

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT MODIFIES THE POLICY.

## SPECIAL PROVISIONS – ILLINOIS

The sections of the policy listed below are amended as specified.

### DEFINITIONS

Definition **13.** is deleted and replaced with the following:

**13.** "Pollutant" means:

- a. Gasoline, diesel, kerosene, or other fuel for a motorized vehicle or heating appliance, including any post-combustion by-products;
- b. Petroleum-based lubricant;
- c. Anti-freeze;
- d. Vehicle tires;
- e. Paint;
- f. Pesticide;
- g. Herbicide;
- h. Fertilizer;
- i. Animal or human waste;
- j. Ink;
- k. Mercury; or
- i. Other solid, liquid, gaseous, or thermal irritant or contaminant.

A "pollutant" does not include any common household product if the "bodily injury" or "property damage" is incurred while the product is being used in a manner consistent with the instructions of the manufacturer or distributor and the use is not contrary to law or regulation.

### SECTION I – PROPERTY COVERAGES

The following is inserted before **Coverage A – Dwelling**:

#### SEPARATION OF PROPERTY COVERAGES

The liability for loss caused by all eligible perils is assumed by the Illinois mutual insurance company issuing this policy. Liability for loss caused by perils which are ineligible for insurance by the Illinois mutual insurance company, if any, is assumed by Grinnell Mutual Reinsurance Company.

### SECTION I – EXCLUSIONS

Exclusion **8. Intentional Loss** is deleted and replaced with the following: (This is Exclusion **A.8.** in Forms **HG 3** and **HG 5.**)

#### **8. Intentional Loss**

- a. Intentional loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even an "insured" who did not commit or conspire to commit the act causing the loss.

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- b. However, this exclusion will not apply to deny payment to an innocent co-“insured” who did not cooperate in or contribute to the creation of the loss if:
  - (1) Such loss arose out of a pattern of criminal domestic violence; and
  - (2) The perpetrator of the loss is criminally prosecuted for the act causing the loss.
- c. If “we” pay a claim pursuant to Paragraph 8.b., “our” payment to the “insured” is limited to that “insured’s” insurable interest in the property less any payments “we” first made to a mortgagee or other party with a legal secured interest in the property. In no event will “we” pay more than the limit of liability.

Under Exclusion 11. **Illegal Substances**, the following is added: (This is Exclusion A.11. in Forms **HG 3** and **HG 5** and Exclusion 10. in Forms **HG 4** and **HG 6**.)

This exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

## SECTION I – CONDITIONS

Under Condition E. **Appraisal**, the third paragraph is deleted and replaced with the following:

Each party will pay the appraiser it chooses, and the parties will share equally the umpire’s fee and other expenses of the appraisal, except as provided below.

“We” will pay “your” appraiser’s fee and the umpire’s appraisal fee, if the following conditions exist:

1. “You” demanded the appraisal; and
2. The full amount of loss, as set by “your” appraiser, is agreed to by “our” appraiser or by the umpire.

The appraisal procedure shall be the exclusive means of determining the “actual cash value” or amount of loss. A decision or award of two or more of the appraisers and umpire will be binding on the parties to the appraisal and may not be rejected by any of the parties. Neither “you” nor “we” have a right to contest the decision or award of the appraisers and umpire to a court. “You” or “we” may submit a dispute regarding the existence of coverage or application of a policy term to a court for resolution.

Condition G. **Suit Against Us** is deleted and replaced with the following:

### G. Suit Against Us

No action may be brought against “us” unless there has been full compliance with all of the terms under Section I of the policy and the action is started within twelve months after the date of loss.

However, this twelve-month period is extended by the number of days between the date the proof of loss is submitted and the date the claim is denied in whole or in part.

Under Condition I. **Loss Payment**, paragraph 1. is deleted and replaced with the following:

1. “We” shall adjust any loss with “you” and pay “you” unless another payee is named in the policy. “We” will pay within 30 days after the amount of loss is finally determined by agreement between “you” and “us”, a court judgment or an appraisal award.

“We” may choose to discuss the claim loss with a contractor, but are not required to do so. If “you” assign “your” right to loss payment to a third party, “we” will make the payment to the designated third party, but “we” are not required to negotiate the right to that payment or the amount of that payment with the assignee third party or its representative. If “you” retain a public adjuster to speak on “your” own behalf in adjusting the claim loss, “we” will discuss the claim and negotiate with that public adjuster as “you” direct.

Condition Q. **Concealment Or Fraud** is deleted and replaced with the following: (This is Condition P. in Form **HG 4**.)

### Q. Concealment Or Fraud

“We” may deny coverage if “you” or any “insured” has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Made false statements; or
3. Committed fraud relating to this insurance;

whether before or after any loss, accident, application for coverage, or claim for which coverage is sought under this policy.

With respect to a misrepresentation on the application for insurance, this condition does not apply once the policy has been in effect for one year or one policy period, whichever is less. Notwithstanding the limitation in this paragraph, "we" may cancel or nonrenew this policy in accordance with the terms of **SECTION I AND II – CONDITIONS C. Cancellation and D. Nonrenewal.**

## **SECTION II – EXCLUSIONS**

**A. Under Any Of The Coverages** is amended as indicated.

Exclusion **10.** is deleted and replaced with the following:

**10.** "We" do not cover "bodily injury" or "property damage" which results from an act committed by any "insured":

- a. In the course of or in the furtherance of any criminal act or crime;
- b. In the course of or in the furtherance of any:
  - (1) Offense of a violent nature, or
  - (2) Physical abuse; or
- c. If a reasonable person would expect or intend "bodily injury" or "property damage" to result from the act.

This exclusion stated in paragraph **10.c.** applies regardless of whether such "insured" is charged with or convicted of a crime and even if:

- (1) The "bodily injury" or "property damage" is of a different kind or degree than was intended or could reasonably be expected to result from the act; or
- (2) The "bodily injury" or "property damage" is sustained by a different person than was intended or could reasonably have been expected.

Paragraphs **10.b.** and **10.c.** of this exclusion do not apply if a reasonable person would believe that the "insured" committing the act exercised reasonable force to protect persons or property.

If any paragraph of this exclusion applies to any one "insured" due to the "insured's" act or omission, coverage is also excluded for all other persons or "insureds" seeking coverage under this policy.

This exclusion does not apply to an "insured" seeking coverage for a claim or suit arising out of an act of sexual molestation or abuse, but only if:

- a. The "insured" seeking coverage did not actively participate in the act(s) of sexual molestation or abuse; and
- b. The "insured" did not know of the act(s) of sexual molestation or abuse when occurring.

Exclusion **15.** is deleted and replaced with the following:

**15.** "We" do not cover "bodily injury", "property damage", or "personal injury" arising out of any "communicable disease".

For purposes of this exclusion, a "communicable disease" means:

- a. Any disease which can be transmitted by means of any substance or agent from person to person, animal to person, or animal to animal where:
  - 1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
  - 2) The method of transmission, whether direct or indirect, includes but is not limited to airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
  - 3) The disease, substance or agent can cause or threaten "bodily injury", illness, emotional distress or damage to human health, animal health, human welfare or "property damage".

- b. Diseases, conditions, or illnesses including but not limited to, the following and any variant(s) or mutational strains of: acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV, including but not limited to HIV-1 and HIV-2); human t-cell lymphotropic virus (HTVL, including but not limited to HTVL-I, HTVL-II); any hepatitis virus; severe acute respiratory syndrome (SARS) including but not limited to SARASCoV-2 (the novel coronavirus that caused the coronavirus disease 2019, COVID-19); Middle East Respiratory Syndrome (MERS, including but not limited to MERS-CoV); herpes virus; any venereal disease or sexually transmitted disease, illness or condition; Zika virus, Norovirus; any of the Ebola virus species; Chronic Wasting Disease (CWD); Escherichia coli (E.coli); Influenza (including, but not limited to, all strains and mutations of avian, human or swine flu); Measles, Methicillin-resistant Staphylococcus Aureus (MRSA); Salmonellosis; Legionnaires Disease; Transmissible Spongiform Encephalopathy (TSE) (including, but not limited to, Bovine Spongiform Encephalopathy (BSE or mad cow disease); Creutzfeldt-Jacob Disease (nvCJD) including, but not limited to New Variant Creutzfeldt-Jakob Disease; Gerstmann-StrausslerSchneinker syndrome (GSS); fatal familial insomnia (FFI); Kuru; Tuberculosis, and West Nile Virus.

Exclusion **16**. is deleted and replaced with the following:

**16.** “We” do not cover any “bodily injury” or mental or emotional injury arising out of any:

- a. Actual, alleged, or threatened sexual molestation or sexual harassment of a person by any “insured”;
- b. Sexual act performed by any “insured”;
- c. Physical abuse; or
- d. Corporal punishment.

This exclusion does not apply to any “insured” who did not actively participate in the acts described above.

## **SECTION II – CONDITIONS**

Under Condition **A. Limits of Liability**, paragraph **4**. is deleted.

Condition **G. Concealment Or Misrepresentation** is deleted and replaced with the following:

### **G. Concealment Or Misrepresentation**

“We” may deny coverage if “you” or any “insured” has:

- 1. Concealed or misrepresented any material fact of circumstance; or
- 2. Made false statements,

whether before or after any loss, “occurrence”, application for coverage, or claim for which coverage is sought under this policy.

With respect to a misrepresentation on the application for insurance, this condition does not apply once the policy has been in effect for one year or one policy period, whichever is less. Notwithstanding the limitation in this paragraph, “we” may cancel or nonrenew this policy in accordance with the terms of **SECTION I AND II – CONDITIONS C. Cancellation** and **D. Nonrenewal**.

## **SECTION I AND II – CONDITIONS**

Under Condition **C. Cancellation**, paragraph **2**. is deleted and replaced with the following:

- 2. “We” may cancel this policy as provided in this condition. The cancellation notice, together with “our” reason for cancellation, will be mailed to the Named Insured shown in the Declarations at the last mailing address known to “us”. Proof of mailing will be sufficient proof of notice.

Notification of cancellation will also be sent to the Named Insured’s broker, if known, or agent of record, if known, and to the mortgagee or lienholder listed on the policy.

- a. When this policy has been in effect for 60 days or less and is not a renewal with “us”, “we” may cancel for any reason.
- b. When this policy has been in effect for more than 60 days, or if it is a renewal with “us”, “we” may cancel:
  - (1) For nonpayment of premium;
  - (2) If this policy was obtained by misrepresentation or fraud; or
  - (3) For any act which measurably increases the risk originally accepted.

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- c. If “we” cancel for nonpayment of premium “we” will let the Named Insured know of “our” action at least 10 days before cancellation takes effect. If “we” cancel for a reason other than nonpayment of premium, “we” will let the Named Insured know of “our” intention at least 30 days before cancellation takes effect.

Condition **D. Nonrenewal** is deleted and replaced with the following:

**D. Nonrenewal**

1. “We” may elect not to renew this policy at its expiration date or, in the case of a policy written for an indefinite term, at its anniversary date. “We” will notify the Named Insured of “our” intention not to renew, and of “our” reason for nonrenewal, at least 30 days before the expiration or anniversary date.
2. The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to the Named Insured.
3. If “we” offer renewal and “you” fail to pay the renewal premium before the expiration date of this policy, this policy will terminate upon 10 days notice to the Named Insured.
4. If insurance has been issued to “you” and has been in effect with “us” for five or more years, “we” will not exercise “our” right to nonrenewal unless:
  - a. The policy was obtained through misrepresentation or fraud;
  - b. The risk originally accepted has measurably increased; or
  - c. The Named Insured received 60 days notice of “our” intention not to renew.
5. “We” will mail the notice to the Named Insured shown in the Declarations at the last mailing address known to “us”. Proof of mailing will be sufficient proof of notice.

Notification of nonrenewal will also be sent to the Named Insured’s broker, if known, or agent of record, if known, and the last known mortgagee or lienholder.

Condition **E. Our Right To Recover Payment** is deleted and replaced with the following:

**E. Our Right To Recover Payment**

1. “We” have the right to recover a payment made under this policy if:
  - a. “We” make a payment to any “insured” entitled to benefits under this policy; and
  - b. The “insured” has a legal right to recover damages from a third party.

After a 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 the payment to “us”. If “you” or the person receiving a payment under this policy release anyone responsible for causing a loss without “our” written consent, this policy has been breached and “we” may recover from such person 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.

2. “We” do not have a right to recover a payment made:
  - a. Under Section I if, before the loss, “you” have waived in writing “your” right to recover damages from the responsible party; or
  - b. Under **ADDITIONAL LIABILITY COVERAGE 3. Damage To Property Of Others** or Coverage F under Section II.

All other terms and conditions of this policy apply.