

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 Home-Guard Policyholders:

We are pleased to introduce this Home-Guard Policy. 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 5. Bodily injury clarifies infliction of emotional distress, loss of society, or loss of consortium suffered by a spouse, child, or parent is not a separate bodily injury and must be included in the claim of the person sustaining physical harm to the body.
- Definition 6. 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 7. 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.
  - Your child does not qualify as an insured if a judicial decree places primary custody or care of the child in control of another person and the child was not in the care of any insured and was not on your insured premises when the incident occurred. This exception does not apply if the judicial decree requires you provide liability insurance for the child.
- Definition 9. 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 14. Property damage clarifies there is no loss of use unless the property has been physically injured or destroyed.
- Definition 15. 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 18. Vermin clarifies the type of animal that is prone to enter or burrow into or under a structure.
- Definition 19. Wild or exotic animal clarifies any class of animal that does not generally live in a human residence or within close proximity to humans. This definition provides a list of what qualifies as a wild or exotic animal.

## SECTION I – PROPERTY COVERAGES

### Coverage A – Dwelling

- Paragraph 1. **b.** clarifies **Coverage A – Dwelling** limit applies to materials and supplies used to construct, alter or repair the dwelling or other structures.

### Coverage C – Personal Property:

- Paragraph 2. **a. Other Residences** was added to clarify coverage for personal property located away from the insured premises is limited to 10% of the limit of liability shown in the Declarations 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 limit was decreased from \$2,500 to \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.

The following Special Limits were added:

- \$1,500 on collectibles and fine arts.
- \$1,000 on golf carts.
- \$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 the recording or storage media used with the equipment.
- \$1,000 on motor vehicle parts and accessories used, or intended to be used on a motor vehicle, while not attached to the vehicle. This was previously excluded.

- \$1,000 on recreational vehicle parts and accessories used, or intended to be used on a motor vehicle, while not attached to the vehicle. This was previously excluded.
- \$250 on virtual currency of any kind.
- **Paragraph 4. Property Not Covered**
  - Hovercraft and parts.
  - Property rented or held for rental to others off the residence premises.
  - 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.

## **SECTION I – ADDITIONAL PROPERTY COVERAGE**

- 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 \$2,500 to \$5,000 for grave markers, including mausoleums, on or away from the residence premises for loss caused by a Peril Insured Against.
- Refrigerated Products was increased from \$500 to \$1,000, subject to a \$250 deductible.

The following Additional Property Coverage was added:

- Landlord's Furnishings pays up to \$2,500 for your appliances, carpeting, and other household furnishings, in each apartment of the insured premises regularly rented or held for rental others by an insured.

## **SECTION I – PERILS INSURED AGAINST**

- Vehicles – Damage to covered property must result from impact by a vehicle.

## **SECTION I – EXCLUSIONS**

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

- Earth Movement, including sinkhole collapse.
- Water Damage caused by 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.
- 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.

## **SECTION I – CONDITIONS**

- Increase of hazard clarifies we will not pay for loss if any insured creates or knows of a condition that increases the change of loss arising from a Peril Insured Against.
- Loss Payable Clause clarifies a loss payee if shown in the Declarations is included in the definition of an insured.
- Previous losses clarifies when previous loss or damage has not been repaired or replaced, the amount payable on any subsequent loss will be reduced by the amount paid on any previous loss or damage to the same property.

## **SECTION II – ADDITIONAL LIABILITY COVERAGES**

- Paragraph 3. Damage To Property Of Others – Provides coverage, up to the limit shown in the Declarations for this Additional Coverage, for damage to property owned by others if the property damage is caused by, or the property is in the care of, any insured. Losses are settled on based on actual cash value.
- Paragraph 5. Pollution – Provides limited coverage for liability arising out of pollution, as described below. Since the base Home-Guard policy can be broadened to provide limited farm liability coverage, the pollution coverage provided under this section has been broadened to cover bodily injury or property damage:
  - Caused by the spreading of animal or human waste onto land for fertilization purposes by any insured including the transportation of the waste on public or private roads to or from the field for spreading by any insured;
  - If a windstorm causes a farm implement, building, bin, container, lagoon, tank, or tank wagon to rupture, producing an immediate release of a pollutant; or
  - That occurs when the farm implement building, bin, container, lagoon, tank, or tank wagon ruptures as a result of an accidental collision, overturn, or breakage causing an immediate release, discharge, dispersal, or escape of a pollutant.

A farm implement, as used in this part, means a vehicle which is not subject to motor vehicle or trailer registration, is designed primarily for agricultural operations, and for use off public roads.

- Subparagraph b., clarifies there is no coverage:
  - If the pollution loss if a reasonable person would know or understand that the use, release, discharge, or dispersal of any pollutant is contrary to law, statute, or ordinance or a violation of an administrative order or consent agreement.
  - For damage caused by a pollutant which enters the groundwater table and arising from continuous or repeated seepage or dispersal of any pollutant from a container, structure, or lagoon owned or controlled by any insured or from repeated application of animal or human waste or agricultural chemicals by any insured.
  - Subparagraph c., clarifies this coverage is subject to the Annual Aggregate Limit and the special limit applicable to certain pollution losses of \$100,000 per occurrence and a maximum of \$300,000 in a 12-month period. (Refer to your policy for complete information).

- Identity Theft Expense Coverage (GMIL 4722) is added. This provides limited coverage for expenses due to identity theft. The limit of liability is \$15,000, in excess of the first \$250, for expenses incurred by an insured.

## **SECTION II – EXCLUSIONS**

The following **EXCLUSIONS** clarify there is no coverage for bodily injury, property damage and/or personal injury arising out of:

- Watercraft powered by a motor with more than 50 horsepower and is owned by, rented to, or leased by any insured; or a personal craft known as a jet ski, wet bike, or wave-runner.
- Any act or omission of any insured as an officer, director, trustee, member, or agent of any corporation or other organization unless it is non-profit or without compensation.
- Refusal to employ, termination of employment, coercion, demotion, evaluation, harassment, humiliation, discrimination, sexual misconduct, or other employment related practices, acts, or omissions.
- Sexually transmitted disease, venereal disease, acquired immunodeficiency syndrome (AIDS), human immunodeficiency virus (HIV), herpes, mononucleosis, smallpox, or hepatitis.
- Actual, alleged, or threatened sexual molestation, sexual harassment, physical abuse, or corporal punishment.
- The inhaling, ingesting or prolonged physical exposure to asbestos. This includes but not limited to the loss, cost or expense, to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of asbestos.
- The inhaling, ingesting or prolonged physical exposure to lead. This includes but not limited to the loss, cost or expense, to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of lead.
- Premises you sell, give away, or abandon if the property damage arises out of any part of those premises.
- The use of a farm, utility or agricultural tractor if, at the time and place of occurrence is registered or required to be registered for use on public roads or property, being operated in, or practicing for, any prearranged or organized race, tractor pull, speed contest or other competition, rented or leased to others, or used to carry persons or cargo for a charge.
- Any liability arising out of a wild or exotic animal owned by or in the care, custody and control.
- The inhaling, ingesting or prolonged physical exposure to silica or goods containing silica. This includes but not limited, to the use in constructing, removal, transporting or disposal of silica or products containing silica.
- Direct or indirect act or omission that violates or is alleged to violate any federal, state, or local statute, ordinance or regulation including, but not limit to the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003, the Fair Credit Reporting Act (FCRA), and any amendments or additions.
- Personal injury sustained by any person as a result of an offense related directly or indirectly to their employment by you or caused by you or at your direction with knowledge that this act would have violate another's rights inflicting personal injury.

#### **D. Additional Exclusions Under Additional Liability Coverage 3. Damage To Property Of Others:**

- Exclusion 3. under this section of your policy was revised to clarify there is no property damage coverage provided for damage caused by wear and tear or a defect not immediately apparent; or resulting from mechanical, electrical, or structural breakdown or failure of the damaged property. The limit stated for each occurrence under this coverage is the maximum amount we will pay for all property damage sustained by one or more persons in any one occurrence.

#### **SECTION II – CONDITIONS**

**A. Limits of Liability**, the following special limits on our liability apply:

- The annual aggregate is equal to twice the limit shown for Coverage E – Liability to Public; and
- The annual aggregate limit for pollution risks is \$300,000.

#### **SECTION I AND II – 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.