

DWELLING PROPERTY

| PROPERTY POLICY |

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AGREEMENT

"We" agree with "you", in return for "your" premium payment, to provide insurance subject to all the terms of this policy. The coverages provided, the limits of "our" liability, and the premiums are shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

The terms defined below appear in quotation marks (" ") throughout this policy:

1. "You" and "your" mean the insured named in the Declarations and spouse if living in the same household.
2. "We", "us" and "our" mean the Association or Company providing this insurance.
3. a. "Business" means:
 - 1) any full or part time trade, profession or occupation; and
 - 2) incidental activities conducted by any "insured person" if gross receipts are more than \$2000 in the prior or current calendar year from the incidental activities; or
 - 3) the rental or holding for rental of any premises by any "insured person".b. But "business" does not mean:
 - 1) rental or holding for rental of the "residence premises" for use as a dwelling;
 - 2) rental or holding for rental of part of the "residence premises" for use as a dwelling;
 - 3) rental or holding for rental of part of the "residence premises" as a garage to be used for other than "business" purposes; or
 - 4) newspaper delivery, caddying, baby-sitting, lawn care and similar incidental activities conducted by any "insured person" under the age of 18.
4. "Insured person" means:
 - a. "you";
 - b. any person living with "you" and related to "you" by blood, marriage or adoption;
 - c. a legal ward, foster child or foreign exchange student living with "you"; or
 - d. "your" unmarried and financially dependent child who is away at school and under the age of 25.
5. "Residence premises" means the one or two family dwelling, described in the Declarations, including the building and other structures on the grounds.
6. "Motor vehicle" means:
 - a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration;
 - b. a trailer or semi-trailer designed for travel on public roads or subject to motor vehicle registration. A watercraft, camper, home or utility trailer not being towed by or carried on a vehicle is not a "motor vehicle", or
 - c. any vehicle while being towed or carried on a vehicle included in a. or b. above.
7. "Pollutant" means:
 - a. gasoline, diesel, kerosene or other fuel for a motorized vehicle or heating appliance, including any post-combustion by-products;
 - b. a petroleum based lubricant;
 - c. anti-freeze;
 - d. vehicular tires;
 - e. paint;
 - f. a pesticide;
 - g. an herbicide; or
 - h. animal wastewhich has been used, discharged, or disposed of by any "insured person" in a manner contrary to law, statute, or ordinance.
8. "Recreational Vehicle" means:
 - a. a motorized land vehicle designed or used for recreational use off public roads;
 - b. a snowmobile;
 - c. an all terrain vehicle;
 - d. a motorized golf cart; or
 - e. a motorcycle, moped or mini-bike owned by any "insured person".
9. "Named Insured" means the person, organization or additional "named insured", listed on the Declarations of this policy.
10. "Insured premises" means "residence premises".

Only Those Coverages For Which An AMOUNT OF COVERAGE Is Shown On The Declarations Will Apply.
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PROPERTY PROTECTION

A. DWELLING COVERAGE

"We" cover:

1. "Your" dwelling including structures and services attached to it, on the "residence premises" as shown in the Declarations and used principally as a private residence. Structures attached to the dwelling by only a fence, utility line or similar connection are not considered part of the dwelling.
2. Construction material at the "residence premises" for use in connection with "your" dwelling.
3. Permanently installed carpeting in "your" dwelling.

B. DESCRIBED OTHER STRUCTURES COVERAGE

"We" cover:

1. Other structures at the "residence premises" (and the services attached to it) which are described in the Declarations and not attached to the dwelling.
2. Construction material at the "residence premises" for use in connection with the other structures.

"We" do not cover loss to other structures used for "business" purposes or rented or held for rental to any person not a tenant of the dwelling unless used solely as a private garage.

C. PERSONAL PROPERTY COVERAGE

"We" cover personal property owned by any "insured person" and located at the "residence premises."

"We" also cover personal property owned by any "insured person" while temporarily away from the "residence premises" for up to a limit of 10% of Personal Property Coverage or \$1000, whichever is greater. This limitation does not apply to personal property in a newly acquired "residence premises" for the first 30 days after "you" begin to move property to the new residence.

"We" do not cover:

1. Animals, insects, birds or fish;
2. "Motor vehicles", parts, and tires.
3. Camping trailers, camper bodies, pickup toppers and trailers, except lawn or garden trailers;
4. Aircraft and parts;
5. Property of roomers or boarders not related to any "insured person", or property of tenants;
6. Property rented to or held for rental to others by any "insured person". But we do cover that property while on the part of the "residence premises" rented or held for rental to others or used exclusively by an "insured person" or roomers or boarders;

7. Any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound which may be operated by power from the electrical system of a "motor vehicle", or any tape, wire, record disc or other medium, in excess of one, for use with any such device or instrument while any of this property is in or upon a "motor vehicle" or a "recreational vehicle";
8. Property specifically described and insured by this or any other insurance;
9. Personal property while in transit by common carrier;
10. Money, bullion, coins, medals, bank notes and precious metals, including platinum, gold and silver, but not including goldware or silverware; or
11. "Recreational vehicles", including parts and tires.

D. SPECIAL LIMITS ON CERTAIN PERSONAL PROPERTY

Special limits apply to certain items of personal property. These limits do not increase the amount of insurance under Personal Property Coverage. The special limit for each of the following groups of personal property is the maximum amount "we" will pay for any one loss to all property items in that group.

Maximum Amount	Personal Property Group
\$500	Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, stamps, and philatelic property.
\$500	Watercraft, including their trailers, furnishings, equipment and outboard motors.
\$500	Cemetery markers, headstones and urns.
\$500	Jewelry, watches, precious and semi-precious stones, silverware, goldware, pewterware and furs.
\$500	Antiques, collectibles and fine arts.
\$500	Firearms.
\$500	Lawn or garden trailers.
\$3000	Any lawn, garden or agriculture tractor, lawn mower and bicycles.
\$1500	Electronic data processing equipment and the recording or storage media used with that equipment. Recording or storage media will be covered only up to: <ol style="list-style-type: none">a) the retail value of the media, if programmed; or

- b) the retail value of the media in blank or unexposed form, if blank or self-programmed.

\$250 Satellite dish system components located inside the dwelling.

\$1000 "Business" property while on the "residence premises".

\$250 "Business" property while away from the "residence premises".

Tools, inventory held for sale or resale and property used for demonstration purposes are subject to the above "business" property special limits that apply on the "residence premises" if:

- a) these items are being used for "business"; or
- b) if these items were used by any "insured person" in any manner for "business" in the prior 12 months.

E. ADDITIONAL LIVING EXPENSE AND LOSS OF RENTS COVERAGES

If an insured property loss makes "your" "residence premises" unfit to live in, "we" will pay the reasonable increase in "your" living expense incurred to maintain "your" normal standard of living while "you" reside elsewhere. "We" will pay for the shortest time needed:

1. to repair or replace the damaged property, or
2. for "you" to permanently relocate.

"We" will also pay for "your" loss of normal rents resulting from the covered loss less charges and expenses which do not continue while the rented part of the "residence premises" is unfit to live in. "We" will pay this normal loss of rents only for the shortest time needed to make the rented part fit to live in.

If damage caused by a Peril "We" Insure Against occurs at a neighboring premises, "we" will pay additional living expenses and normal rents loss of up to two weeks should civil authorities prohibit occupancy of the "residence premises".

These periods of time shall not be shortened by the expiration of this policy.

"We" will not pay for loss or expense due to the cancellation of any lease or agreement.

F. ADDITIONAL COVERAGES

1. Debris Removal

- a. "We" will pay reasonable expenses "you" incur to remove debris of covered property following a loss from a Peril "We" Insure Against. The most "we" will pay under this coverage is 10% of the amount payable on the damaged property.

- b. If the damage to the insured property and the cost of debris removal is more than "our" limit of liability for the covered property, "we" will pay up to an additional 5% of that limit for debris removal.

This Additional Coverage does not apply to the costs to extract "pollutants" from land or water or to remove, restore or replace polluted land or water.

2. Emergency Removal of Property

"We" will pay for property damaged in any way during or after removal from a premises because of danger from a Peril "We" Insure Against. Coverage is limited to a 30-day period from date of removal. Payments will not increase the amount of insurance applying to the covered property.

3. Necessary Repairs After Loss

"We" will pay the reasonable cost of necessary repairs to protect covered property from additional damage following a loss from a Peril "We" Insure Against.

Payments will not increase the amount of insurance applying to the covered property.

4. Fire Department Charges

"We" will pay up to the amount shown on the Declarations for service charges made by a fire department when called to protect "your" covered property from a Peril "We" Insure Against. Payments are in addition to the amount of insurance applying to the loss. No deductible shall apply.

5. Outside Radio/Television Equipment and Satellite Dishes

"We" will pay up to \$250 for loss or damage to outside radio/television equipment and satellite dishes. The loss or damage must be caused by a Peril "We" Insure Against. This coverage is excess over any other specific insurance provided by this policy or other insurance.

G. DEDUCTIBLE

Loss from each occurrence to insured property shall be adjusted separately and the Policy Deductible, if any, shown in "your" Declarations shall be deducted from the amount of loss. The Policy Deductible will apply unless a different amount is shown in an endorsement or the Special Deductible section of "your" Declarations.

In the event of loss to two or more items of covered property arising from the same occurrence, the highest deductible applicable will be subtracted from the total loss.

H. PERILS WE INSURE AGAINST

"We" cover accidental direct physical loss to property insured under the Dwelling, Described Other Structures, and Personal Property Coverages caused by a peril listed below. The peril must be the primary, initiating cause of the loss. "We" do not cover a loss described in the Exclusions section of the policy.

1. Fire or Lightning

2. Windstorm or Hail

This peril does not include loss to the interior 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 the roof or wall and the rain, snow, sleet, sand or dust entered through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment and outboard motors only while inside a fully enclosed building.

3. Explosion

"We" will cover explosion caused by the ignition of flammable vapors or explosive gases, detonation of chemicals or rupture or bursting of pressure vessels.

However, "we" will not pay for loss or damage caused by or resulting from any of the following:

- a. rupture or bursting of steam boilers, steam pipes, steam engines, steam turbines or alcohol stills;
- b. rupture or bursting of water pipes;
- c. rupture or bursting due to expansion or swelling of the contents of any building or structure;
- d. rupture, bursting or operation of pressure relief devices; or
- e. any explosion or rupture of products or objects which are used for the manufacture or storage of controlled substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. sections 811 and 812, including any amendments, or by any other state laws.

4. Riot or Civil Commotion

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss:

- a. caused by a vehicle owned or operated by "you" or a resident of the "insured premises"; or
- b. caused by any vehicle to fences, driveways, lawns and walks.

7. Smoke, if the loss is sudden and accidental.

This peril does not apply to loss caused by smoke from agricultural smudging or industrial operations, fireplaces, auxiliary cooking units or auxiliary heating units.

8. Vandalism or Malicious Mischief, meaning willful and malicious damage to or destruction of property.

"We" will not pay for loss:

- a. to glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. at any "residence premises" which has been vacant for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered vacant; or
- c. caused by anyone residing at the "residence premises" or other persons to whom insured property is entrusted.

9. Theft or Attempted Theft

Loss by theft shall require substantial proof of theft, including physical evidence that a theft occurred.

"We" will not pay for loss by theft:

- a. committed by any "insured person";
- b. in or from a dwelling or other structures under construction or of construction material and supplies until the building is completed and occupied;
- c. of personal property while in any other dwelling or premises owned, rented or occupied by any "insured person", except while an "insured person" is temporarily living there.

Property of a student who is an "insured person" is covered while at a residence away from home if the student has been there at any time during the 30 days immediately before the loss.
- d. to watercraft, including their trailers, furnishings, equipment and outboard motors while away from the "residence premises";
- e. to personal property while in or on any unattended "motor vehicle", away from the "residence premises". However, "we" will provide coverage away from the "residence premises" for property contained within that portion of the "motor vehicle" that is locked and all windows are closed. There must be visible marks of forcible entry;
- f. due to the acceptance of forged or misrepresented negotiable instruments (such as checks);
- g. committed by employees, tenants or other persons to whom insured property is entrusted;
- h. due to mysterious disappearance;
- i. disclosed on taking inventory or to loss by other unaccountable shortages;

- j. of personal property from a “residence premises” rented to anyone other than any “insured person”; or
- k. due to swindling, embezzlement, fraud, wrongful conversion, trick or false pretense.

I. EXCLUSIONS

“We” will not pay for loss or damage caused by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. “We” do cover loss caused by actions of civil authorities to prevent the spread of a fire, caused by a Peril “We” Insure Against.
2. Shock waves caused by aircraft (sonic boom).
3. Neglect of any “insured person” to use all reasonable means to protect covered property at and after a loss or when property is threatened by a Peril “We” Insure Against.
4. Water damage meaning:
 - a. flood, surface water or overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - b. water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from the foundation area;
 - c. water below the surface of the ground. This includes water which flows, seeps or leaks through any part of a building or other structure, sidewalk, driveway or swimming pool; or
 - d. to piers, docks, boat hoists caused by waves, whether or not driven by wind.

“We” will cover direct loss from water damage if the water was released by the preceding occurrence of a theft, fire or explosion.

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

6. Nuclear action, meaning nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if accidental, or any consequence of any of these. Loss caused by nuclear action is not considered loss by perils of Fire, Explosion or Smoke.

Direct loss by fire resulting from nuclear reaction is covered.

7. Intentional loss, meaning any loss arising out of any act committed:
 - a. by or at the direction of any “insured person”; and
 - b. with the intent to cause a loss.
8. Criminal acts, meaning any loss caused or arising out of the performance of a crime involving an offense of a violent nature or damage to property performed by or at the request of any “insured person”. A plea of guilt or conviction of the “insured person” of the criminal act is conclusive evidence of the applicability of this exclusion in any insurance coverage dispute.
9. Loss due to illegal drugs, meaning loss or damage 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, including any amendments, or by any other state law.
10. Buildings in the process of being moved, reconstructed or torn down.
11. Ice, rain, sleet, snow, sand or dust, whether driven by wind or not, freezing, frost or cold weather.
12. Earth movement of any kind. “We” do cover direct loss that follows caused by fire, explosion, breakage of glass or safety glazing materials or theft.
13. A “pollutant”. This exclusion applies to all expenses relating to testing for and removing “pollutants”. This exclusion does not apply to “pollutants” released as a consequence of a fire which becomes uncontrollable or breaks out from where it was intended to be.

RIGHTS AND DUTIES – CONDITIONS

1. Insurable Interest and Our Limit of Liability

In the event of a loss, “we” will not pay for more than the insurable interest that any “insured person” has in the property covered by this policy, or more than the amount of coverage afforded by this policy.

2. Your Duties After a Loss

If a covered loss occurs, the “insured person” must perform the following duties:

- a. give “us” immediate notice. In case of theft, vandalism or malicious mischief, also notify the police;
- b. protect the property from further damage. Make necessary and reasonable repairs to protect the property;
- c. make a list of all damaged or destroyed property, showing in detail quantities, costs, actual cash value and amount of loss;

- d. send to “us”, within 60 days after loss, a proof of loss signed and sworn to by the “insured person”. This proof of loss should include:
 - 1) the time and cause of loss;
 - 2) the interest of “insured persons” and all others in the property;
 - 3) actual cash value and amount of loss to the property;
 - 4) all encumbrances on the property;
 - 5) other policies covering the loss;
 - 6) changes in title, use, occupancy or possession of the property;
 - 7) if required, any plans and specifications of any damaged building or fixtures;
 - 8) an inventory of damaged personal property;
- e. exhibit the damaged property to “us” or “our” representative, as often as may be reasonably required;
- f. permit “us” to conduct individual examinations of each insured under oath by any person named by “us”;
- g. permit “us” to take samples of, inspect, test and analyze damaged property;
- h. produce for examination all books of account, bills, invoices, receipts and other vouchers as “we” may reasonably require;
- i. produce receipts for any increased costs to maintain “your” standard of living while “you” reside elsewhere, and records pertaining to any loss of rental income, and
- j. cooperate with “us” and assist “us” in any matter relating to a claim or suit.

3. Our Settlement Options

“We” have the option of taking all or any part of the insured property at its appraised or agreed-on value. “We” also have the option to repair, rebuild or replace the damaged property with property of like kind and quality. “We” must give “you” notice of “our” intention within a reasonable period after “we” receive “your” proof of loss.

4. Loss Settlement

“We” will pay no more than the smallest of the following amounts:

- a. the actual cash value of the damaged property at the time of loss. Actual cash value means the replacement cost of the property, reduced by depreciation for age or obsolescence;
- b. the cost to repair or replace the damaged property with property of like kind and quality; or
- c. the limits of liability of this policy.

5. Abandoned Property

“We” are not obliged to accept abandoned property.

6. Loss to a Pair or Set

“We” may repair or replace any part of the pair or set to restore it to its value before the loss, or “we” may pay the difference between the actual cash value of the property before and after the loss.

7. Appraisal

If “you” and “we” fail to agree on the actual cash value or amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, “you” or “we” can ask a judge or a court of record in the state where the “residence premises” is located to select an umpire.

The appraisers shall then appraise the loss, stating separately the actual cash value and loss to each item. If the appraisers submit a written report of an agreement to “us”, the amount agreed upon shall be the actual cash value or amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the actual cash value or amount of loss.

Any determination of the appraisers or umpire regarding the amount of monetary loss may not be reviewed or appealed to a court of law or equity. Any claim of loss which is not submitted to the appraisers by “you” is barred and may not be later submitted to “us” for payment. Any determination of whether coverage is supplied under the policy for the loss shall be decided by a court, and is not a subject for the appraisal process.

Each party will pay the appraiser it chooses, and equally pay expenses for the umpire and all other expenses of the appraisal.

8. Our Payment of Loss

“We” shall adjust any loss with “you”, and pay “you” unless another payee is named in the policy. “We” will pay within 60 days after the amount of loss is finally determined by an agreement between “you” and “us”, a court judgment or an appraisal award.

9. Mortgage or Contract of Sale Clause

The word “mortgagee” includes a trustee or a seller under a contract of sale agreement. The word “mortgage” includes a contract of sale.

If a mortgagee is named in this policy, any loss payable under Coverage A or B shall be paid to the mortgagee and “you”, as interests appear. If more than one mortgagee is named, the order of payments shall be the same as the order or precedence of the mortgages.

If “we” deny “your” claim, that denial shall 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;
- 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 Appraisal, Suit Against “Us” and Loss Payment apply to the mortgagee.

If the policy is cancelled by “us”, the mortgagee shall be notified in writing at least 10 days before the date cancellation takes effect.

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” shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee’s claim.

10. Suit Against Us

“We” may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within one year of the date on which the peril causing the damage or destruction of property occurs.

11. No Benefit to Bailee

This insurance will not in any way benefit any person or organization who may be holding, storing or transporting “your” property for a fee.

12. Permission Granted To You

“You” may make alterations, additions and repairs to “your” building and complete structures under construction.

13. Other Insurance

If both this and other insurance apply to a loss, “we” will pay “our” share. “Our” share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

14. Warranty or Guarantee

If there is a valid warranty or guarantee which applies to a loss or claim, or would have applied in the absence of this policy, the insurance under this policy shall be considered excess insurance and shall not apply or contribute to the payment of any loss or claim until the amount of the warranty or guarantee is exhausted.

15. Vacant or Unoccupied

“We” will not pay for loss while the “residence premises” is:

- a. vacant – meaning an empty dwelling without anyone living there; or
- b. unoccupied – meaning a dwelling that is furnished but temporarily no one is living there,

more than 60 consecutive days immediately before the loss, except where this policy specifies otherwise.

16. Increase of Hazard

“We” will not pay for loss if any “insured person” creates or knows of a condition that increases the chance of loss arising from a Peril “We” Insure Against.

This condition also bars payment to any spouse or relative living in “your” household for any loss to the property.

17. Glass Replacement

Damage to glass caused by a Peril “We” Insure Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

18. 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 claim payment, or any lesser amount to which “we” agree, must be refunded to “us”.

GENERAL POLICY CONDITIONS

1. Transfer of Your Rights and Duties Under this Policy

Interest in this policy may not be transferred without “our” written consent. If the “named insured”, or spouse residing in the same household, dies the policy will cover:

- a. any surviving member of deceased’s household who was covered under this policy at the time of death, but only while a resident of the “residence premises”;
- b. the legal representative of the deceased person while acting within the scope of duties of a legal representative; and

- c. any person having proper custody of insured property until a legal representative is appointed.

2. Conformity to Statutes

Any provisions of this policy and endorsements attached to it which are in conflict with state law are amended to comply with the minimum requirements of the law.

3. Cancellation

- a. "You" or "your" agent at "your" request, may cancel this policy at any time by;
 - 1) returning this policy to "us"; or
 - 2) mailing or delivering a written request for cancellation to "us". Unless otherwise stated in the request, the cancellation will be effective on the date of receipt of the request for cancellation by "us".
- b. "We" may cancel this policy by giving "you" at least 5 days notice. The cancellation notice shall be mailed to the first "named insured" shown in the Declarations at the last mailing address know to "us", and "we" shall obtain a certificate of mailing.
- c. If "you" cancel "your" policy, "we" will return not more than the short rate unused share of "your" premium.
- d. If "we" cancel "your" policy, "we" will return no more than the prorated unused share of "your" premium.

4. Non-Renewal

"We" may elect not to renew this policy. "We" may do so by delivering or mailing, 30 days advance notice of "our" intent, to the first "named insured" at the last mailing address known to "us".

The notice will state the reason for non-renewal and shall be sent by registered, certified or first class mail to the first "named insured's" last mailing address known to "us". Proof of mailing will be sufficient proof of notice.

5. Concealment or Fraud

The coverage under this policy is void as to "you" and any other "insured person" if "you" or any other "insured person" under this policy has:

- a. intentionally concealed or misrepresented any material fact or circumstance;
- b. made false statements; or
- c. committed fraud relating to this insurance, whether before or after the loss.

6. Changes

This policy and the Declarations include all the agreements between "you" and "us" relating to this insurance.

This policy, including any endorsement, may not be changed, modified or waived except by a written document issued by "us". This provision regarding change, modification, or waiver of the policy may only be waived in writing.

If any coverage "you" have under this policy is broadened without charge during the policy period, this policy will automatically provide the broadened coverage when effective.

7. Our Right To Recover Payment

"We" have the right to recover payment under this policy if:

- a. "we" make a payment to any person entitled to benefits under this policy; and
- b. that person has a legal right to recover damages from a third party.

After payment is made by "us", "you" or the person receiving the payment has no right to file a claim or lawsuit to collect the amount of "our" payment from a third party. "You" or the person receiving a payment under the policy may not hire an attorney on "our" behalf to collect the amount of "our" payment.

"You" or the person receiving a payment under the policy must sign papers and do whatever is necessary to transfer the right to collect the amount of payment made by "us". If "you" or the person receiving a payment under the policy release anyone responsible for causing a loss without "our" written consent, this policy has been breached and "we" may recover from "you" or the person receiving a payment under the policy the amounts paid by "us". If "you" or the person receiving a payment under this policy recovers damages from a third party, the proceeds of the recovery must be held in trust and "we" must be reimbursed to the extent of "our" payment under the policy.

"We" do not have a right to recover payment made under this policy if "you" have waived, in writing, "your" right to recover damages from the responsible party before the loss.

8. Policy Period

This policy applies to loss which occurs during the policy period as shown in the Declarations, unless the policy has been canceled or suspended prior to the expiration of this policy period.

9. Inspection of Property and Operations

"We", or an organization on "our" behalf, have the right to inspect "your" property and operations at any time. In doing so, "we" do not warrant that the property or operations are safe or healthful, or in compliance with any law, rule or regulation.

10. Suspension for Nonpayment of Premium

This policy will be suspended if "you" do not pay any premium due by the date specified in a premium notice mailed to "you". "We" will mail the notice to the first "named insured" at the last mailing address known to "us" at least 30 days before the date suspension takes effect.

"We" will not pay for any loss occurring while this policy is suspended.

"You" may reinstate this policy by payment to and acceptance by "us" of the delinquent premium. However, acceptance of the delinquent premium will not obligate "us" to pay for any loss occurring during the suspension period.

11. Time of Interpretation

Any terms of coverage of this policy, including exclusions, shall be construed and applied based on the facts existing on the date of the accident causing "property damage".

12. Representations

By accepting this policy, "you" agree:

- a. the statements in the Declarations are accurate and complete.
- b. Those statements are based upon representations "you" have made to "us"; and
- c. "we" have issued this policy in reliance upon "your" representations.