

DWELLING PROPERTY FORM

The following Table of Contents shows how the policy is organized. It will help **you** locate particular sections of the policy.

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Additional provisions are found in Form FMH-2001

Required state endorsements may also be part of this policy.

Refer to the Definitions for words that have special meaning. These words are shown in "**bold type**".

Endorsements and schedules may also apply. They are identified on the "declarations".

AGREEMENT

This policy, subject to all of its **terms**, provides property insurance and other described coverages during the policy period. In return **you** must pay the required premium. Each of the Principal Coverages described in this policy applies only if a **limit** is shown on the Declarations for that coverage.

DEFINITIONS

1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.
2. The words "we", "us", and "our" mean the company providing this Dwelling Coverage.
3. "Business" means a trade, a profession, or an occupation including farming, all whether full or part time. This includes the rental of property to others. It does not include the occasional rental for residential purposes of the part of the "insured premises" normally occupied solely by "your" household.

"Business" also includes services regularly provided by an "insured" for the care of others and for which an "insured" is compensated. A mutual exchange of like services is not considered compensation.

4. "Declarations" are all pages labeled Declarations, Supplemental Declarations, or Schedules which pertain to this Dwelling Coverage.
5. "Insured" means:
 - a. "you";
 - b. "your" relatives if residents of "your" household; and
 - c. persons under the age of 21 in "your" care or in the care of "your" resident relatives.
6. "Insured Premises" means the location shown on the "declarations".
7. "Limit" means the amount of coverage that applies.
8. "Motorized Vehicle" means a self-propelled land or amphibious vehicle regardless of method of surface contact.

This does not include vehicles that are designed and used to assist the handicapped and are not required to be licensed for road use.
9. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including

acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of.

- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
10. "Residence" means a one- to four-family house or a one- or two-family mobile home used mainly for family residential purposes.
11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply to this Dwelling Coverage.

PRINCIPAL COVERAGES

Coverage A -- Residence

1. **We cover the residence on the insured premises**, including its additions, built-in components, and attached fixtures. On the **insured premises**, **we also cover**:
 - a. building items that can be detached from the covered residence, such as screens and storm doors;
 - b. appliances, carpets, and window coverings in that part of the residence **you** rent to others;
 - c. building materials and supplies for use in construction on the **insured premises**; and
 - d. if this policy does not provide Coverage C, tools and equipment used to service the **insured premises**. This includes **motorized vehicles** used only to service the **insured premises** that are not required to be licensed for road use.
2. Coverage A does not cover:
 - a. land, including the land on which the property is located, underground water or surface water;
 - b. trees, plants, shrubs, and lawns; and
 - c. farm tools, farm equipment, and farm **motorized vehicles**.

Coverage C -- Personal Property

1. **While on the Insured Premises** -- This policy covers personal property, while on the **insured**

premises, which is usual to the occupancy of the dwelling as a residence. The personal property must be owned or used by **you** or **your** family members who reside with **you**.

2. **While Away from the Insured Premises --** You may apply up to 10 percent of the Coverage C **limit** to cover personal property, while away from the **insured premises**, which is usual to the occupancy of the dwelling as a residence. The personal property must be owned or used by **you**, or **your** family members who reside with **you**.
3. **While in a Newly Acquired Principal Residence --** We pay for loss to covered personal property in a newly acquired principal residence. The full Coverage C **limit** applies for 30 days from the date **you** begin to move. After that, coverage for personal property in a newly acquired principal residence is limited to 10 percent of the Coverage C **limit**. This coverage does not extend past the date on which the policy expires or the date on which the policy is terminated.
4. **Limitations on Certain Property --** The special **limits** shown below do not increase the Coverage C **limit**. The **limit** for each class is the total **limit** per occurrence for all items in that class.
 - a. \$250 on money, bank notes, bullion, gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum, coins, and numismatic property.
 - b. Regardless of their storage medium, \$1,500 on securities, bills, letters of credit, notes other than bank notes, tickets, accounts, deeds, evidence of debt, passports, manuscripts, stamps, and philatelic property.
 - c. \$1,000 on watercraft including their trailers, furnishings, equipment, and motors.
 - d. **Business** property, up to the amounts shown below:
 - 1) \$2,500 while on the **insured premises**;
 - 2) \$250 while away from the **insured premises**.
 - e. \$1,000 on trailers not otherwise provided for.
5. **Personal Property Not Covered --** Coverage C does not cover:
 - a. land, including the land on which the property is located, underground water or surface water;

- b. trees, plants, shrubs, and lawns;
- c. animals, birds, fish, or insects;
- d. **motorized vehicles**. This includes their parts, equipment, and accessories while in or on a **motorized vehicle**. We do cover **motor-ized vehicles** that are not subject to motor vehicle registration if they are designed and used to assist the handicapped or used only to service the **insured premises**;
- e. aircraft, including their parts and equipment;
- f. electronic devices, accessories, or antennas that may be operated from the electrical system of a **motorized vehicle**, farm equipment, or watercraft while in or on the **motorized vehicle**, farm equipment, or watercraft. This includes films, tapes, wires, discs, records, or other media for use with such devices;
- g. loss that results from **credit cards**; or
- h. farm property or property designed primarily for farm use.
- i. property permanently located in any seasonal or secondary residence or in property held for rental to others;
- j. Articles or items separately insured by this or any other policy;
- k. property of roomers or boarders who are not insureds; or
- l. recreational or all-terrain motor vehicles.

Coverage D -- Additional Living Costs and Fair Rental Value

We pay the necessary and reasonable increase in living costs **you** incur to maintain the normal standard of living of **your** household if the part of the **insured premises** containing **your** household is made unfit for use by an insured loss. We pay only for the period of time reasonably required to make that part of the **insured premises** containing **your** household fit for use or to settle **your** household in new quarters, whichever is less. This period of time is not limited by the policy period.

We pay for the fair rental value if the part of the **insured premises** rented or held for rental to others is made unfit for use by an insured loss. We only

pay for the period of time reasonably required to make that part of the **insured premises** rented or held for rental to others fit for use. Fair rental value is the amount **you** would have received less the charges and expenses that do not continue while the **insured premises** is unfit for use. This period of time is not limited by the policy period.

We pay **your** additional living costs and fair rental value for up to two weeks if the premises next to the **insured premises** is damaged by a peril insured against and **you** may not, by order of civil authority, use the **insured premises**. This period of time is not limited by the policy period.

We do not pay for additional living costs or fair rental value due to the cancellation of a lease or an agreement.

INCIDENTAL COVERAGES

This policy provides the following Incidental Coverages. They are subject to all of the **terms** of the applicable Coverages A, or C. They are not extended to farm property. These coverages provide additional insurance unless otherwise stated.

1. **Emergency Removal** -- **We** pay for loss to covered property that is moved to prevent loss by a peril insured against. The property is covered for direct physical loss not excluded, for up to 30 days. This coverage does not extend past the date on which this policy terminates.

We pay up to a \$250 towing charge to move a covered mobile home that is in danger from a peril insured against.

This coverage does not increase the **limits** shown for the property being removed.

2. **Debris Removal** -- **We** pay for the cost to remove the debris of covered property after an insured loss. This includes the cost to remove volcanic ash, dust, or particulate matter that causes direct physical loss to covered property.

You may apply up to 25% of the **limit** that applies to the damaged property to cover debris removal. **We** will not pay more for direct loss to property and debris removal combined than the **limit** that applies to the damaged property.

This coverage does not include costs to extract **pollutants** from land or water; or remove, restore, or replace polluted land or water.

We also pay the cost to remove fallen trees which cause damage to property covered under Coverages A, or C if:

- a. the falling of the tree is caused by any of the perils insured against; and
- b. coverage is not provided elsewhere by this policy.

Regardless of the number of fallen trees, the most **we** will pay is \$500 per occurrence.

3. **Trees, Plants, Shrubs, or Lawns** -- **We** pay for loss to trees, plants, shrubs, or lawns on the **insured premises** caused by:

- a. fire or lightning, explosion, riot or civil commotion, aircraft;
- b. vehicles, if not owned or operated by **you** or an occupant of the **insured premises**.

We do not cover trees, plants, shrubs, or lawns grown for **business**.

You may apply up to 5 percent of the Coverage A **limit** on the **insured premises** to cover trees, plants, shrubs, or lawns. **We** do not pay more than \$500 for each tree, plant, or shrub. This includes the cost to remove the debris of the covered item.

"**We**" do not cover trees, plants, shrubs, or lawns located more than 250 feet from the "residence" covered under Coverage A.

4. **Fire Department Service Charge** -- **We** pay up to \$500 for charges assumed by **you** under a contract or agreement when a fire department is called to protect covered property from a peril insured against.

5. **Tenant's Improvements** -- If **you** are a tenant, **we** pay for loss by perils insured against to improvements on the **insured premises** made or acquired at **your** expense. These are permanent fixtures, alterations, decorations, and additions.

You may apply up to 10 percent of the Coverage C **limit** to cover tenant's improvements.

6. **Collapse** -- **We** pay for loss to covered property involving the collapse of a building or a part of a building caused by the following:

- a. any of the perils insured against described in this policy;

- b. hidden insect or vermin damage or hidden decay;
- c. weight of contents or people;
- d. weight of rain which collects on a roof; or
- e. the use of defective materials or methods in construction or repair if the collapse occurs during the course of construction or repair.
- f. Under b. through e. above, unless the loss is the direct result of the collapse of a building, **we** do not pay for loss to awnings; swimming pools; fences; patios; paved areas; retaining walls; bulkheads; foundations; wharves; docks; piers; underground pipes, flues, and drains; cesspools; and septic tanks.

Collapse does not mean settling, cracking, shrinking, bulging, or expanding.

This coverage does not increase the **limits** shown for the property covered.

7. **Glass Breakage -- We** cover breakage of glass that is part of an insured structure. **We** do not pay for loss if the residence is vacant for more than 30 days in a row just before the loss. A residence being built is not vacant. **We** also pay for loss to covered property which is damaged by the breakage of glass.

This coverage does not increase the **limits** shown for the property covered.

The following coverage applies only if a "limit" for Well Pumps or Private Power and Light Poles is shown on the "declarations".

8. **Well Pumps --** When a limit is shown on the "declaration" page, "We" pay for direct physical loss to well pumps and motors caused by a peril that applies to Coverage C. This includes pump switch boxes, fuse boxes, control boards, pump motors, and any other equipment attached to the pump for its operation. This coverage is excess over any other insurance on this or any other policy.
9. **Private Power and Light Poles --** When a limit is shown on the "declaration" page, "We" pay for direct physical loss to private power and light poles caused by a peril that applies to Coverage C. This includes outdoor electrical wiring, switch boxes, fuse boxes, and any other outdoor

electrical equipment mounted on panels or poles. This coverage is excess over any other insurance on this or any other policy.

PERILS INSURED AGAINST -- COVERAGES A, C, AND D.

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We insure against direct physical loss caused by the following perils, unless the loss is excluded under the General Exclusions:

1. **Fire or Lightning**
2. **Explosion**
3. **Windstorm or Hail --** However, **we** do not pay for loss:
 - a. to the interior of a building or mobile home, or to property inside a structure caused by dust, rain, sand, sleet, snow or water, all whether driven by wind or not, which enter through an opening not made by the direct force of wind or hail;
 - b. to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building. (**We** do cover canoes and rowboats while on the **insured premises**.); or
 - c. to outdoor antennas, including their lead-in wiring, masts and towers.
4. **Riot or Civil Commotion**
5. **Aircraft --** This means direct loss from actual physical contact of an aircraft with covered property and includes objects falling from aircraft.
6. **Vehicles --** However, **we** do not pay for loss to fences, driveways and walks caused by a vehicle owned or operated by **you** or an occupant of the **insured premises**.
7. **Sudden and Accidental Damage from Smoke --** However, **we** do not pay for loss caused by smoke from agricultural smudging or industrial operations.
8. **Sinkhole Collapse --** This means loss caused by sudden settlement or collapse of earth supporting covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on a limestone or similar rock formation.

However, we do not cover the value of land or the cost of filling sinkholes.

9. Volcanic Action -- This means:

- a. airborne volcanic blast or airborne shock waves;
- b. ash, dust, or particulate matter; or
- c. lava flow.

However, we do not cover removal of ash, dust, or particulate matter that does not cause direct physical loss to covered property.

- b. The smallest of the following amounts is used in applying the "terms" under Our Limit:
 - 1) the cost to repair or replace the property with materials of like kind and quality to the extent practical less depreciation;
 - 2) the actual cash value of the property at the time of loss; or
 - 3) (applies only to mobile homes) the difference in the actual cash value just before the loss and the actual cash value just after the loss.

LOSS SETTLEMENT PROVISIONS

The following provisions apply to property covered under Coverages A and C and to the Incidental Property Coverages described in this form.

Subject to the "terms" shown under How Much We Pay For Loss or Claim, "we" settle losses according to the Actual Cash Value Terms.

Actual Cash Value Terms -- Actual cash value means replacement cost at the time of loss minus a deduction for depreciation, however caused. Depreciation means a reduction in value of the property as a result of wear and tear, use, age, operating conditions or technological or economic obsolescence. Depreciation applies to both labor and materials.

- a. The Actual Cash Value Terms apply to all property not subject to the Replacement Cost Terms.

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Well Pumps -- When a limit is shown on the "declaration" page, "We" pay for direct physical loss to well pumps and motors caused by a well that applies to Coverage C. This includes pump switch boxes, fuse boxes, control boards, pump motors, and any other equipment attached to the pump for its operation. This coverage is excess over any other insurance on this or any other property.

Private Power and Light Poles -- When a limit is shown on the "declaration" page, "We" pay for direct physical loss to private power and light poles caused by a well that applies to Coverage C. This includes outdoor electrical wiring, switch boxes, fuse boxes, and any other outdoor