

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, “you” and “your” refer to the “named insured” shown in the Declarations and the spouse if a resident of the same household. “We”, “us” and “our” refer to the Company providing this insurance.

In this policy, including the reference found in Form SFP-1, “Actual Cash Value” means the cost to repair or replace covered property with material of like kind and quality less deduction for physical deterioration, depreciation and obsolescence. Actual cash value applies to the valuation of covered property regardless of whether that property has sustained either partial or total loss or damage. The actual cash value of the damaged property may be significantly less than its replacement cost.

With respect to coverage provided under this policy, “fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

In this policy, including the reference found in form SFP-1, “Vacancy” means containing no contents usual or incidental to the occupancy as a dwelling and “Unoccupancy” means the absence of use as a dwelling place by human beings.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

A. COVERAGE A - Dwelling

1. We cover:
 - a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
 - b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described

Location; and

- c. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

2. We do not cover land, including land on which the dwelling is located.

B. COVERAGE B - Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover;
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure;
 - d. Gravemarkers, including mausoleums.

C. COVERAGE C - Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;
- b. Animals, birds or fish;

- c. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft. We do cover model or hobby aircraft not used or designed to carry people or cargo;
- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

(1) This includes:

- a. Their accessories, equipment and parts; or
- b. Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.

The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.

(2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

- a. Used solely to service the Described Location; or
- b. Designed to assist the handicapped;
- f. Watercraft of all types, other than row boats and canoes;
- g. Data, including data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment;

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- h. Credit cards or electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; or
- i. Water or steam; or
- j. Gravemarkers, including mausoleums.

3. Property Removed To A Newly Acquired Principle Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

D. COVERAGE D- Fair Rental Value

1. If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.
3. The periods of time referenced above are not limited by the expiration of this policy.
4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. OTHER COVERAGES

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

2. Debris Removal

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

3. Improvements, Alterations and Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

4. World Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

5. Rental Value

You may use up to 20% of the Coverage A limit of liability for loss of fair rental value as described in Coverage D. We will pay only 1/12 of this 20% for each month the rented part of the Described Location is unfit for its normal use.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.

7. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 5 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

8. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

9. Fungi, Wet or Dry Rot, Or Bacteria

- a. We will pay up to a total of \$5,000 for:
 - (1) The total of all direct physical loss to covered property caused by fungi, wet or dry rot, or bacteria;
 - (2) The cost to remove fungi, wet or dry rot, or bacteria from covered property;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the fungi, wet or dry rot, or bacteria; and
 - (4) The cost of testing of air or property to confirm the absence, presence or level of fungi, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is reason to believe that there is a presence of fungi, wet or dry rot, or bacteria.
- b. The coverage described in 9.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. \$5,000 is the most we will pay for the total of all loss or costs payable under this Other Coverage regardless of the number of claims made.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by fungi, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that

fungi, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Other Coverage.

This coverage does not increase the limit of liability that applies to the damaged covered property.

PERILS INSURED AGAINST

We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

1A. Fire or Lightning

1B. Internal Explosion

- a. Internal Explosion means explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.
- b. Explosion does not mean;
 - (1) Electric arcing;
 - (2) Breakage of water pipes; or
 - (3) Breakage or operation of pressure relief devices.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

When a Premium for Extended Coverage is shown in the Declarations, Perils 2 through 7 are made part of Perils Insured Against.

2. Windstorm or Hail

This peril does not include loss:

- a. To the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
- b. To the following property when outside of the building:
 - (1) Awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or
 - (2) Canoes and rowboats.

3. Explosion.

This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean;

- a. Electric arcing;

- b. Breakage of water pipes; or
- c. Breakage or operation of pressure relief devices.

This peril replaces Peril **1B**.

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss caused by:

- a. A vehicle owned or operated by you or a resident of the Described Location; or
- b. Any vehicle to fences, driveways and walks.

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

GENERAL EXCLUSIONS

- A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and

waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

3. Water

This means:

- a. Flood, surface water, waves, tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains;
 - (2) Over-flows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this Exclusion.

This Exclusion (**A.3.**) applies regardless of whether any of the above, in **A.3.a** through **A.3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion (**A.3.**) applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire or explosion resulting from any of the above, in **A.3.a** through **A.3.d.**, is covered.

All other provisions of this policy apply.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

5. Neglect

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

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

7. Nuclear Hazard

This Exclusion **7.** pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

10. Fungi, Wet or Dry Rot, Or Bacteria

Fungi, Wet or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot, or bacteria.

This exclusion does not apply:

- (1) When fungi, wet or dry rot, or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in Other Coverages, Fungi, Wet or Dry Rot, Or Bacteria with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from fungi, wet or dry rot, or bacteria is covered.

- B.** We do not cover loss to lawns, plants, shrubs or trees outside of buildings.

CONDITIONS

A. Policy Period

This policy applies only to loss or costs which occur during the policy period.

B. Insurable Interest And Limit of Liability

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

C. Concealment Or Fraud

We provide coverage to no persons insured under this policy if, whether before or after a loss, one or more persons insured under this policy have:

- (a) Intentionally concealed or misrepresented any material fact or circumstance;
- (b) Engaged in fraudulent conduct; or
- (c) Made false statements; relating to this insurance.

D. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

1. Give prompt notice to us.
2. Protect the property from further damage. If

repairs to the property are required, you must:

- a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
3. Cooperate with us in the investigation of a claim;
 4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
 5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath at a place and time designated by us, while not in the presence of any other named insured, and sign the same;
 6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The actual cash value inventory of damaged personal property described in Paragraph **D.4**;
 - g. Receipts or records that support the fair rental value loss.
 7. Upon issuance of either a final payment or a letter of denial, you have a 60 day period in which you must commence active repairs to the property.

E. Loss Settlement

Covered property losses are settled at Actual Cash Value at time of loss.

F. Loss to a Pair or Set

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

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

G. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when

required by ordinance or law.

H. Appraisal

If you and we fail to agree on the value of the property or the amount of loss, then on written demand of either, each party will choose a competent and impartial appraiser and notify the other of the appraiser chosen within 20 days of such demand. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, either may request that the choice be made by a judge of a court of record in the state where the dwelling on the Described Location shown in the Declarations is located. The appraisers shall then appraise the loss, stating separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A written decision agreed to by any two will be binding.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

J. Subrogation

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

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

K. Suit Against Us

No action can be brought against us unless there

has been full compliance with all the terms under this policy and the action is started within one year after the date of loss.

L. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

M. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment.

N. Abandonment Of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** 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.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs **H. Appraisal**, **K. Suit Against Us** and **M. Loss Payment** also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or non-renewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full

assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

P. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

Q.

Cancellation

1. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
2. We may cancel this policy as stated below by letting you know in writing of the date cancellation takes effect. The cancellation notice, together with our specific reason for cancellation, will be delivered to you or mailed through first class mail to your last address known to us. Proof of mailing will be sufficient proof of notice.
 - a. 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.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - c. 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 also cancel for one or more of the following reasons:
 - (1) Conviction of the insured of any crime having as one of its necessary elements an act increasing any hazard insured against;
 - (2) Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
 - (3) Discovery of willful or reckless acts or omissions on the part of the named insured which increase any hazard insured against;
 - (4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;

- (5) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
- (6) A determination by the insurance commissioner that the continuation of the policy would place the insurer in violation of the insurance laws of West Virginia;
- (7) There has been a substantial breach of the provisions of this policy.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

3. The following is added to paragraphs **b.** and **c.** However, if any one of the following conditions exist at any building that is covered in this policy, we may cancel this policy by letting you know at least 5 days before the date cancellation takes effect.
 - a. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (i) Seasonal unoccupancy; or
 - (ii) Buildings in the course of construction, renovation or addition. Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - b. After damage by a covered peril, permanent repairs to the building have not started within 60 days of payment of loss.
 - c. The building has:
 - (i) An outstanding order to vacate;
 - (ii) An outstanding demolition order;or
(iii) Been declared unsafe by governmental authority.
 - d. Fixed and salvageable items which either have been or are being removed from the

building and are not being replaced. This does not apply to removal that is necessary or incidental to any renovation or remodeling.

- e. Failure to;
 - (i) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (ii) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- f. For any reason approved by the West Virginia Insurance Commissioner.

- 4. When this policy is cancelled, the premium from the date of cancellation to the expiration date will be refunded. When the policy is cancelled, the return premium will be pro rata.
- 5. We will refund the return premium within a reasonable time after the date cancellation takes effect.

R. Non-Renewal

- 1. We may elect not to renew this policy, subject to the provisions of Paragraph 2. below. We may do so by letting you know in writing at least 30 days before the expiration date of this policy. This nonrenewal notice, together with our reason for nonrenewal, will be delivered to you or mailed to you at your last address known by us. Proof of mailing will be sufficient proof of notice.
- 2. If this policy has been in effect with us four or more years, we will not exercise our right to nonrenewal except for:
 - a. One or more of the reasons listed in Paragraph **Q. Cancellation**, Paragraph **2.a.** and **2.c.(1)** through **(7)**; **3**; or
 - b. Other valid underwriting reasons which involve a substantial increase in the risk.

This provision does not apply if:

- 1. We have indicated our willingness to renew and the insured has failed to pay the premium by the due date; or
- 2. The named insured has indicated to us or our agent that the insured does not wish the policy to be renewed.

S. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance 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 stated in the Declarations.

This Liberalization 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:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

T. Waiver Or Change of Policy Provision

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

U. Assignment

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

V. Death

If you die, we insure:

- A. Your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- B. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

W. Nuclear Hazard Clause

- 1. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- 2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- 3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

X. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered

property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

Y. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

Z. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

AA. Inspection and Surveys

We have the right but are not obligated to:

- a. Make inspections at any time;
- b. Give you reports on the conditions we find;
- c. Recommend changes.

Any inspections, surveys, reports or recommendations we make, relate only to the eligibility and the insurability of your property and to the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar service which makes insurance inspections, surveys, reports or recommendations.

BB. Time For Payment of Claims

In settlement of all or part of any claim, we will pay the amount finally agreed upon no later than 15 working days from the:

- 1. Receipt of such agreement by us; or
- 2. Date of performance by the claimant of any condition set by such agreement;

which ever is later.