

KANE COUNTY MUTUAL INSURANCE COMPANY

IMPORTANT NOTICE

This notice contains a brief synopsis of the significant broadenings, restrictions and clarifications of coverage that were made to your policy and endorsements. It does not reference editorial changes that were made for clarity and readability if there was no change in coverage intent.

You should read your policy and its endorsements carefully. If there is any conflict between the policy terms and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Payment of your premium means acceptance of the new terms of the policy.

PLEASE READ YOUR POLICY CAREFULLY

To Dwelling Property Policyholders:

We are pleased to introduce this Home-Guard Policy – Broad Form (HG 9). Please take a few minutes to review the policy and attached endorsements to determine the exact nature of your insurance protection and to identify any limitations that apply to your personal situation.

Changes to your policy include, but are not limited to the following:

DEFINITIONS

- Definition 3. Actual cash value was added to clarify depreciation applies based on wear and tear and the overall condition of the damaged property. However, depreciation does not apply to the repair of covered property unless the repair improves or prolongs the useful life or results in an increase in the monetary value of the covered property.
- Definition 4. Business clarifies business does not mean activities conducted by any insured if the gross receipts from those activities do not exceed \$2,000 in the calendar year in which a loss occurs or the calendar year immediately preceding.
- Definition 5. Insured clarifies:
 - An unmarried and financially dependent relative qualifies as an insured while away at school provided the student is under age 25, qualifies as a full-time student as defined by the school, and lived with you immediately before leaving to attend school.
- Definition 7. Low power recreational vehicle is added and means a vehicle which is battery powered; designed for off-road use only and marketed as a child's toy. This does not include a motorized bicycle, moped, all-terrain vehicle, snowmobile, or motorized golf-cart.
- Definition 9. Recreational vehicle was added to clarify the coverage and exclusions applicable to these types of vehicles, as opposed to the coverage and exclusions applicable to a motor vehicle.
- Definition 12. Vermin was added to clarify an animal of a type that is prone to enter or burrow into or under a structure.

PROPERTY COVERAGES

Coverage A – Dwelling

- Coverage for tools and equipment used to service the insured premises is no longer covered under Coverage A – Dwelling if the policy does not provide Coverage C.

Coverage C – Personal Property

- Paragraph **2. a. Other Structures** was revised to clarify coverage for personal property located away from the residence premises is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater.
- Paragraph **2.b. Self-Storage Facilities** was added to clarify coverage for personal property located in a self-storage facility is limited to 10% of the limit of liability shown in the Declarations for Coverage C, or \$1,000, whichever is greater. This limit does not apply to property moved from the residence premises because the residence premises is being repaired, renovated or rebuilt; or because the residence premises is not fit to live in or store property in. This limitation also does not apply to personal property usually located in an insured's residence other than the residence premises described in the Declarations.
- **Paragraph 3. Special Limits of Liability** were revised as described below:

The following limits have been increased on:

- Money, bank notes, bullion, gold other than goldware, silver other than silverware, etc. was increased from \$200 to \$250.
- Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, etc. was increased from \$1,000 to \$1,500
- Watercraft of all types, including their trailers, furnishings, equipment, and outboard engines or motors was increased from \$1,000 to \$1,500.
- Trailers not used with watercraft, lawn mowers or lawn garden, agricultural or utility tractors was increased from \$1,000 to \$1,500.
- Business property away from the residence premises was increased from \$250 to \$500.

The following limits have been added:

- \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- \$1,500 on collectibles and fine arts.
- \$2,500 for loss by theft of firearms and related equipment.
- \$10,000 on lawn, garden, agricultural, or utility tractors; and lawn mowers, including their trailers, accessories, parts, and tires.
- \$1,500 on electronic data processing equipment and recording or storage media used with the equipment.
- \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, etc.
- \$1,000 on golf carts. (Previously not covered)
- \$1,500 on portable electronic equipment.
- \$250 on antennas, tapes, wires, records, discs, or other media used with electronic equipment upon a motor vehicle. (Previously not covered)
- \$1,000 on motor vehicle parts and accessories used, or intended to be used on a motor vehicle, while not attached to the vehicle. (Previously not covered)
- \$1,000 on recreational vehicle parts and accessories used, or intended to be used on a motor vehicle, while not attached to the vehicle. (Previously not covered)
- \$250 for virtual currency of any kind.

- **Paragraph 4. Property Not Covered**

- Business data, including such data stored in books of accounts, drawings, or other paper records, or computers and related equipment. However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market.

Coverage D – Loss Of Use

- **Paragraph 1. Additional Living Expense** was amended to clarify additional living expense incurred when the covered dwelling is not fit to live in is covered up to the lesser of the shortest time required to repair or replace the damage or, if you permanently relocate, to find permanent alternative accommodations; or one year from the date of loss.

ADDITIONAL PROPERTY COVERAGE

- Debris Removal is broader in coverage and pays the reasonable expenses for debris removal. In addition, the limit was increased to \$1,000 to remove fallen trees that damage covered property or blocking a driveway on the residence premises which prevents a motor vehicle from entering or leaving the residence premises.
- Property Removed no longer pays to tow a covered mobile home that is in danger from a peril insured against.
- Trees, Shrubs, And Other Plants on the residence premises are covered by the perils listed under this Additional Property Coverage, while located within 100 feet from the insured dwelling.
- Grave Markers was increased from \$1,000 to \$5,000 for grave markers, including mausoleums, on or away from the residence premises for loss caused by a Peril Insured Against.

The following are new Additional Property Coverages:

- Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery, And Counterfeit Money pays up to \$500 for loss caused by theft or unauthorized use.
- Loss Assessment pays up to \$1,000 for your share of loss assessment charged against you as owner or tenant of the residence premises by a corporation or association of property owners.
- Landlord's Furnishings pays up to \$2,500 for your appliances, carpeting, and other household furnishings, in each apartment on the residence premises regularly rented or held for rental to others.
- Refrigerated Products pays up to \$1,000, subject to a \$250 deductible, for damage to personal property owned by an insured and the loss caused by change in temperature resulting from interruption of electrical service to refrigerator or mechanical or electrical breakdown of the refrigeration equipment.

PERILS INSURED AGAINST

- Vehicles – Damage to covered property must result from impact by a vehicle.
- Theft is now a covered peril.

EXCLUSIONS

The following **EXCLUSIONS** clarify there is no coverage for loss caused directly or indirectly by any of the following:

- Water Damage resulting from tsunami, storm surge, tidal surge, tidal wave, tidal water, storm tide, or their spray, whether or not driven by the wind or caused by earthquake, mudslide or mudflow.
- Earth Movement, including sinkhole collapse.
- Buildings in the process of being moved, reconstructed or torn down.
- Loss due to illegal drugs, caused by the storage or manufacture of any controlled substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812.

GENERAL POLICY CONDITIONS

- Time of Interpretation clarifies any terms of coverage of this policy, including exclusions, shall be interpreted based on the facts existing on the date of the occurrence causing bodily injury or property damage.
- Automatic termination clarifies if we offer to renew or continue this policy and you do not accept this offer, this policy will automatically terminate at the end of the policy period.
- Representations states by accepting this policy you agree the statements in the Declarations are accurate and complete.
- Policy Authorities states that any named insured has the authority to cancel, non-renew or change this policy or settle a loss. This includes a power of attorney, guardian or conservator of a named insured.
- Policy Communications clarifies that all notices or correspondence regarding this policy will be sent to the first named insured at that last known address.

If you have any questions, please contact your agent as we want you to be completely satisfied with your insurance protection and service.