of a condition on the **insured location** or the ways immediately adjoining;
 - b. caused by the activities of an **insured**;
 - c. caused by a **residence employee** in the course of employment by an **insured**; or
 - d. caused by an animal or creature owned by or in the care of an **insured**.

This coverage does not apply to:

1. persons injured as a result of their intentional acts;
2. any **insured** or any person regularly residing on an **insured location**, except a **residence employee** who is in the course and scope of employment by an **insured**; or
3. any person eligible to receive benefits provided or mandated by any workers' compensation, occupational disease or non-occupational disability law.

Payment for this coverage is not an admission of liability by any **insured** or us.

Section II - Liability Extensions of Coverage

We will insure you for the Extensions of Coverage as described below, subject to the Declarations.

1. Claim Expenses.

We pay:

- a. all costs we incur in our settlement of a claim or defense of a suit with attorneys of our choice;
- b. premiums on bonds required in a suit we defend, but not for a bond amount greater than the Coverage E **stated limit**. However, we are not obligated to apply for or furnish a bond;
- c. reasonable expenses incurred by an **insured** at our specific request to help us investigate or defend a suit. When we ask an **insured** to attend hearings or trials we will pay actual loss of earnings (but not other income) up to \$250 per day; and
- d. interest after entry of judgment. This will only apply to that portion of damages covered by this policy subject to the applicable Coverage E or F **stated limits**. We will only be responsible for interest that accrues on the amount

of such damages until we pay, have given written offer to pay or have deposited such amount with a court.

2. First Aid Expenses.

We will reimburse reasonable and necessary first aid expenses for **bodily injury** to others incurred by an **insured** at the time of an **occurrence** to which this liability coverage applies. We do not pay for first aid to you or any other **insured**.

3. Damage to Property of Others.

At your request, we pay replacement cost up to \$1,000 per **occurrence** for **property damage** to property of others caused by an **insured**. We will not pay for **property damage**:

- a. to property covered under Section I - Property Coverage;
- b. intentionally caused by an **insured** who is 13 years of age or older;
- c. to property owned by or leased or rented to an **insured**, a tenant of an **insured**, any resident of an **insured's** household or anyone who cohabitates with an **insured**;
- d. to **business property**;
- e. arising out of any **business** engaged in by an **insured**;
- f. arising out of premises owned, rented or controlled by an **insured**, other than an **insured location**; or
- g. arising out of the ownership, maintenance, operation, use, moving, occupancy, loading or unloading or entry or exit of **aircraft**, watercraft, or **motor vehicles** or any other motorized land conveyance or trailers.

4. Association Loss Assessment Coverage.

- a. If the Declarations show a Loss Assessment coverage amount and the **residence premises** is subject to and governed by a homeowners or property owners **association** of which you are a member, then subject to the rules of the **association** we will pay up to the Loss Assessment **stated limit** for any assessment levied by the **association** during the **policy period** stated in the Declarations, but only as follows if the assessment is:
 - (1) for accidental, direct, distinct and demonstrable, physical loss or damage to tangible property owned by the **association**, the loss or damage must be the type of loss or damage we would cover in Section I – Property. The assessment may be made either solely against you or all unit owners. Our payment for an assessment made solely against you will be for no more than the **association's** insurance deductible; or
 - (2) for **bodily injury, property damage** or **personal injury**, if **personal injury** coverage is provided herein, for which the **association** becomes liable,

then the **bodily injury, property damage** or **personal injury** must result from an **occurrence** to which Section II – Liability of this policy would apply to an **insured**. However, we will not pay for an assessment for **property damage** in this part b. if we would not cover the loss or damage in Section I – Property if the loss or damage had occurred to property covered in Section I – Property.

- b. The Loss Assessment Coverage **stated limit** in force on the later of:

- (1) the effective date of the **policy period** stated in the Declarations; or
- (2) the date of the loss or damage or the **occurrence** leading to the assessment;

is the most we will pay with respect to any one loss event, regardless of the number of assessments which may be levied by the **association** for loss or damage or liability arising from that event. This coverage is excess over any collectible insurance covering the **association** for the loss or damage or liability, whether the **association** files a claim for the loss or damage or liability with its insurer. You must make a claim for this coverage with us within 365 days of the notice to you of the assessment. Claims made after that time are void. Our sole responsibility in this coverage is to pay for a covered assessment.

5. **Personal Injury.**

If the Declarations show **personal injury** coverage applies, we will pay those damages which an **insured** becomes legally obligated to pay because of **personal injury** resulting from an **occurrence** to which this coverage applies.

At our expense and with attorneys of our choice, we will defend an **insured** against any suit seeking damages covered as **personal injury**. Our obligation to defend a suit seeking these damages ends once we have paid the applicable limit of insurance. We may investigate and settle any claim or suit seeking damages as we deem appropriate.

6. **Workers' Compensation Coverage of Residence Employees.**

We will pay all benefits which an **insured** is required to provide under the Workers' Compensation Law of California for **residence employees** because of **bodily injury** by accident or by disease.

This coverage only applies to a **residence employee**:

- a. who during the 90 calendar days immediately preceding the date of **bodily injury** by accident or by disease:
 - (1) has been employed by an **insured** for at least 22 hours; and

- (2) has earned at least one hundred dollars (\$100) in wages from the insured; and
- b. who suffers a **bodily injury** by accident or by disease which:
 - (1) occurs during the **policy period**; and
 - (2) arises out of and in the course of employment as a **residence employee**.

The **insured** is responsible for any payment(s) in excess of the benefits regularly provided by the Workers' Compensation Law.

We do not cover liability of an **insured** for additional compensation imposed under Sections 4553 and 4557, Division IV, Labor Code of the State of California, by reason of:

- c. the serious and willful misconduct of the **insured** or any representative of the **insured**; or
- d. injury to a **residence employee** under 16 years of age and illegally employed at the time of injury.

Section II - Liability Exclusions

Coverage E (Personal Liability), Coverage F (Medical Payments to Others) and **personal injury** coverage, if covered by this policy, are subject to the following exclusions:

1. **Any Insured or Other Residents of any Insured's Household.**

We do not cover **bodily injury** or **personal injury** to:

- a. any **insured**; or
- b. any resident of any **insured's** household.

However, we do cover **bodily injury** to a **residence employee** unless the **bodily injury** is the result of the conduct of an **insured** or representative of an **insured** which would be serious and willful misconduct under the workers' compensation laws.

2. **Business.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with, any past or present **business** engaged in by any **insured** or conducted from any **insured location**. This includes, but is not limited to, any warranty, any act, or any duty rendered, promised, owed or implied to be provided because of the nature of the **business**. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**, unless it is a **home share business**.

3. **Business or Professional Services.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in

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connection with, the rendering or failure to render **business** or professional services. This exclusion does not include the rental or holding for rental of that part of the **residence premises** not occupied by any **insured**, unless it is a **home share business**.

4. **Contract or Agreement - Performance.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with, the performance, the quality of performance or failure to perform under a contract or agreement, whether **business** or non-**business**.

5. **Contract or Agreement - Liability Assumed or Imposed.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with, liability assumed by or imposed upon any **insured** under any contract or agreement, whether **business** or non-**business** and whether that of a third party. This includes, but is not limited to, breaches of duty or express or implied warranties.

6. **Agreement With Homeowners Association.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with, any agreement between any **insured** and a corporation or **association** of homeowners or property owners, except as may be provided in Section II – Liability Extensions of Coverage, Association Loss Assessment Coverage.

7. **Rental Property.**

We do not cover **bodily injury, property damage** or **personal injury** which arises from, during the course of, or in connection with, the rental or holding for rental of any property or any part of any premises by any **insured** to any party. This exclusion does not apply to the rental or holding for rental of that part of an **insured location** which is rented or available for rent:

- on that part of the **residence premises** not occupied by any **insured**;
- on an occasional basis for sole use as a residence;
- to no more than two tenants, roommates, roomers, live-ins or boarders at the same time for sole use as a residence; or
- as an office, studio or private garage.

This exception does not apply to a **home share business**.

8. **Sale or Transfer of Property.**

We do not cover **bodily injury, property damage** or **personal injury** which results from, arises from, or in

connection with, property you or any **insured** has sold or transferred. This includes, but is not limited to:

- known, unknown or hidden property conditions, problems or defects, including, but not limited to, manufacturing, structural, or **plumbing**, heating, air conditioning or electrical system conditions, problems or defects;
 - known, unknown or hidden soil or drainage conditions, problems or defects;
 - concealment or misrepresentation of or the failure to disclose any known condition, problem or defect in or of the property; or
 - contamination**.
- ### 9. **Owned Property.**

We do not cover **property damage** to property owned by an **insured** or any other resident of any **insured's** household. This includes expenses and costs incurred by any **insured** or others to repair, replace, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an **insured location**. This exclusion applies even where there has already been some injury or damage.

10. **Non-owned Property - Used or in the Care, Custody or Control.**

We do not cover **property damage** to non-owned property occupied by or used by, or in the care, custody or control of any **insured** or any other resident of the **insured's** household, whether by any agreement or otherwise, except as provided under Section II – Liability Extensions of Coverage, Damage To Property Of Others. We do cover an **insured's** liability for **property damage** to such non-owned property if caused by or resulting from fire or lightning.

11. **Other Locations.**

We do not cover **bodily injury** or **personal injury** which arises from or in connection with a location other than an **insured location**, which is:

- owned by any **insured**;
- rented to any **insured**; or
- rented to others by any **insured**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course and scope of the **residence employee's** employment by any **insured**.

12. **Intentional Acts.**

We do not cover **bodily injury, property damage** or **personal injury** which is caused by, arises from, or is the

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result of an intentional act by, or at the direction of any **insured**. This includes, but is not limited to, any intentional act or intentional failure to act by any **insured**, whether a criminal act or otherwise, where resulting injury or damage would be an objectively probable consequence, even if not subjectively intended or expected by any **insured**. This exclusion applies whether or not:

- a. any **insured** mistakenly believes he or she has the right to engage in certain conduct;
- b. the injury or damage is sustained by persons or property not intended or expected by any **insured**;
- c. the injury or damage is different or greater or of a different quality than that intended or expected;
- d. any **insured** did not understand that injury or damage may result;
- e. any **insured** knew the intentional act or failure to act was a violation of any penal law, whether or not any **insured** is actually charged with or convicted of a crime;
- f. any **insured** was under the influence of any alcohol or narcotic;
- g. any **insured** was insane; or
- h. any **insured** is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured**, shall conclusively bar any **bodily injury**, **property damage** or **personal injury** which arises or results from or is caused by such acts or activities.

13. Home Care Services.

- a. We do not cover **bodily injury**, **property damage** or **personal injury** which arises from, during the course of, or in connection with, home care services, including, but not limited to, child care, day care or foster care services, whether or not licensed or otherwise approved by a governmental agency or body, provided to any person on a regular basis by or at the direction of:
 - (1) any **insured**;
 - (2) any employee of any **insured**; or
 - (3) any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than a cumulative 20 hours per week provided to any one person or group of persons whether that person is the injured party or not.

- b. This exclusion does not apply to:
 - (1) home care services provided to any **insured's** relative, who is not a resident of your household;
 - (2) occasional or part time home care services provided by any **insured** under 21 years of age;
 - (3) the providing of home care services or babysitting services for which compensation is not received, other than the mutual exchange of such services; or
 - (4) the providing of child care, day care or foster care services for not more than a cumulative 20 hours per week by or at the direction of:
 - i. any **insured**;
 - ii. any employee of any **insured**; or
 - iii. any other person actually or apparently acting on behalf of any **insured**.

When this exclusion does not apply as set forth in subsection b., the Section II – Liability Exclusions for Business and Business or Professional Services also do not apply to those activities.

14. Transmitting a Communicable Sickness or Disease.

We do not cover **bodily injury**, **property damage** or **personal injury** which is caused by, or arises from, any **insured** transmitting a communicable sickness or disease, including, but not limited to, sexually transmitted sickness or disease. This exclusion applies whether or not the act of transmitting the sickness or disease was consensual or voluntary. This also applies whether or not any **insured** knew he or she was infected with or bore the sickness or disease or that it could be transmitted to another person.

15. Aircraft, Motor Vehicles, or Watercraft.

We do not cover **bodily injury**, **property damage** or **personal injury** which arises from, during the course of, or in connection with, the ownership, maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit by any **insured** of any:

- a. **aircraft**;
- b. **motor vehicle**; however, this exclusion does not apply to any watercraft trailer, camper trailer, home trailer or utility trailer not being towed by or carried on a **motor vehicle**; or
- c. watercraft which:
 - (1) has more than a 50 horsepower inboard or outdrive motor power;
 - (2) is powered by one or more outboard motors with more than 25 total horsepower;

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- (3) is a sailing vessel, with or without auxiliary power, 26 feet or more in length;
 - (4) uses a powered **water** jet pump as the primary source of propulsion; or
 - (5) uses an air cushion to hover over **water** surfaces.
- This subsection c. does not apply to any watercraft while stored on the **residence premises**.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

16. Entrustment and Negligent Supervision - Aircraft, Motor Vehicles, or Watercraft.

We do not cover **bodily injury**, **property damage** or **personal injury** which arises from, during the course of, or in connection with:

- a. the entrustment of any **aircraft, motor vehicle** or watercraft by any **insured** to any person; or
- b. the negligent supervision of any person by any **insured** regarding the maintenance, operation, use, occupancy, loading or unloading, moving or movement, or entry or exit of any **aircraft, motor vehicle** or watercraft.

Respecting **motor vehicles** and watercraft, this exclusion only applies to the same types of **motor vehicles** and watercraft excluded under Section II - Liability Exclusions, Aircraft, Motor Vehicles or Watercraft.

This exclusion does not apply to **bodily injury** to a **residence employee** in the course and scope of employment by an **insured** as a **residence employee**.

17. Vandalism or Malicious Mischief.

We do not cover **bodily injury**, **property damage** or **personal injury** which is caused directly or indirectly by, or which arises from, during the course of, or in connection with, any **vandalism or malicious mischief**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

18. Destructive Acts.

We do not cover **bodily injury**, **property damage** or **personal injury** which is caused directly or indirectly by, or which arises from, during the course of, or in connection with, any destructive act. This includes acts directed against civilians, or military or governmental personnel or property by any domestic or foreign person(s), organization(s), association, entity or entities, government or any quasi-governmental body. This exclusion includes, but is not limited to, war, undeclared war, civil war, terrorism, insurrection, rebellion and revolution, all whether or not by military or paramilitary personnel, and includes any direct or

indirect consequence of these, including **contamination**. This exclusion applies even if the loss or damage is sustained by persons or property not intended or expected.

19. Fungus, Noxious Substance, Nuclear Substance, Pathogen or Pollutant.

We do not cover **bodily injury**, **property damage** or **personal injury** which is caused by, results from, or in connection with, or which arises from, any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, all whether combined with, caused by or resulting from **water**.

This includes, but is not limited to:

- a. the actual, alleged or threatened discharge, dispersal, seepage, release, migration, trespass or escape of any **fungus, noxious substance, nuclear substance, pathogen** or pollutant:
 - (1) from any premises, site or location; or
 - (2) during transportation, handling, storage, treatment, disposal or processing;
- b. **contamination or remediation**;
- c. any supervision, instruction, disclosure, failure to disclose, recommendation, warning;
- d. advice given or which allegedly should have been given, in connection with any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, or **remediation** activities;
- e. any claim of nuisance concerning or related to any **fungus, noxious substance, nuclear substance, pathogen**, or pollutant;
- f. all costs, expenses or damages arising out of any order, claim, suit or threat of liability by or on behalf of a governmental authority or any other person or entity for injury, damages or injunctive relief because of or arising out of **contamination** or for **remediation**;
- g. anguish, distress, or fear of any person of **bodily injury** or **property damage** which may be caused by, arise out of or result from alleged, actual or threatened infection with, exposure to, absorption of or **contamination** by or with any **fungus, noxious substance, nuclear substance, pathogen**, or pollutant;
- h. actual, alleged, constructive or threatened diminution or loss of value of any property from the actual or alleged presence of any **fungus, noxious substance, nuclear substance, pathogen** or pollutant, including, but not limited to, loss of equity, loss of rents, loss of use or feared or actual economic loss; or

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- i. sums an **insured** is required to expend in equity for or relief from **bodily injury, property damage or personal injury**.
- This applies whether a **noxious substance, nuclear substance, pathogen** or pollutant:
- was used legally, normally or intentionally for the purpose for which it was intended;
 - has any function with respect to your property;
 - was a localized event; or
 - was confined within the general area of its intended use.
20. **Illegal or Controlled Substance.**
- We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with, the use, sale, growth, manufacture, cultivation, distribution, delivery, processing, transfer or possession of marijuana, or of any substance which is illegal or is a controlled substance as defined by either federal or state law, by any **insured**. Such illegal substances include, but are not limited to, explosives, cocaine, LSD, methamphetamines and all narcotic drugs.
- This exclusion does not apply to the legal use, under both state and/or federal law, of legally prescribed drugs by a person following orders of a licensed physician.
21. **Punitive or Exemplary Damages, Fines or Penalties.**
- We do not cover punitive or exemplary damages or any amount in the nature of a civil fine or penalty assessed or imposed under any code, statute or regulation, or by any court, or any award or assessment of attorney fees. We also do not cover the cost of defense, including attorney fees, related to any such damages, fines or penalties.
22. **Workers' Compensation.**
- We do not cover bodily injury to any person eligible to receive benefits required to be provided or which may voluntarily be provided by an insured under any workers' compensation, occupational disease or non-occupational disability law.
23. **Nuclear Energy Liability Insurance.**
- We do not cover **bodily injury or property damage** when any **insured** is covered under any nuclear energy liability policy. This exclusion applies even if the limits of that policy have been exhausted.
24. **Obligation to Reimburse, Share or Indemnify Damages.**
- We do not cover any claim to reimburse, share with or indemnify any person or entity for damages, costs or expenses incurred by that person or entity which arises out of or results from any type of event or activity specified in these liability insurance exclusions.
25. **Statutory Liability.**
- We do not cover any liability statutorily imposed on any **insured** which arises from, is connected with or results from any type of event or activity specified in these Section -II Liability Exclusions.
26. **Violation of Ordinance, Penal Law or Criminal Acts.**
- We do not cover **personal injury** arising from, during the course of, or in connection with, a violation of any ordinance, order or penal law committed by, or with the knowledge or consent of any **insured**, or any criminal act by an **insured**.
- For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured**, shall conclusively bar any **personal injury** which arises or results from or is caused by such acts or activities.
27. **Employment - Personal Injury.**
- We do not cover **personal injury** arising from, during the course of, or in connection with, any offense directly or indirectly related to the employment of any person by any **insured**. This applies whether the offensive activity is an employment related practice, policy, act or omission and whether the substance or context of the offense is employment related.
28. **Civic or Public Activities.**
- We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with, civic or public activities performed for pay, not including expense reimbursement, by any **insured**.
29. **Molestation, Abuse or Corporal Punishment.**
- We do not cover **bodily injury, property damage or personal injury** which arises from, during the course of, or in connection with, any actual, alleged, or threatened molestation, abuse or corporal punishment of any person by anyone, including, but not limited to:
 - any **insured**;
 - any employee of any **insured**;
 - any volunteer, person for hire, or any other person who is acting or who appears to be acting on behalf of any **insured**; or
 - any **insured** or employee of any **insured** where there are allegations of negligent supervision, negligent

Farmers Smart Plan Condominium Policy (continued)

hiring, training, or negligent entrustment or any allegation that any **insured** or employee of any **insured** failed, or allegedly failed, to train, supervise, detect, report or otherwise prevent any person from allegedly molesting, abusing or punishing, or continuing to allegedly molest, abuse or punish any person.

We have no duty to defend or settle any molestation, abuse or corporal punishment claim or any claim of negligent supervision, negligent hiring, failure to report, failure to prevent or negligent entrustment suit against any **insured** or any other person.

- b. This exclusion applies even if:
 - (1) any **insured** or any other person mistakenly believes he or she has the right to engage in certain conduct;
 - (2) the injury is sustained by persons not intended or expected by any **insured**;
 - (3) the injury is different or greater or of a different quality than that intended or expected;
 - (4) any **insured** or any other person did not understand that injury may result; or
 - (5) any **insured** or any other person knew the acts or failure to act was a violation of any penal law, whether or not an **insured** or other person is actually charged with or convicted of a crime.
- c. For purposes of this exclusion, a plea of guilty, no contest, or true in a criminal proceeding, which involves the same acts or activities which are the basis of a claim for damages against any **insured** or any other person, shall conclusively bar any **bodily injury, property damage or personal injury** which arises or results from or is caused by such acts or activities.

30. Home Share Business.

We do not cover **bodily injury, property damage**, medical payments to others or **personal injury** which is caused by, arises from, during the course of, or in connection with, a **home share business**.

31. Aggression.

This includes any aggressive activity, harassment or bullying committed by any **insured** by any means.

Section II - Liability Conditions

1. Limits of Insurance.

- a. The **stated limit** for Coverage E (Personal Liability) is both the per **occurrence** and the **annual aggregate limit**. All claims which result from or arise out of any one person's **bodily injury**, including death, shall collectively

be considered one **occurrence** and will be subject to the per **occurrence** limit.

- b. The **stated limit** for Coverage F (Medical Payments to Others) is the most we will pay in Coverage F for all necessary medical services for **bodily injury** to any one person for any one **occurrence**. Payments for Coverage F are part of and subject to the **annual aggregate limit**.
 - c. If **personal injury** coverage is purchased separately by you, then payments for **personal injury** damage are part of and subject to the **annual aggregate limit**.
2. **Separate Insurance.**

This liability coverage applies separately to each **insured**. This condition will not increase our **annual aggregate limit** or our per **occurrence** limit of insurance. However, exclusions in this liability coverage as applied to any one **insured** may limit or exclude coverage as to all **insureds**.

3. **Duties After Loss.**

In case of an **occurrence**, an **insured** will perform the following duties:

- a. give written notice to us or our agent as soon as possible stating:
 - (1) the policy number, your name and the name of the **insured** against whom the claim is made;
 - (2) the time, place and circumstances of the **occurrence** or claimed **personal injury**; and
 - (3) names and addresses of claimants and witnesses;
- b. immediately send us any notice or demand or legal papers received relating to a claim or suit;
- c. cooperate with and assist us in any matter relating to a claim or suit;
- d. provide all information we request to investigate the claim or suit;
- e. for Damage to Property of Others, send us a sworn statement of loss within 90 days of the loss. Also show us and give us access to any damaged property which is within the **insured's** control;
- f. an **insured** will not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense except First Aid Expenses;
- g. submit to examinations under oath, separately and apart from any other person defined as you or **insured** and sign a transcript of the examination;
- h. produce representatives, employees, members of the **insured's** household or others for interviews or examinations under oath to the extent it is within the **insured's** power to do so;

Farmers Smart Plan Condominium Policy (continued)

- i. cooperate and assist us and not do anything to inhibit or release any right of contribution, recovery or indemnity against any person or organization who may be liable to an **insured** for activities related to a claim or suit; and
- j. as reasonably requested, attend hearings and trials concerning the suit.

4. **Duties of an Injured Person - Coverage F (Medical Payments to Others).**

The injured person or someone acting on behalf of the injured person will:

- a. give us written proof of claim as soon as possible, under oath if required; and
- b. authorize us to obtain medical reports and records.

The injured person will submit to a physical exam by a doctor we choose when and as often as we reasonably require.

5. **Suit Against Us.**

No action can be brought against us unless there has been full compliance with the terms and conditions of this policy. No one has any right to make us a party to a suit to determine the liability of a person we insure or to make us a party to any action against an **insured**. We may not be sued under Coverage E (Personal Liability) until the obligation of an **insured** has been determined by final judgment after actual trial or by agreement signed by us. Under Coverage F (Medical Payments to Others), no action can be brought until 30 days after the required proofs of claim have been filed with us.

6. **Bankruptcy of an Insured.**

Bankruptcy or insolvency of an **insured** or of an **insured's** estate will not relieve us of our duties under this policy.

7. **Other Insurance - Coverage E (Personal Liability).**

This insurance is excess over any other valid and collectible insurance. If any applicable insurance other than this policy is issued to you by us or any other insurer comprising Farmers Insurance Group®, the total amount payable among all such policies shall not exceed the **stated limit** or other limit of insurance of the single policy providing the highest limit of insurance.

Other Insurance - Section II - Liability Extensions of Coverages, Workers' Compensation Coverage of Residence Employees.

This insurance does not apply to any loss with respect to which other valid and collectible Workers' Compensation insurance applies.

8. **Workers' Compensation.**

- a. We will be directly and primarily liable to any **residence employee** of an **insured** entitled to the benefits of the Workers' Compensation Law under this policy.
- b. When a **residence employee** sustains **bodily injury** and notifies you, this shall be deemed notice of knowledge on our part. You must notify us immediately when you are notified of **bodily injury** to a **residence employee**.
- c. The jurisdiction of an **insured** will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
- d. We will be bound by and subject to the orders, findings, decisions or awards rendered against an **insured** under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of the policy. This policy shall govern as between an **insured** and us as to payments by either in discharge of an **insured's** liability for compensation.

Section III – Additional Optional Coverages You May Purchase

The following additional optional coverages may supplement or modify coverages found in Section I and Section II and apply only when they are shown in the Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms and conditions of the specific Optional Coverage. Other optional coverages by endorsement may be available for purchase.

1. **Personal Property Actual Cash Value Loss Settlement.**

If the Declarations show that covered personal property is settled based on **actual cash value**, then covered loss or damage to personal property will be settled for no more than the lesser of the following:

- a. **actual cash value**;
- b. any **stated limit** or other limit of insurance in this policy that applies to the property;
- c. the reasonable and necessary amount actually spent to replace lost or stolen property or to repair or replace damage to the damaged part of the property; or
- d. the loss to the interest of the **insured** in the property.

The Coverage C **stated limit** is the most we will pay regardless of the number of items of personal property which are involved in a loss event.

2. **Increased Limits for Jewelry, Watches, Precious and Semi-precious Stones and Furs.**

If shown in the Declarations and for an added premium, the theft limit for Section I – Types of Property Insured, Special Limits on Certain Personal Property, Jewelry, Watches,

Farmers Smart Plan Condominium Policy (continued)

Precious and Semi-precious Stones and Furs is increased to the amount shown in the Declarations.

3. **Increased Limits for Silverware, Gold Ware, Platinum Ware and Pewter Ware.**

If shown in the Declarations and for an added premium, the theft limit for Section I – Types of Property Insured, Special Limits on Certain Personal Property, Silverware, Gold Ware, Platinum Ware and Pewter Ware is increased to the amount shown in the Declarations.

4. **Increased Limits for Securities, Deeds, Valuable Papers, Personal Records and Stamps.**

If shown in the Declarations and for an added premium, the theft limit for Section I – Types of Property Insured, Special Limits on Certain Personal Property, Securities, Deeds, Valuable Papers, Personal Records and Stamps is increased to the amount shown in the Declarations.

5. **Increased Limits for Firearms.**

If shown in the Declarations and for an added premium, the theft limit for Section I – Types of Property Insured, Special Limits on Certain Personal Property, Firearms is increased to the amount shown in the Declarations.

6. **Increased Limits for Portable Electronic Equipment - Off Premises.**

If shown in the Declarations and for an added premium, the limit for Section I – Types of Property Insured, Special Limits on Certain Personal Property, Portable Electronic Equipment - Off Premises is increased to the amount shown in the Declarations.

7. **Limited Mold Coverage.**

If shown in the Declarations, we agree to provide limited coverage for **mold**, for an added premium. As applying only to Section I-Property Coverage: **Mold** means only those **fungi** that grow in the form of multicellular filaments, or hyphae, including any part, fragment, spores, scents or mycotoxins thereof.

We will pay for:

- a. accidental direct physical loss or damage to covered property caused by or resulting from **mold**, but only if the loss or damage from **mold** is a consequential loss or damage resulting from a covered loss by Section I - Property Coverage of this policy; and
- b. costs and expenses required to **remediate** any **mold** which results or could result from the repair or

replacement of a covered loss under Section I - Property Coverage of this policy.

This coverage does not limit coverage for **mold** if otherwise covered by this policy.

This coverage only applies if you have used all reasonable means to save and protect the covered property from damage by or from **mold** at and after the time the covered loss occurs.

The **stated limit** provided by this Extension of Coverage for any one loss event is the amount shown in the Declarations. This limit includes all loss or damage under Coverage A (**Unit Owner's Building Property**), Coverage C (Personal Property), Coverage D (Loss of Use), and for any other coverage or Extension of Coverage provided by Section I - Property Coverage, and all costs and expenses of **remediation**. This is not additional insurance and does not increase the **stated limits** for Coverage C (Personal Property) or Coverage D (Loss of Use), or any other limit of insurance.

The following Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage, A. Uninsured Types of Loss or Damage and B. Excluded Causes of Loss or Damage exclusions do not apply to the coverage of **mold** as provided by this coverage:

- A. Uninsured Types of Loss or Damage:
 - Contamination
 - Fungi
- B. Excluded Causes of Loss or Damage:
 - Contamination
 - Fungi
 - Noxious Substance

8. **Residence Glass Buy-Back.**

If shown in the Declarations and for an added premium, we will pay for covered accidental direct physical loss or damage to glass attached to your **unit owner's building property** without applying the policy's deductible.

9. **Increased Limits for Association Loss Assessment Coverage.**

If shown in the Declarations and for an added premium, the limit for Section II – Liability Extensions of Coverage, Association Loss Assessment Coverage is increased to the amount shown in the Declarations.

General Conditions - Applying to The Entire Policy

1. **Entire Contract - Waiver or Change of Policy Provisions.**

This policy, the Declarations and any endorsements include all the agreements between you and us and any of our agents

Farmers Smart Plan Condominium Policy (continued)

relating to this insurance and the coverages herein. The terms, conditions, and exclusions of this policy may not be changed or waived by any oral agreement and may only be changed or waived by endorsement or amended Declarations issued by us.

We may change this policy or replace it to conform to the policy form and coverage we then currently use. The change or new policy will be delivered to you or mailed to you pursuant to the Policy Notices condition in accordance with state law before its effective date. Our request for an appraisal or examination will not waive any of our rights.

2. Policy Period.

This policy applies only to covered loss or damage in Section I and Section III, if applicable, and **bodily injury, property damage or personal injury** which occurs during the **policy period**.

3. Joint Obligations.

The terms of this policy are joint obligations of all persons defined as an **insured**. This means that the responsibilities, acts, and failures to act of any **insured** will be binding upon any other **insured**. To the extent an **insured**, other than you, is a direct beneficiary of coverage by this policy, that **insured** is also responsible for complying with the duties and responsibilities set forth in this policy.

4. Misrepresentation, Concealment or Fraud.

- a. We reserve the right to deny coverage for any loss or damage or claim for injury or damage or, as permitted by law, to void this policy, including but not limited to from its inception, if you or any **insured** has, at any time either before or after a claim or loss:
 - (1) negligently or fraudulently concealed, omitted or misrepresented any material fact or circumstance:
 - i. in the application for, change to or renewal of this insurance; or
 - ii. in the presentation of a claim or loss; or
 - iii. during our investigation of a claim or loss.
 - (2) engaged in fraudulent conduct with respect to a claim or loss.
- b. If we make any payments pursuant to this policy and we later apply this condition, you must indemnify us for all payments made.
- c. We do not provide coverage for any loss or damage or claim for injury or damage if you or any **insured**, in connection with or related to any insurance provided in this policy:
 - (1) intentionally caused or arranged for the loss or damage or claim;

- (2) caused the loss or damage while engaged in committing or concealing a felony; or
- (3) had knowledge of the loss or damage or claim prior to the inception of this insurance.

5. Liberalization Clause.

If we make a change which broadens coverage in this edition of our policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the **policy period**.

This clause does not apply to changes implemented with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is implemented through introduction of:

- a. a subsequent edition of this policy; or
- b. an amendatory endorsement.

6. Initial Premium Payment

Any initial policy payment remitted, including, but not limited to, those submitted by check, draft, money order, electronic fund transfer (EFT) or debit or credit card, is a conditional payment and is only accepted subject to collection. It is agreed that if the premium remittance is not honored, we may, at our option, rescind (void) coverage from inception.

7. Cancellation.

- a. The named insured may cancel this policy at any time by returning it to us or by letting us know of the date cancellation is to take effect.
- b. We may cancel this policy by mailing or delivering written notice to you pursuant to the Policy Notices condition. The mailing or delivering of it will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the policy for any reason, by letting you know at least 20 days before the date cancellation takes effect, unless the cancellation reason is fraud, in which case we will notify you at least 10 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel for non-payment of premium in accordance with subsection b.(1) above. We may also cancel

Farmers Smart Plan Condominium Policy (continued)

for one or more of the following reasons, in which case we will notify you at least 30 days before the date cancellation takes effect, unless the reason for cancellation is fraud as referenced below in ii., in which case we shall notify you in writing at least 10 days before the date cancellation takes effect:

- i. you have been convicted of a crime having as one of its necessary elements an act increasing any hazard insured against;
 - ii. discovery of fraud or material misrepresentation by either of the following:
 - (a) an **insured** or his or her representative in obtaining this policy; or
 - (b) you or your representative in pursuing a claim under this policy;
 - iii. discovery of grossly negligent acts or omissions by an **insured** or his or her representative which substantially increase any of the hazards insured against;
 - iv. physical changes in the insured property which result in its becoming uninsurable; or
 - v. any other reason allowed by law
- c. If there is any refund of premium due, we will tender it within 25 days after the date cancellation takes place. The return premium will be calculated pro rata. Pro rata calculation means that we keep premium only for the period of time you were insured.

8. **Renewal and Refusal to Renew.**

We may elect to nonrenew by delivering or mailing, pursuant to the Policy Notices condition, written notice to you at least 75 days before the expiration of this policy. The mailing or delivering of it will be sufficient proof of notice.

This provision to nonrenew does not apply if:

- a. we indicate our willingness to renew and you fail to pay the premium by the due date; or
- b. the named insured indicates to us or our agent that you do not wish the policy to be renewed.

If we elect to renew this policy, we may condition its renewal on an increase or reduction of **stated limits** or other limits of insurance or an increase or reduction or elimination of coverages or deductibles. If we offer to renew this policy, including conditioning renewal as indicated, we will deliver or mail a written offer in accordance with state law. Such mailing or delivering will be sufficient proof of notice. This policy will automatically terminate at the end of the **policy period** if you do not accept our offer to renew it. Failure to

pay the required renewal premium means that you have declined our offer. It is agreed that if the premium remittance is not honored, you have failed to pay the premium and have declined our offer.

9. **Inflation At Renewal.**

We may increase the **stated limits** at each renewal for Coverage A (**Unit Owner' Building Property**) and Coverage C (Personal Property) and Coverage D (Loss of Use) as shown in the Declarations. We base increases on an updated estimated reconstruction cost of Coverage A, an inflation factor or cost indexes, changes in costs of construction, or any other method or combination of methods we may use to determine the amount for which we will offer to insure Coverage A at renewal. We will round any increases in limits to the next highest \$1,000. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

Your payment of the renewal premium indicates your acceptance of any adjusted limits.

10. **Assignment and Death.**

Any interest you may have in this policy or benefits payable from this policy may not be assigned or transferred to another person without our written consent and is void and invalid.

If you should die, we will cover:

- a. your spouse, civil union partner or domestic partner under applicable local, state or federal law of the United States or its territories, or of another country, if a resident of the same household with you at the time of your death or any other member of your household in the **condominium unit** who is an **insured** at the time of your death, or any other member of your household on the **residence premises** who is an **insured** at the time of your death, but only while a resident of the **residence premises**;
- b. your legal representative while acting as such, but only with respect to the **residence premises** and property covered by this policy at the time of your death; or
- c. any person having proper temporary custody of your insured property until your legal representative is appointed and qualified.

11. **Subrogation.**

When we pay for any loss or damage, an **insured's** right to recover from anyone else for that loss or damage becomes our right, up to the amount we have paid. **Insureds** must protect any of these rights and help us enforce them. However, an **insured** may waive in writing before a loss, all

Farmers Smart Plan Condominium Policy (continued)

rights of recovery against any person. An **insured** may not waive after a loss any 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. We are entitled to payment, reimbursement and subrogation regardless of whether the total amount of the recovery by an **insured** on account of the loss or damage is less than the actual loss suffered by that **insured**. Subrogation does not apply to Section II – Liability.

12. What Law Will Apply.

This policy is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or risks principally located in that state. The laws of the state where the **residence premises** is located shall govern any and all claims or disputes in any way related to this policy.

13. Arbitration.

Any claim or dispute related to this policy, by an **insured** against us or us against an **insured**, may be resolved by arbitration only upon mutual consent of us and the other party subject to:

- a. no arbitrator has the authority to award punitive damages, exemplary damages or attorney's fees;
- b. neither of the parties are entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. no arbitrator has the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

14. Conflict of Terms.

If there are terms of this policy which conflict with statutes of the state where issued, the terms are amended to conform to such statutes.

15. Where Suits May be Brought.

Any and all suits related to this policy will be brought, heard and decided only in a state court located in the judicial district in which the **residence premises** is located or in a federal court located in the state in which the **residence premises** is located. Any and all suits against persons not party to this policy but involved in the sale, administration, performance or alleged breach of this policy, shall be brought, heard and decided only in a state court located in the state in which the **residence premises** is located or in a federal court located in the state in which the **residence premises** is located, provided that such persons are

subject to, or consent to, suit in the courts specified in this paragraph.

Nothing in this section shall limit or impair any party's right to remove a state court suit to a federal court.

16. Changed Information.

You agree that if any information we use to rate or underwrite your policy changes, including, but not limited to, whether you qualify for discounts, or if that information is determined by you or us to be incorrect or incomplete, then we may, during the **policy period** or at renewal, re-underwrite this insurance, including adjusting coverage and/or premium.

17. Additional Benefits and Services.

We may work with independent merchants for enhanced value for replacement of your property. We may also work with independent merchants for other services, discounts or benefits. We may introduce you to these merchants and if you are interested in any of the services, discounts, or benefits that they may offer, you will have to deal directly with them. You do not have to use their services. You do not have to accept any discounts or benefits that they may offer to you. We do not make any representation regarding the suitability of any such services, discounts or benefits for your specific needs. We are not obligated to expand or continue to make available any such services, discounts or benefits.

18. Policy Notices.

We will address policy notices to you at your address stated in the Declarations. We may mail or, unless prohibited by law, deliver such notices to you. If a mortgagee is named in this policy, any notices we give to the mortgagee may be mailed or delivered.

However, when mailed, we or vendors we retain may forward or address such notices to an updated address per any change of address presented to or filed with the United States Postal Service. In addition, we may update our policy records to reflect this updated address and/or address future policy notices to this address.

Except where prohibited by law, a policy notice per this Policy Notices Condition will be deemed "mailed" or "delivered" if it is delivered by electronic transmittal or facsimile.

19. Reciprocal Provisions.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the Declarations, and in consideration of the Subscription Agreement, which is

Farmers Smart Plan Condominium Policy (continued)

provided to you and is incorporated herein by reference. You acknowledge that you have read, understood and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact. Membership fees which you pay as a subscriber are not part of the premium and are not returnable, unless otherwise required by state law.

We hold the Annual Meeting of the members of the Farmers Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March of each year at 2:00 p.m. and we hold the Annual Meeting of the Fire Insurance Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March each year at 10 am. The Board of

Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten (10) days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the Subscription Agreement.

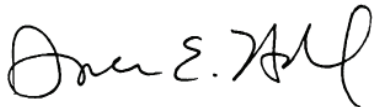
Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice.

This policy is non-assessable.

The insurer named in the Declarations has caused this policy to be signed by the officers shown below.

FIRE INSURANCE EXCHANGE

By Fire Underwriters Association,
Attorney-in-Fact



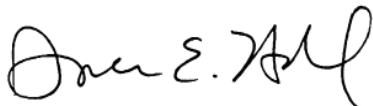
Secretary



President

FARMERS INSURANCE EXCHANGE

By Farmers Underwriters Association,
Attorney-in-Fact



Secretary



President of Personal Lines

Policy Notices

Notice to Consumer - California Residential Property Insurance Disclosure

Policy Number: 97038-08-04

Insured's Name: Sharon Nachshon

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

Primary Forms of Residential Dwellings Coverage

You have purchased the coverage(s) checked below. Note: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

- Actual Cash Value Coverage** for either a total or partial loss to the structure or its contents pays the amount it would cost you to repair, rebuild, or replace the thing lost or injured, less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. A deduction for physical depreciation applies only to components of a structure that are normally subject to repair and replacement during the useful life of that structure.
 - Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.
 - Extended Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.
- N/A* **Guaranteed Replacement Cost Coverage** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.
- Building Code Upgrade Coverage**, also called Ordinance and Law coverage, covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

*N/A = Not available

Read Your Policy and Policy Declarations Page Carefully: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

Information You Should Know About Residential Dwelling Insurance

Policy Notices (continued)

Avoid Being Underinsured: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

The Residential Dwelling Coverage Limit: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

Demand Surge: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

Changes to Property: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

Exclusions: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

Contents (Personal Property) Coverage Disclosure:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable, such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

Policy Notices (continued)

Consumer Assistance

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

Fire safety-related discounts offered: A Home Safety, Home Protection and Loss Prevention, Sprinkler System, or Central Fire Alarm discount may be available depending on product type. Please contact your agent for additional information.

Insured's Signature

25-2531 5-21

California Residential Property Insurance Bill of Rights

A consumer is entitled to receive information regarding homeowner's insurance. The following is a limited overview of information that your insurance company can provide:

- The insurance company's customer service telephone number for underwriting, rating, and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- An explanation of how your policy limits were established.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Settlement Practices Regulations.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

This insurer reports claim information to one or more claims information databases. The claim information is used to furnish loss history reports to insurers. If you are interested in obtaining a report from a claims information database, you may do so by contacting:

A-PLUS™ a division of ISO Services, Inc.

(800) 709-8842

<http://www.verisk.com/insurance/products/order-an-a-plus-loss-history-report.html>

LexisNexis Consumer Center

(800) 456-6004

www.consumerdisclosure.com

A consumer is also entitled to select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy. The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer

Policy Notices (continued)

information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

25-2563 8-17

Inflation and Your Coverage Limits

Policy Number: 97038-08-04

This document contains important information about your insurance coverage. Please take a moment to review this information carefully.

Inflation can effectively reduce your coverage

Your policy includes an important condition which allows us to increase certain stated limits in your policy annually for inflation. We have applied an inflation index factor as part of your renewal offer. Please note that since we do not unilaterally reduce the **stated limits** at renewal, there will be no change if the application of the factor results in a decrease in a stated limit. **Important: The stated limit on your policy may not be equal to the actual cost to replace real or personal property.**

As your Farmers Agent I am happy to help.

I am available to answer any questions you may have about your coverage or the limits offered for your policy. However, it is your responsibility to make sure you have enough insurance coverage for your needs.

If you have any questions about this renewal offer, please contact my office at (805) 494-4174.

25-5740 4-21

Notice of Information Practices California

Why did we send you this notice?

The State of California requires all insurance companies to tell customers about their information practices. Information practices include things companies do to gather and share information about customers. Insurance companies need information to make decisions. They make all sorts of day-to-day decisions: who to insure, how much to charge, how to handle claims, and others.

What are your rights?

Our information practices extend to applicants and policyholders (past and present). State and federal laws give you certain rights when you take part in transactions having to do with insurance for yourself, your family, or your household.

We send our customers a notice called the "Farmers Privacy Notice." The Farmers Privacy Notice does not limit any rights you may have - as a consumer, claimant, or beneficiary. Your state gives you additional protections. They are explained in this notice.

Policy Notices (continued)

How do we collect the information?

You give us most of the information we need when you apply for insurance. Much of it is made up of common, practical facts: your employment information, your driving record, your age, where you live, and other things like that. Many times, we need more information. Or we may need to verify information you've given us. When that happens, we normally ask for a report from an outside source. That source can be a consumer reporting agency or an insurance support organization. Both provide information in the form of consumer reports. Most insurance companies use these; it's a common industry practice.

Sometimes one of these outside sources needs to gather information before they can prepare an investigative consumer report. This could be done as part of a fraud investigation, for example. They might then contact you, another adult member of your household, or a neighbor by phone or in person. If this happens, you can, as the Named Insured, ask us to interview you or your spouse as well. We will make every effort to honor your request.

What types of information do we collect?

Auto - While taking your application for insurance and to service policies covering your personal vehicles, we may obtain information about

- How you use your vehicle(s), including annual mileage
- Age, personal habits, and characteristics of drivers
- Credit information
- History of accidents, driving violations, arrests or convictions, and claims
- Previous insurance experience

Property - While taking your application for insurance and to service policies covering your real and personal property, we may obtain information about

- Type of construction and square footage of dwelling
- Heating system and other physical characteristics of the property
- Care and maintenance of the property
- Credit information
- Claims history
- Previous insurance experience
- Personal habits and characteristics of the property's occupants

What do we do with the information?

We use the information we collect about you to perform insurance functions. This includes

- Underwriting and servicing your policy
- Processing claims (we may obtain information relating to health and employment)
- Investigating potential fraud
- Other activities permitted by state and federal law

Here's an example: If you ask us to set up a payment by electronic funds transfer, we may obtain financial information for a particular bank account.

Policy Notices (continued)

We may also disclose information to other parties. The law permits us to do this without your prior authorization when the information goes, for example, to these parties:

1. Your Farmers[®] agent - to service your policy.
2. Persons who need this information to perform normal business functions for us.
3. Persons conducting actuarial or research studies on our behalf.
4. Another insurance company or an insurance support organization - to perform an insurance transaction, or to detect or prevent criminal activity or fraud in connection with an insurance transaction.
5. A medical professional or medical care institution - to verify insurance coverage or benefits or to inform an individual of a medical problem the individual may not know about.
6. An insurance regulatory authority.
7. Law enforcement or other governmental authority.
8. A group policyholder - to report claims experience or conduct an audit of our operations, but only as needed to conduct the review or audit.
9. Affiliates, as permitted by law. The law allows us to share your financial information with our affiliates to market products or services to you, and does not allow customers to restrict that disclosure.
10. Persons that perform marketing services on our behalf, as permitted by law.
11. Other non-affiliated third parties, as permitted by law.
12. A party to a proposed or consummated sale, transfer, merger, or consolidation of all or part of the company underwriting your policy.

An insurance support organization that prepares a report may keep information it gathers and disclose that information to other persons, but only to the extent permitted by federal and state law.

How can you see or make corrections to your personal information?

You have these rights:

- To know what personal information about you we have in our records. That includes reports from outside sources.
- To get a copy of your personal information.
- To request that we correct, change, or remove any information you feel is incorrect.

To use these rights, you must send us a written request. Your Farmers[®] agent can give you the appropriate service center address.

If you request that we correct, change, or remove incorrect information, we'll check our records and make the changes if we can. We'll let you know in writing what we decide.

If we cannot make a change you asked for, you can file a statement. Write down the reasons you disagree with our decision. We'll include the statement in our records. That way, anyone who looks at the disputed personal information will also see your statement. From then on, if we disclose your information to another party, we'll include your statement. We will also send a copy to anyone who has gotten your personal information from us in the past two years. Just tell us who you would like us to send it to.

There are some types of information for which these rights do not apply:

- Information we collect to process an actual or anticipated claim
- Information we collect for an actual or anticipated civil or criminal proceeding

Policy Notices (continued)

- Specific items of privileged information when an applicant or policyholder is suspected of fraud, material misrepresentation, or material nondisclosure

We'll keep you informed.

As required by law, we will keep you up to date on our information practices. We reserve the right to modify our practices at any time, when permitted by law.

If you have questions about this notice, please call your Farmers[®] agent.

This notice is sent on behalf of the Farmers Insurance Group of Companies, whose members include, but are not limited to:

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers New Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Texas County Mutual Insurance Company, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company.

25-8531 10-12

Reconstruction Cost and Your Coverage A (Dwelling) Amount

Policy Number: 97038-08-04

This document contains important information about your insurance coverage. Please review this information carefully.

Do You Think You Have Enough Coverage?

At renewal your policy will provide **\$18** per square foot to rebuild your home. (This does not include any additional amount added by extension or endorsement to your policy.)

When you first obtained your policy, Farmers[®] used an estimating program to calculate a reconstruction cost estimate for your home. This was an estimate, not a guarantee of reconstruction costs.

For this renewal offer we have applied a reconstruction cost factor as part of the annual renewal process. Since we do not unilaterally reduce the Coverage A amount at renewal, there will be no change in the Coverage A amount if application of the factor would result in a decrease in the Coverage A amount. The chart below shows the amount for which we have offered to insure your home at renewal as well as the reconstruction cost estimate with the factor applied (see below). We will calculate a new estimate, rather than apply the reconstruction cost factor, upon request or when you notify us of changes to the features of your home.

Coverage A (Dwelling) Amount offered to insure your home at renewal:	\$30,000
Reconstruction Cost Estimate:	

Policy Notices (continued)

Please review the next page to make sure the details about your home are correct, and let me know of any necessary changes. Changes to these details could result in a change to the reconstruction cost estimate. Feel free to contact me at any time if you want a new estimate calculated or if you want to make a change to the amount for which your home is insured.

It's important to understand that reconstruction cost is NOT the same as the market value of your home.

Reconstruction Cost

Reconstruction cost is the amount it would cost to rebuild your home if it were destroyed. It includes costs like materials and labor and city/county fees. It is not what a buyer would pay for your home or the amount of your mortgage. It does not include the value or cost of the land.

vs.

Market Value

Market value is the price a buyer would pay to purchase the home, including the land and property, in its current condition. It takes into account the location, the desirability of the property, changes in the housing market, and the economy. It does not take into account the cost to build a new home.

Do You Need Help?

As your Farmers Agent I am happy to help you with any questions you have. I can provide guidance as to the coverage options available, but I cannot choose your coverage amounts for you. Ultimately it is your responsibility to make sure you have purchased sufficient insurance coverage to rebuild your home and replace your personal property.

If you have questions about your coverage or the Coverage A amount offered for your home with this renewal offer please contact my office at **(805) 494-4174**. As your Farmers Agent, I am committed to providing you with excellent service.

Sincerely,

Dennis Koors

Questions to Consider When You are Determining Your Coverage:

- Is the square footage accurate?
- Have you remodeled your kitchen, bathrooms or any other part of your home?
- What is the overall quality of your home? (See the Quality Grade definitions later in this document.)

Information We Have About Your Home.

Please review the information below about your home for accuracy. Additionally, keep in mind that the amount for which we have offered to insure your home is not a guarantee of reconstruction costs. Again, feel free to contact me if you want to make a change to your Coverage A amount.

ZIP Code:	91320-3515	Roof Material:	Tile - Clay
Year Built:	1990	Garage Type:	
Square Footage:	1,671	Interior Wall Construction	
Style or Number of Stories:	1 Story	Material:	
Dwelling Quality Grade:		Basement:	No
Foundation Type:		Number of Units:	
Foundation Shape:			

Please note that the above information is not an all inclusive list of the individual home features that would be used to recalculate your estimate, but would be major contributors to the development of that estimate. If you desire a complete list of all home features or any

Policy Notices (continued)

other information, please contact me so I can provide that information. Please see the next page for definitions of selected reconstruction cost terms.

There are other coverages and/or options that may be right for you, including those that follow. Some may not be available based on your policy form and/or some may have additional underwriting requirements.

Extended Replacement Cost Coverage: With this coverage and subject to its provisions, we pay to repair or replace damage from a loss covered under Coverage A up to an additional 25% or 50% of the Coverage A amount, depending on which percentage options, if any, are available in your state for your policy form. If your policy does not have this coverage, or if a higher coverage limit is available, you may consider adding or increasing this coverage for an additional premium. This coverage may provide an additional layer of protection as your policy **does not** provide Guaranteed Replacement Cost coverage.

Building Ordinance or Law Coverage: Your policy has limited Building Ordinance or Law coverage to pay for costs that result from having to rebuild in compliance with updated building codes. You may be able to increase the amount of this coverage for additional premium.

Personal Property: You may also be able to purchase increased coverage for certain items of personal property. These items may include but are not limited to jewelry, watches, electronic data processing equipment, fine arts, firearms, silverware, and other collectibles.

Please contact me to discuss any of the coverages or options listed above.

Selected Definitions

<i>Term</i>	<i>Definitions</i>
Square Footage	The total square footage figure includes all floors of your home. IMPORTANT: It does NOT include any of the following: attached garage or built-in garage, carport, basement (even if fully finished), attached greenhouse, porches or decks, or any detached structures.
Reconstruction Cost Factor	This Factor is applied as part of the annual renewal process. The Factor may be based on the approximate difference between a current and former reconstruction cost estimate program and/or may reflect the changes in the cost of materials and labor required to rebuild a home in your area.

Policy Notices (continued)

Term

Dwelling Quality Grade

Definitions

The following "definitions" are general guidelines to help with your review. Your home can have elements of more than one specific Dwelling Quality Grade. Therefore, you should determine the Quality Grade by choosing the one that comes closest to describing your home.

Premium: Unique style and/or shape which vary from the other homes in the area. They are typically very large homes, generally at least 5,000 square feet. Vaulted ceilings (9' - 12') typically throughout. Highest grade materials used throughout (countertops, cabinets, flooring, wall coverings etc.). Contains unique features such as wall safes, built-in movie theaters, and other luxury constructions.

Custom: These homes can be recognized by the unique style and/or shape which vary from the other homes in the area. They are typically quite large homes. Custom homes are distinguished by style and shape as well as by the finishes, though they may contain both Above Average and/or Premium quality finishes. Includes features such as highly upgraded kitchen and bath countertops, floor and wall coverings, built-in bookshelves, and wet bars.

Above Average: Tract style home construction with upgraded features. Home design is produced throughout the area. Many rooms, including the kitchen, bathrooms, and bedrooms have been upgraded from the standard construction design and have features that are made of higher quality materials. Typical designs include raised ceilings. Many upgraded features include the wall and floor coverings, lighting fixtures and kitchen and master bath countertops.

Standard: Typical of common tract style home construction. Home design is produced throughout the area. Features come as part of the packaged construction design and are made of solid and quality conventional materials. Typical designs may include slightly higher ceilings with occasional vaulted ceilings. Some upgraded features but not prevalent.

Economy: Basic home features and design. Simple construction layout and floor plan. Inexpensive fixtures and features. Lower grade, but functional, construction materials (for example: roofing, flooring, cabinets, and countertops).

25-8861 4-18



Subscription Agreement Notice

Important Notice - Please keep for your records

Subscription Agreement Notice

By payment of the policy premium, you acknowledge that you have received and read the Fire Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, you appoint Fire Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1942. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Fire Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Fire Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Fire Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty five per centum of the Premium Deposit for the insurance provided and twenty five per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, Attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

Privacy Policy

This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

Information We Collect

We may collect the following categories of information for the purposes identified below. Please note that the examples are not an exhaustive list and may fall into multiple categories. Categories and specific pieces of information collected may vary depending on the nature of your relationship with us.

Category	Purpose of Use	What may be included in this category	Some examples
Internal	Authenticate your identity; create, maintain and secure your account with us; maintain your preferences.	Knowledge and Belief, Authenticating, Preference	Passwords, PIN, mother's maiden name, individual interests
Historical	Complete a transaction or provide a service for which the personal information was collected; conduct analytics and modeling.	Personal history	Past claims, prior insurance carriers, prior addresses, medical history, criminal history
Financial	Process your billing; make payments; complete a transaction or provide a service for which the personal information was collected.	Account, Ownership, Transactional, Credit	Credit card number, bank account, records of real or personal property, credit, income, loan records, taxes
External	Identify information to verify you; complete a transaction or provide a service for which the personal information was collected; deliver product offerings that may be relevant to you; conduct analytics.	Identifying, Ethnicity, Gender, Demographic, Medical and Health, Physical Characteristics	Name, username, government issued identification, social security number, gender, browsing behavior, age range, income bracket, physical and mental health, medical records
Social	Establish your communication preferences; complete a transaction or provide a service for which the personal information was collected; process your policy, account or claim.	Professional, Criminal, Public Life, Family, Social Network, Communication	Job titles, work history, school attended, convictions, charges, marital and family status, email, telephone recordings
Tracking	Contact you; provide relevant information; provide a location-based product or service requested by you; conduct analytics.	Computer or Mobile Device, Contact, Location	IP Address, geolocation, email address, physical address, telephone number, country

We collect certain information ("nonpublic personal information") about you and the members of your household ("you") from the following sources:

- Information you provide on applications or other forms, such as your social security number, assets, income, and property information;
- Information about your transactions with us, our affiliates or others, such as your policy coverage, premiums, and payment history;

-
- Information from your visits to the websites we operate, use of our mobile sites and applications, use of our social media sites, and interaction with our online advertisements;
 - Information we receive from consumer reporting agencies or insurance support organizations, such as motor vehicle records, credit report information and insurance claims history; and
 - If you obtain a life, long-term care or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations, regarding your health.

How We Protect Your Information

Our customers are our most valued assets. Protecting your privacy is important to us. We restrict access to personal information to those individuals, such as our employees and agents, who provide you with our products and services. We require individuals with access to your information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about you except as described in this notice or as otherwise required or permitted by applicable law.

Information We Disclose

We may disclose the nonpublic personal information we collect about you, as described above, to our affiliates, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements, and to other third parties, all as permitted by law and for our everyday business purposes, such as to process your transactions and maintain your accounts and insurance policies. Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will follow the privacy restrictions of that organization.

We are permitted to disclose personal health information:

- (1) to process your transaction with us, for instance, to determine eligibility for coverage, to process claims or to prevent fraud;
- (2) with your written authorization, and
- (3) otherwise as permitted by law.

When you are no longer our customer, we continue to share your information as described in this notice.

Sharing Information with Affiliates

The Farmers Insurance Group[®] of Companies includes affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described above in **Information We Collect**, as permitted by law to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers.
- Non-financial service providers, such as data processors, billing companies and vendors that provide marketing services for us.

We are permitted by law to share with our affiliates information about our transactions and experiences with you. In addition, we may share with our affiliates consumer report information, such as information from credit reports and certain application information, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

IMPORTANT PRIVACY CHOICES

You have choices about the sharing of some information with certain parties. These choices may differ based on the particular affiliate(s) with which you do business.

For 21st Century customers: We are offering you an Opt-Out opportunity which is included with your policy documents. If you prefer that we not share your consumer report information with Farmers you may opt-out of such disclosures that is, you may direct us not to make those disclosures --other than as otherwise permitted by law. You may do so by following the procedure explained in the Opt-Out Form. You may opt-out only by returning the Opt-Out Form. We will implement your request within a reasonable time. If it is your decision not to opt-out and to allow sharing of your information with the Farmers affiliates, you do not need respond in any way.

For Bristol West customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may use the Opt-out form included with your policy documents. Please verify that your Bristol West policy number is listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. We will implement your request within a reasonable time after we receive it. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy. If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to request an Opt-Out or respond to us in any way.

For Farmers customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention. Please verify that all of your Farmers policy numbers are listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. Any policyholder may opt out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy issued by the affiliates listed on the Farmers Privacy Notice. We will implement your request within a reasonable time after we receive the form.

If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.

Additionally, under the California Consumer Privacy Act (“CCPA”), California residents have the right to opt out of the sale of personal information to certain third parties. Although we do not currently share personal information in a manner that would be considered a sale under CCPA, you may still submit a request to opt out by calling us at 1-855-327-6548 or submitting a request through our CCPA Web Form at <https://www.farmers.com/california-consumer-privacy/> .

Modifications to our Privacy Policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with other nonaffiliated third parties. Before we make any changes, we will provide you with a revised privacy notice and give you the opportunity to opt-out of, or, if applicable, to opt-in to that type of information sharing.

Website and Mobile Privacy Policy

Our Enterprise Privacy Statement includes our website and mobile privacy policies which provides additional information about website and mobile application use. Please review those notices if you transmit personal information to us over the Internet through our websites and/or mobile applications.

Recipients of this Notice

While any policyholder may request a copy of this notice, we are providing this notice to the named policyholder residing at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder will receive this notice. You may receive more than one copy of this notice if you have more than one policy with us. You also may receive notices from affiliates, other than those listed below.

More Information about these Laws?

This notice is required by applicable federal and state law. For more information, please contact us.

Signed

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Insurance Hawaii, Inc., Farmers New Century Insurance Company, Farmers Services Insurance Agency, Farmers Specialty Insurance Company, Farmers Texas County Mutual Insurance Company, Farmers Financial Solutions, LLC (a member of FINRA and SIPC)*, FFS Holding, LLC, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company, American Federation Insurance Company, 21st Century Advantage Company, 21st Century Assurance Company, 21st Century Auto Insurance Company of New Jersey, 21st Century Casualty Company, 21st Century Centennial Insurance Company, 21st Century Indemnity Insurance Company, 21st Century Insurance & Financial Services, Inc., 21st Century Insurance Company, 21st Century Insurance Company of Southwest, 21st Century North America Insurance Company, 21st Century Pacific Insurance Company, 21st Century Premier Insurance Company, 21st Century Superior Insurance Company, Hawaii Insurance Consultants Ltd., American Pacific Insurance Company, Inc., Bristol West Casualty Insurance Company, Bristol West Holdings, Inc., Bristol West Insurance Company, Bristol West Insurance Services of California, Inc., Bristol West Insurance Services, Inc. of Florida, Bristol West Preferred Insurance Company, BWIS of Nevada, Inc.; Coast National Holding Company, Coast National Insurance Company; Foremost County Mutual Insurance Company, Foremost Insurance Company Grand Rapids, Michigan, Foremost Lloyds of Texas, Foremost Property and Casualty Insurance Company, Foremost Signature Insurance Company, and Security National Insurance Company (Bristol West Specialty Insurance Company in TX).

The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the companies comprising the Farmers Insurance Group of Companies.

*For more background information on Farmers Financial Solutions, LLC (“FFS”) or its registered representatives/Agents, visit FINRA’s BrokerCheck at www.finrabrokercheck.com or call the BrokerCheck toll free hotline at (800) 289-9999. You may obtain information about the Securities Investor Protection Program (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at www.sipc.org. FFS is registered with the US Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB). The MSRB website is accessible at www.msrb.org and includes an Investor Brochure that describes the protections that may be provided by the MSRB and how to file a complaint with the appropriate regulatory authority.



2022 Exchange Update

Dear Fellow Fire Insurance Exchange Member:

As we close the books on 2021, Farmers Insurance Group® continues to provide its customers with coverage options to help them manage risk and meet their insurance needs. We strive to deliver the best value and experience to every customer we're privileged to serve. Farmers appreciates your business and looks forward to continuing to earn your confidence for many years to come.

Fire Insurance Exchange is one of the insurers comprising Farmers Insurance Group®. Fire Insurance Exchange along with Farmers Insurance Exchange and Truck Insurance Exchange, and their subsidiaries and affiliates, provide automobile, homeowners, personal umbrella and business owners insurance. For more information, please visit farmers.com.

Recent Developments

- A key highlight in 2021 was our successful acquisition and integration of MetLife Auto & Home®, which diversified our distribution and extended the Farmers brand to new customers.
- We also continued our strong performance in customer experience, with our overall customer satisfaction score at an all-time high.
- In a year of elevated weather and fire catastrophes, Farmers responded with our award-winning Catastrophe team to serve our customers and help communities in need.

Better Together

- We began pivoting to a new way of working based on feedback from our employees and after demonstrating we're more than capable of operating Farmers and serving our customers with the vast majority of our employees working virtually.
- We are committed to a diverse workforce and are proud that Farmers has achieved a perfect score of 100 on the 2022 Corporate Equality Index (CEI).

Your Voting Rights

As a member of Fire Insurance Exchange, you have the important right to vote for representatives of the Exchange Board of Governors. To ensure that all our customers have an opportunity to exercise their voting rights, we now have three ways in which you can cast your votes. You may vote in person at the Annual Meeting of Members of Fire Insurance Exchange, appoint a proxy to act on your behalf by requesting and returning a completed proxy form, or conveniently cast your votes online through your Farmers.com account. Additional information on Fire Insurance Exchange and your voting options can be found in the FAQs on the other side of this page.

Thank you for your ongoing support and participation.

Sincerely,

A handwritten signature in black ink that reads "Kenneth W. Bentley".

Kenneth W. Bentley
Chair of the Board of Governors of Fire Insurance Exchange

2022 Exchange Update (continued)

FREQUENTLY ASKED QUESTIONS

As a member of Fire Insurance Exchange, we want you to understand the basics of the operation of an Exchange because, as you will see below, you are an owner of the Exchange.

What is an Exchange?

An Exchange is an insurance organization, which operates in most ways like any other insurance company, but with a few key differences. Fire Insurance Exchange was organized under a provision in the California Insurance Code, which allows insureds to "exchange" policies with other insureds. Because the insureds cannot practically be involved in actually issuing policies, collecting premium, paying commissions to agents, etc., they appoint a third party - called an "attorney-in-fact" (AIF) - to perform those duties on their behalf for a fee. That appointment is made through a document called a "Subscription Agreement." You were asked to sign a Subscription Agreement at the time you applied for insurance with Fire Insurance Exchange and that is how you became a member (aka subscriber).

Who owns the Exchange?

You do. Subscribers of the Exchange are owners until such time as they no longer have insurance from the Exchange. Subscribers elect a Board of Governors which supervises the financial affairs of the Exchange and the performance of the AIF in conformity with the Subscription Agreement terms.

Why is an AIF fee paid to Fire Underwriters Association (FUA)?

Under the Subscription Agreement mentioned above, members appoint FUA to perform certain of the tasks, such as policy issuance and collection of premium, which are involved in running an insurance operation. The Subscription Agreement specifies an AIF fee of 25 percent of premium, although FUA has taken less than that amount.

What is FUA?

FUA is a wholly owned subsidiary of Farmers Group, Inc. (FGI), which is part of the Zurich Insurance Group, Ltd (ZIG), a Swiss company. Neither FUA, FGI nor ZIG has any ownership interest in Fire Insurance Exchange, which is owned by its subscribers (insureds).

How was your premium dollar spent by Fire Insurance Exchange in 2021?

Your premium dollar covers Exchange costs including losses incurred, acquisition costs, taxes, license fees, the AIF fee, and any contributions to surplus. For 2021, the AIF fee was 12.5% of the premium dollar, which included the AIF profit of 6.68% of the premium dollar for that year.

Can the Exchange lose money?

If premiums collected exceed claims payments and other expenses (including the fee for the AIF), then the Exchange retains those net premium earnings (as contributions to surplus). If premiums are not sufficient to cover claims and expenses, the Exchange will lose money. That's one reason it is important to build surplus to pay future losses. The AIF does not participate in claims losses and does not enjoy any net premium earnings. Importantly, subscribers are not responsible for any losses the Exchange might suffer.

How can I exercise my right to vote?

You may exercise your voting rights in any of the following ways:

1. By attending the annual members' meeting in Woodland Hills, CA on March 20, 2023 at 10 AM,
2. Electronically through your Farmers.com account (voting will be available from January 1, 2023 to March 10, 2023 and you will be required to create a Farmers.com account if you do not already have one), or
3. Through mail by requesting a paper proxy from the Subscriber Relations Office (completed proxies must be received by March 10, 2023)

Where can I get more information about the Exchange, or obtain a paper proxy?

You can go to www.farmers.com/about-us for most questions. If you have additional questions or want to obtain a paper proxy along with a postage paid envelope to confidentially return your proxy, please contact:

Subscriber Relations Office
Fire Insurance Exchange
Attn: Corporate Secretary
P.O. Box 4461
Woodland Hills, CA 91365
Subscriber.relations@farmersinsurance.com