

02-342-85  
EVERETT CASH MUTUAL INSURANCE -vs- GRACE LEIGEY Et al  
COMPANY et al

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL DIVISION**

EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE AT MUTUAL INSURANCE COMPANY	:	No. 02-342-cd
Plaintiffs,	:	JURY TRIAL DEMANDED
vs.	:	
GRACE LEIGEY, individually and as Administratrix/trustee ad litem, of the Estate of KEN LEIGEY, deceased, and SHEILA FLICK, formerly known as SHEILA LEIGEY	:	TYPE OF PLEADING: <b>COMPLAINT FOR DECLARATORY JUDGMENT</b>
Defendants.	:	FILED ON BEHALF OF PLAINTIFFS:
	:	COUNSEL OF RECORD FOR THE NAMED PARTIES: MCINTYRE, DUGAS, HARTYE & SCHMITT <b>STEPHEN L. DUGAS, ESQUIRE</b> <b>PA I.D.#: 21351</b> P. O. Box 533 Hollidaysburg, PA 16648-0533 (814) 696-3581 FAX (814) 696-9399

**FILED**

MAR 06 2002

William A. Shaw  
Prothonotary

EVERETT CASH MUTUAL INSURANCE  
COMPANY and EVER-GREENE AT  
MUTUAL INSURANCE COMPANY

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PA

Plaintiffs,

No.

vs.

GRACE LEIGEY, individually and as  
Administratrix/trustee ad litem, of the  
Estate of KEN LEIGEY, deceased, and  
SHEILA FLICK, formerly known as  
SHEILA LEIGEY

Defendants.

JURY TRIAL DEMANDED

**NOTICE**

You have been sued in the Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint for Declaratory Judgment is served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Petition or for any other claim or relief requested by the Petitioner. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT  
ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT  
AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET  
FORTH BELOW, TO FIND OUT WHERE YOU CAN GET LEGAL  
HELP.

**David S. Meholick, Court Administrator  
Clearfield County Courthouse, Clearfield, PA 16830**

**814/765-2641 Ext. 5982**

**McINTYRE, DUGAS, HARTYE & SCHMITT**

Attorney for Plaintiff  
**STEPHEN L. DUGAS, ESQUIRE**  
PA I.D.# 21351  
P.O. Box 533  
Hollidaysburg, PA 16648-0533  
814/696-3581

EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE AT MUTUAL INSURANCE COMPANY	IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PA
Plaintiffs,	
vs.	No.
GRACE LEIGEY, individually and as Administratrix/trustee ad litem, of the Estate of KEN LEIGEY, deceased, and SHEILA FLICK, formerly known as SHEILA LEIGEY	
Defendants.	JURY TRIAL DEMANDED

**COMPLAINT FOR DECLARATORY JUDGMENT**

NOW, come plaintiffs, EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE MUTUAL INSURANCE COMPANY, and by their attorneys MCINTYRE, DUGAS, HARTYE & SCHMITT, file this Complaint for Declaratory Judgment pursuant to the Declaratory Judgment Act, 42 Pa. CSA, 7531 et seq, where the following is a Statement:

1. Plaintiffs are Everett Cash Mutual Insurance and Ever-Greene Mutual Insurance Company, both of which are Pennsylvania Mutual Insurance Companies with offices located at RD 1, Everett, Bedford County, Pennsylvania 15537.
2. Defendant Grace Leigey (hereinafter "Leigey") is an individual, believed to be a resident of the County of Clearfield, Commonwealth of Pennsylvania, and the Administratrix/Personal Representative of the Estate of Ken Leigey, deceased.
3. Defendant, Sheila Flick, formerly known as Sheila Leigey (hereinafter "Flick"), is an individual, and believed to be a resident of the County of Clearfield, Commonwealth of Pennsylvania.

4. On June 2, 2000, defendant Leigey filed a Complaint against defendant Flick to No. 00-381-CD in the Court of Common Pleas of Clearfield County, Pennsylvania. A copy of the said Complaint is attached hereto, marked Exhibit "A" and made a part hereof.

5. According to the aforesaid Complaint, on March 25, 1998, defendant Flick shot and killed plaintiff's decedent, Ken Leigey.

6. At and prior to the shooting preferred to hereinabove, defendant Flick was the wife of plaintiff's decedent.

7. According to the Complaint aforesaid, the actions of defendant Flick in shooting plaintiff's decedent, were alleged alternatively to constitute:

- a. Negligence and/or recklessness (Paragraph 9);
- b. Likely to cause serious injury or death to plaintiff's decedent (Paragraph 10);
- c. Extreme, outrageous and undertaken with reckless indifference to the rights and well being of plaintiff's decedent (Paragraph 11);
- d. A failure to exercise reasonable care owed to plaintiff's decedent under the circumstances (Paragraph 12);
- e. Gross negligence (Paragraph 13);
- f. Gross, wanton negligence, which was extreme and outrageous (Paragraph 14).

8. At and prior to the shooting described hereinabove, defendant Flick and plaintiff's decedent were Named Insureds under Policies of Insurance issued by plaintiffs, namely, Everett Cash Mutual Insurance Policy No. DWG 508527 and Ever-Greene Mutual Insurance Policy No. MO 41412. A copy of both Policies are attached hereto, marked respectively "Exhibit B" and "Exhibit C" and made a part hereof.

9. At and prior to the shooting described in the Complaint aforesaid, defendant Flick and plaintiff's decedent were residents of the Insured premises described in both of the aforementioned Policies of Insurance.

10. Liability coverage is provided only under Ever-Greene Mutual Policy No. MO 41412, pursuant to Policy Form NL-9 (7/78). No other coverage is provided by either Policy with regard to the events complained of in the aforesaid Complaint.

11. Under coverage L-Personal Liability, plaintiff Ever-Greene Mutual Insurance Company would be obliged to pay sums "for which any Insured is legally liable because of bodily injury or property damage caused by an occurrence to which this coverage applies", subject to the following **EXCLUSION**:

1. **Exclusions that apply to both personal liability and medical payments to others – This Policy does not apply to liability:**

h. Resulting from bodily injury or property damage caused intentionally by or at the direction of any insured;

2. **Exclusions that apply only to personal liability – This coverage does not apply to liability:**

a. For bodily injury to you, and, if residents of your household, your relatives, and any other person under the age of 21 in your care or in the care of your resident relatives.

12. Under the definitions "DEFINITIONS" contained in the aforesaid Policy, the word "you" means:

The person or persons named as the Insured on the Declarations.

13. As a result of the **EXCLUSIONS** set forth in the Policy of Insurance, plaintiffs have no obligation to either indemnify defendant Flick as to any claims or causes of action arising out of or related to the events described in the aforesaid Complaint filed to No. 00-381-

CD of the Court of Common Pleas of Clearfield County, Pennsylvania, or to defend her with respect thereto.

WHEREFORE, plaintiffs, EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE MUTUAL INSURANCE COMPANY, seek an Order from This Honorable Court, pursuant to the Declaratory Judgment Act, decreeing that they have no obligation to defend defendant Flick action filed against her to No. 00-381-CD of the Court of Common Pleas of Clearfield County, Pennsylvania, or to indemnify defendant Flick in connection with any claims arising out of the events described in the aforesaid Complaint.

Respectfully submitted,

MCINTYRE, DUGAS, HARTYE & SCHMITT

\_\_\_\_\_  
Attorney for Plaintiffs

**STEPHEN L. DUGAS, ESQUIRE  
PA. ID. No. 21351  
P.O. Box 533  
Hollidaysburg, PA 16648  
814/696-3581**

TO: **GRACE LEIGEY, individually and as  
Administratrix/trustee ad litem, of the  
Estate of KEN LEIGEY, deceased, and  
SHEILA FLICK, formerly known as  
SHEILA LEIGEY**

You are hereby notified to file a written  
Response to the enclosed Complaint  
**For Declaratory Judgment** within  
twenty (20) days from service hereof  
or a judgment may be entered against you.

\_\_\_\_\_  
Attorneys for Defendant

*Plaintiffs*

4922

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

GRACE LEIGEY, trustee ad litem  
(pursuant to Pa. R.C.P. 2202(b)) and on  
behalf of the Estate of KEN LEIGEY,

) CIVIL DIVISION

Plaintiff,

) No.: 00-381-CD

) vs.

) COMPLAINT

SHELIA FLICK, formerly SHELIA  
LEIGEY,

Defendant.

) Filed on behalf of Plaintiff:

) GRACE LEIGEY, Guardian Ad Litem  
for the Estate of KEN LEIGEY

) Counsel of Record for this Party:

) VICTOR H. PRIBANIC, ESQUIRE  
P.A. ID. No.: 30785

) PRIBANIC & PRIBANIC, PC  
1735 Lincoln Way  
White Oak, PA 15131

) (412) 672-5444 SLP

JURY TRIAL DEMANDED

I hereby certify this to be a true  
and attested copy of the original  
statement filed in this case.

EXHIBIT

A

JUN 5 2000

JUN 02 2000

Attest.

*[Signature]*  
Dynamonics

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA**

GRACE LEIGEY, trustee ad litem (pursuant to Pa. R.C.P. 2202(b)) and on behalf of the Estate of KEN LEIGEY,	)	<b>CIVIL DIVISION</b>
	)	
	)	
	)	
Plaintiff,	)	No.: 00-381-CD
	)	
	)	
vs.	)	
	)	
SHELIA FLICK, formerly SHELIA LEIGEY,	)	
	)	
Defendant.	)	

**NOTICE TO DEFEND**

YOU HAVE BEEN SUED IN COURT. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by an attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you. **YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.**

David S. Meholic, Court Administrator  
Clearfield County Courthouse  
Clearfield, PA 16830  
(814) 765-2641 Extension 5982

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA

GRACE LEIGEY, trustee ad litem (pursuant to Pa. R.C.P. 2202 (b)) and on behalf of the Estate of KEN LEIGEY,	)	CIVIL DIVISION
	)	
	)	
Plaintiff,	)	No.: 00-381-0
	)	
	)	
vs.	)	
	)	
SHELLIA FLICK, formerly SHELLIA LEIGEY,	)	
	)	
Defendant.	)	

COMPLAINT

1. Plaintiff, Grace Leigey, is an adult individual resident of the Commonwealth of Pennsylvania.
2. Plaintiff is the mother of Ken Leigey, the decedent in the captioned action, and brings this action as trustee ad litem pursuant to Pa. R.C.P. 2022(b) and on behalf of her son's estate by virtue of the Defendant's position as Personal Representative of her son's Estate.
3. Defendant, Shelia Flick, formerly known as Shelia Leigey, is an adult individual resident of the Commonwealth of Pennsylvania.

4. Plaintiff, as trustee ad litem of the Estate of Ken Leigey, brings this action in her own behalf and on behalf of all other parties entitled to recover damages for the wrongful death of Ken Leigey pursuant to the provisions of 42 Pa. C.S. § 8301.

5. Plaintiff also brings this action to recover damages on behalf of the Estate of Ken Leigey pursuant to the provisions of 42 Pa. C.S. § 8302.

6. The following persons are or may be entitled by law to recover damages for the wrongful death of Ken Leigey.

- (a) Grace Leigey, the mother of the decedent who resides at Post Office Box 289, Frenchville, Pennsylvania, 16836;
- (b) Thomas F. Leigey, Jr., the father of the decedent who resides at the same address;
- (c) Kennita Leigey, the daughter of the decedent who resides at \_\_\_\_\_;
- (d) Jessica Leigey, the daughter of the decedent who resides at \_\_\_\_\_;
- (e) Kenneth Leigey, Jr., the son of the decedent who resides at P.O. Box 289, Frenchville, PA 16836; and,
- (f) Thomas Leigey, the son of the decedent who resides at P.O. Box 289, Frenchville, PA 16836.

7. During his lifetime Ken Leigey did not commence any action to recover damages for the injuries which caused his death, and no

other action has been filed to recover damages for the wrongful death of Ken Leigey.

COUNT I

WRONGFUL DEATH

Plaintiff incorporates herein by reference thereto Paragraphs 1 through 7 of the Complaint and further avers that:

8. On or about March 25, 1998 the Defendant, Shelia Flick, formerly known as Shelia Leigey, was the wife of decedent, Ken Leigey.

9. On the foregoing date the decedent, Ken Leigey, was negligently and/or recklessly shot and killed by Defendant, Shelia Flick, formerly known as Shelia Leigey.

10. The Defendant at all relevant times knew or should have known that firing the weapon at the Decedent was likely to cause serious injury or death to the decedent but nonetheless did so.

11. The Defendant's conduct as described above was extreme and outrageous and undertaken with reckless indifference to the rights and well being of the decedent.

12. The decedent's gunshot wound and resulting fatal injuries were caused by and were the direct result of the Defendant's conduct in

failing to exercise reasonable care and that degree of care owed to the decedent under the circumstances which then existed.

13. The Defendant's negligence and/or gross negligence consisted, inter alia, in the following:

- (a) failing to unload the weapon and safely store it;
- (b) firing the weapon in the direction of the Decedent;
- (c) violating well publicized standards of care in respect to the safe handling of firearms which the Defendant knew, or had reason to know, established a minimum standard of care in respect to firearm safety;
- (d) failing to take reasonable precautions to ensure against the accidental or intentional discharge of the firearm prior to returning it to the decedent;
- (e) creating a situation which the Defendant knew or ought to have known that it was likely that the decedent would sustain serious injury; and,
- (f) otherwise carelessly, negligently, and recklessly violating applicable standards of care in respect to the safe handling of firearms under the circumstances recited in this Complaint.

14. The Defendant's conduct as described above by virtue of her knowledge of the extreme hazard posed by a loaded firearm constitutes gross and wanton negligence and was accordingly extreme and outrageous.

15. The persons entitled by law to recover damages for Ken Leigey's death have sustained the following damages:

- (a) the cost of medical services and supplies incident to the treatment and subsequent death of the decedent;
- (b) the cost of funeral and estate expenses occasioned by the death of the decedent;
- (c) loss of value of the service, assistance, comfort, guidance, counseling, companionship, and society of the decedent;
- (d) loss of, in the case of his minor children, the value of the services of the decedent in respect to the guidance, tutelage, and moral upbringing which would or might have been afforded them by the decedent;
- (e) loss of the financial support and all pecuniary benefits which they would have received from the decedent;
- (f) the expenses of the administration of the estate of the decedent; and,
- (g) such other losses and damages as are recoverable by law or statute.

WHEREFORE, Grace Leigey, Trustee Ad Litem of the Estate of Ken Leigey, Deceased, hereby demands compensatory and punitive damages and judgment therefore in a sum in excess of the Board of Arbitrators along with costs of the prosecution of this action.

COUNT II

SURVIVAL

Plaintiff incorporates herein by reference thereto Paragraphs 1 through 15 of the complaint and further avers that:

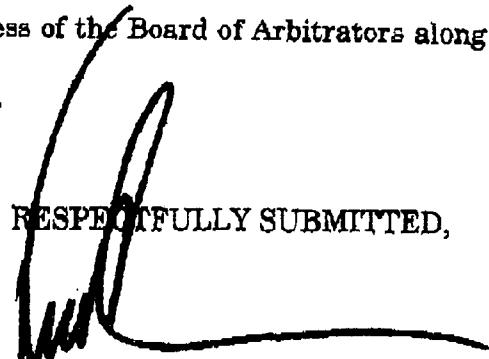
16. As a result of the previously described negligent conduct of the Defendant, Plaintiff as the Trustee Ad Litem of the Estate of Ken Leigey, seeks damages pursuant to the provisions of 20 Pa. C.S. § 3373 and 42 Pa. C.S. § 8302 which include, inter alia:

- (a) the pain, suffering, inconvenience, anxiety, and nervousness of the decedent from the moment of apprehension of his death until his death, including the terror experienced by the decedent immediately prior to his death and at the time of the explosion which caused his wounds;
- (b) the decedent's loss of earnings and/or earning potential during the balance of his life expectancy calculated from the date of his death;

- (c) hospital, medical, surgical, and nursing expenses incurred on his behalf, and,
- (d) such other losses and damages as are recoverable by law or statute.

WHEREFORE, Grace Leigey, Trustee Ad Litem of the Estate of Ken Leigey, Deceased, hereby demands compensatory and punitive damages and judgment therefore in a sum in excess of the Board of Arbitrators along with cost of the prosecution of this action.

RESPECTFULLY SUBMITTED,

  
VICTOR H. PRIBANIC  
Attorney for Plaintiff

**JURY TRIAL DEMANDED**

VERIFICATION TO COMPLAINT

Plaintiff verifies that she is the Plaintiff in the foregoing action; that the foregoing Complaint is based upon information which she has furnished to her counsel and information which has been gathered by her counsel in the preparation of the lawsuit. The language of the Complaint is that of counsel and not of the Plaintiff. Plaintiff has read the Complaint and to the extent that the Complaint is based upon information which she has given to her counsel, it is true and correct to the best of her knowledge, information and belief. To the extent that the content of the Complaint is that of counsel, she has relied upon counsel in making this Affidavit. Plaintiff understands that false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

4-2-2000  
Date:

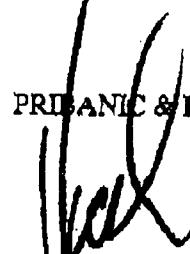
Grace Leigey  
GRACE LEIGEY

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the within has been served via U. S. Postal Service postage prepaid on the 27th day of May, 2000 upon the following:

SHELIA FLICK,  
formerly SHELIA LEIGEY  
RD 1, Box 386 A  
Coalport, PA 16627

PRIBANIC & PRIBANIC, P.C.

  
\_\_\_\_\_  
VICTOR H. PRIBANIC  
Counsel for Plaintiff

## SPECIMAN POLICY

## Everett Cash Mutual Insurance Co.

R.D. #1, P.O. BOX 88, Everett, PA 15537

## RENEWAL DECLARATIONS CERTIFICATE

POLICY NUMBER  
DWG508527

## NAMED INSURED AND MAILING ADDRESS

KEN & SHELIA LEIGEY  
RD 1 BOX 289C  
FRENCHVILLE, PA 16836

## AGENT

ALBRIGHT INSURANCE AGENCY  
14 S 4TH STREET  
HAMBURG, PA 19526

ACCOUNT#: LEIK04-01 - AB

POLICY PERIOD FROM 03/14/98 TO 03/14/99

12:01 A.M. STANDARD TIME AT THE  
LOCATION OF THE INSURED PREMISES

The location of the insured premises covered by this policy is at the above address, unless otherwise stated.

Location #: 1. RD 1 BOX 2890  
FRENCHVILLE, PA.

This policy applies only to losses which happen during the policy period shown above. This insurance applies only if a limit of liability is shown for the respective coverage and only for those perils for which a premium charge is shown. Coverage B and O apply at your option when Coverage A applies or if a limit of liability and a premium charge is shown for the coverage. Our limit of liability for each coverage shall be not more than the amount stated for such coverage, subject to all the terms of this policy.

COVERAGES	LIMIT OF LIABILITY	PERILS INSURED AGAINST	PREMIUM
A. Dwelling	20,000	FIRE, E.C., V&MM	\$ 120

## SUBJECT TO THE FOLLOWING FORMS AND ENDORSEMENTS

FL-1(11-79);FL20(11-79);FL250(10-84);ML101(12-79);FL-83A(3.0);CL-300(1.0)

DEDUCTIBLE	PREMIUM
250	\$ 120

## RATING INFORMATION

1 family, OWNER, FRAME building; SEMI-PROTECTED, NOT SEASONAL; group # 2  
CLEARFIELD CO., PA  
mobile home: 1973 12X55 S#12747

## MORTGAGEE

EXHIBIT

AGENT

B

**PERILS SECTION**

This policy, under Coverages A, B, C and D, insures against direct physical loss to covered property caused by the following perils:

**1. Fire or Lightning****2. Explosion**

**Optional Perils - Extended Coverage** - The following perils 3 through 7 are subject to an additional premium charge and apply only if a premium for Extended Coverage is shown on the Declarations.

**3. Windstorm or Hail** - This does not cover loss:

- a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all whether wind-driven or not;
- b. to the interior of a building or mobile home, or to the property inside, caused by dust, rain, sand, sleet, snow or water, all whether wind-driven or not, entering through openings not made by the direct force of wind or hail; or
- c. to watercraft (except rowboats and canoes on the **insured premises**) including their trailers, accessories, equipment and outboard motors unless such property is inside a fully enclosed building.

**4. Riot or Civil Commotion**

**5. Aircraft** meaning only direct loss from actual physical contact of an aircraft with covered property and including objects falling from aircraft.

**6. Vehicles** meaning only direct loss from actual physical contact of a vehicle with covered property. This does not cover loss caused by vehicles:

- a. owned or operated by **you** or by an occupant of the **insured premises**; or
- b. to fences, driveways or walks.

**7. Sudden and Accidental Damage from Smoke** - This does not cover loss caused by smoke from agricultural smudging, industrial operations, fireplaces, or wood or coal burning stoves.

**Optional Peril - Vandalism** - This peril (No. 8) is subject to an additional premium charge and applies only if a premium for Vandalism is shown on the Declarations.

**8. Vandalism** - This does not cover loss at the **insured premises** while the **residence** is vacant for more than 30 consecutive days immediately before the loss. A **residence** under construction is not considered vacant.

## AGREEMENT

This policy, subject to all of its **terms**, provides insurance against loss to property, and other described coverages during the policy period in return for payment of the required premium. It consists of this Agreement, the Declarations, the General Policy Provisions, Perils Section, and any forms and endorsements made part of it.

It is important that **you** read each part of this policy carefully to understand the coverage provided, **your** obligations and **our** obligations under the policy. Each coverage is subject to all policy **terms** relating to that coverage including the **terms** applicable to the entire policy. **Coverages A, C, E and F described in this policy apply only if a limit of liability and a premium charge are shown for the coverage on the Declarations. Coverages B and D apply at your option when Coverage A applies or if a limit of liability and a premium charge are shown for the coverage on the Declarations.**

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

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## GENERAL POLICY PROVISIONS

### DEFINITIONS — The following definitions apply to this policy.

1. The words **you** and **your** refer to the person or persons named in the Declarations and **your** spouse if a resident of **your** household. The words **we**, **us** and **our** refer to the insurance company named in the Declarations.
2. **Business** means a trade, profession, or other occupation including farming, all whether full or part time.

**3. Insured:**

- a. **Insured** means **you** means you and, if residents of **your** household, **your** relatives and any other person under the age of 21 in **your** care or in the care of **your** resident relatives.
- b. If **you** die while insured under this policy, **your** protection passes to **your** legal representative or other person having proper, temporary custody of covered property. However, this person or **your** legal representative is an **Insured** only with respect to insurance on covered property. Any person who is an **Insured** at the time of **your** death continues to be an **Insured** while residing on the **Insured premises**.
- c. Each person listed above is a separate **Insured** under this policy, but this does not increase **our** limit of liability under this policy.

**4. Insured Premises:**

- a. If **you** own the one to four family house described in the Declarations, the **Insured premises** mean that house, related private structures, and grounds at that location.
- b. If **you** own the townhouse or row house described in the Declarations, the **Insured premises** means that townhouse or row house, related private structures and grounds used or occupied exclusively by **your** household or rented to others for residential purposes at that location.
- c. If **you** own the one or two family mobile home described in the Declarations, the **Insured premises** mean that mobile home, related private structures and grounds at that location.
- d. If **you** reside in or rent to others the condominium unit, cooperative, apartment or rented premises described in the Declarations, the **Insured premises** mean the parts of the described location which are used or occupied exclusively by **your** household or rented to others for residential purposes.

5. **Motorized Vehicle** means any self-propelled land or amphibious vehicle (regardless of horsepower, number of wheels or method of surface contact) including parts and equipment. (This does not include small motorized equipment for the service of the **Insured premises** such as power lawn mowers and snow blowers.)

The following categories of **motorized vehicles** have specific meanings as used in this policy.

- a. **Motor Vehicle** means a **motorized vehicle**, trailer, or semi-trailer (including any attached machinery or apparatus):
  - 1) subject to motor vehicle registration; or
  - 2) designed for use or travel on public roads.
- b. **Recreational Motor Vehicle** means a **motorized vehicle**, (other than a **motor vehicle** as defined above), trailer, or attached apparatus designed or used for recreation, vacation or leisure time activities.

6. **Residence** means a one to four family house, a townhouse, a row house, or one or two family mobile home.

7. **Terms** as used in this policy mean provisions, limitations, exclusions and definitions.

## PRINCIPAL COVERAGES

### Coverage A — Residence

This policy covers the **residence** on the **insured premises** including additions and built-in components and fixtures.

Coverage A includes, while on the **insured premises**:

1. detachable building items such as awnings, screens, storm doors and windows, outdoor equipment not permanently installed, and tools and equipment used to service the **insured premises**;
2. carpeting, stoves, refrigerators and appliances furnished with parts of the **insured premises** you rent to others;
3. up to \$1000 on **motorized vehicles** not designed or licensed for use on public roads used to service the **insured premises**;
4. building materials and supplies intended for use in construction on the **insured premises**.

Coverage A does not cover:

1. outdoor antennas, their lead-in wiring, accessories, masts and towers except as provided under Incidental Coverages; or
2. trees, plants, shrubs and lawns except as provided under Incidental Coverages.

### Coverage B — Related Private Structures on the Premises

You may apply up to 10% of the Coverage A limit of liability to Coverage B. Any payment under this option reduces the Coverage A limit of Liability for the same loss.

This policy covers related private structures on the **insured premises** which are not attached to **your residence**. (Structures connected to the **residence** by only a fence, utility line or similar connection are considered to be private structures.) This coverage includes fences, driveways, sidewalks, and other permanently installed outdoor yard fixtures.

Coverage B does not cover:

1. structures designed or used for **business**; (however, this exclusion does not apply to structures rented, held for rental or otherwise used solely for private garage purposes.)
2. outdoor antennas including their lead-in wiring, accessories, masts and towers, except as provided under Incidental Coverages;
3. trees, plants, shrubs and lawns.

### Coverage C — Personal Property

1. **While on the Insured Premises** — This policy covers personal property owned by or in the care of an **insured**. At your option, the personal property of guests and **domestic employees** is covered while on the portion of the **insured premises** occupied exclusively by an **insured**.

2. **While Away from the Insured Premises** — You may apply up to 10 percent of the Coverage C limit of liability or \$500 (whichever is more) to cover personal property owned or used by an **Insured**, while away from the **Insured premises**, anywhere in the world. This does not increase the Coverage C limit of liability.
3. **Limitations on Certain Property** — These special limits do not increase the Coverage C limit of liability. The special limit for each category below is the total limit per loss for all property in that category:
  - a. \$100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals, and numismatic property;
  - b. \$500 on securities, commercial paper, stamps, philatelic property, tickets, accounts, deeds, evidence of debt, passports, manuscripts, unpublished works and other valuable papers; (Commercial paper means drafts, checks, certificates of deposit and notes other than bank notes, including negotiable orders of withdrawal.)
  - c. \$500 on jewelry, watches, precious and semi-precious stones, gems and furs;
  - d. \$500 on guns and gun accessories;
  - e. \$500 on watercraft including their trailers, equipment, accessories, and outboard motors;
  - f. \$1000 on silverware, goldware, pewterware and items plated with gold or silver; or
  - g. \$1000 on **motorized vehicles** used to service the **insured premises** and not designed or licensed for use on public roads.

The following property is covered only while on the **Insured premises** and is limited to the amounts stated:

- h. \$500 on **business** property of any **Insured**; or
- i. \$500 on dismounted camper bodies and trailers not used with watercraft.

4. **Personal Property Not Covered** — Coverage C does not cover:
  - a. property covered by any scheduled insurance;
  - b. animals, insects, birds and fish;
  - c. **motorized vehicles** including their parts and equipment, except those vehicles used to service the **Insured premises** subject to the Limitations on Certain Property;
  - d. aircraft including their parts and equipment;
  - e. **business** property while away from the **Insured premises**;
  - f. property of roomers and boarders who are not **Insureds**;

- g. outdoor antennas, their lead-in wiring, accessories, masts and towers, except as provided under Incidental Coverages;
- h. trees, plants, shrubs and lawns; or
- i. any device, accessories, or antennas designed for reproducing, receiving, transmitting, recording or playing back data, sound or picture (or any film, tape, wire, record or other media designed for use with such device) which 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.

#### **Coverage D — Additional Living Expenses and Loss of Rent Coverage**

You may apply up to 10% of the Coverage A limit of liability to Coverage D. Any payment under this option reduces the Coverage A limit of liability for the same loss. Under Coverage D we pay:

- 1. any necessary and reasonable increase in living expenses **you** incur to maintain the normal standard of living of **your household** if the portion of the **Insured premises** containing **your household** is made unfit for occupancy by an insured loss. We pay only for the period of time reasonably required to make the **Insured premises** fit for occupancy or to settle **your household** in new quarters, whichever is less. This period of time is not limited by the policy period.
- 2. for any loss of rents actually sustained by **you** if the part of the **insured premises** rented to others is made unfit for occupancy due to an insured loss. We pay only for the period of time reasonably required to make the **Insured premises** fit for occupancy. Loss of rents is the amount **you** would have received less the charges and expenses that do not continue while the **insured premises** are unfit for occupancy. This period of time is not limited by the policy period.
- 3. **your** additional living expenses and loss of rents for a period of up to two weeks if the premises immediately adjoining the **Insured premises** are damaged from a peril insured against by this policy and **you** are prohibited by order of civil authority from using the **Insured premises**. This period of time is not limited by the policy period.

Under this coverage, we do not pay expenses due to cancellation of any lease or written or oral agreement.

#### **Coverage E — Farm Personal Property**

This coverage (provided only when a limit of liability and a premium charge are shown for the coverage on the Declarations) is described in the farm forms attached to this policy.

#### **Coverage F — Farm Structures**

This coverage (provided only when a limit of liability and a premium charge are shown for the coverage on the Declarations) is described in the farm forms attached to this policy.

### **INCIDENTAL COVERAGES**

This policy provides the following Incidental Coverages. These incidental coverages are subject to all of the **terms** of the applicable Principal Coverages A, B, or C. These incidental coverages do not increase the limit of liability stated for the Principal Coverages.

**1. Removal**

**a. Emergency Removal**

- 1) **We** pay for loss to covered property while removed from the **Insured premises** for preservation from damage from perils insured against. Such property is covered against direct loss from all risks of physical loss, not specifically excluded under this policy, for a period up to five days. It is covered against loss from perils insured against for an additional 25 days. This coverage does not extend past the expiration date of the policy.
- 2) **We** pay up to \$100 towing charge to move a covered mobile home endangered by a peril insured against.

**b. Debris Removal** — **We** pay for the removal of debris of covered property following an insured loss.

**c. Change of Location** — When **you** move to another location where **you** intend to permanently reside:

- 1) the Coverage C limit of liability applies pro rata at each location for 30 days from the date **you** begin to move but not extending past the expiration date of the policy;
- 2) property in transit is covered against direct loss from perils insured against for an amount up to 10 percent of the Coverage C limit of liability.

When **you** move, this Change of Location coverage applies in place of **your** coverage for property while away from the insured premises.

**2. Trees, Plants, Shrubs and Lawns** — **You** may apply up to 5 percent of the Coverage A limit of liability to cover trees, shrubs, plants, and lawns on the **Insured premises**. **We** pay only for loss caused by the following perils: Fire, Lightning, Explosion, and (if insured under this policy) Riot, Civil Commotion, Aircraft, Vehicles not owned or operated by **you** or by an occupant of the **Insured premises**, and Vandalism. **We** do not pay more than \$250 for any one tree, plant, or shrub including the cost of removing the debris of the covered item.

**We** do not cover trees, plants, shrubs, or portions of lawn:

- a. grown for **business** purposes; or
- b. located more than 250 feet from the **residence** on the **Insured premises**.

**3. Tenant's Improvements and Betterments** — If **you** are a tenant, **you** may apply up to 10 percent of the Coverage C limit of liability to cover direct loss by perils insured against to permanent fixtures, alterations, decorations and additions installed on the **Insured premises** and made or acquired at **your** expense.

**4. Condominium Unit-Owner Additions** — If the **insured premises** are a condominium-unit, **you** may apply up to 10 percent of the Coverage C limit of liability to cover direct loss by perils insured against to permanent fixtures, alterations, decorations or additions **you** own within **your** condominium unit. This does not include parts of the building structure, or other property such as utility lines, situated in easements within the unit.

**5. Outdoor Antenna Coverage** — **We** pay up to \$500 for direct loss by perils insured against to outdoor antennas, including their lead-in wiring, accessories, masts and towers.

## EXCLUSIONS THAT APPLY

We do not pay for loss resulting directly or indirectly from:

1. **Ordinance or Law** — This means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair, or demolition of a building or other structure. When breakage of glass is covered by this policy, we pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
2. **Civil Authority** — This means loss, including seizure, confiscation or destruction of property, caused by order of any civil authority.

We pay for loss resulting from acts of destruction by civil authority to prevent the spread of fire as long as the fire did not originate from a peril excluded by this policy.

3. **Nuclear Hazard** — This means loss caused by nuclear reaction, nuclear radiation or radioactive contamination (whether controlled or uncontrolled and whether caused by, contributed to or aggravated by any peril insured against by this policy.) Loss caused by nuclear hazard shall not be considered loss caused by fire, explosion or smoke. However, direct loss by fire resulting from the nuclear hazard is covered.
4. **War** — This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
5. **Neglect** — This means neglect by an **insured** to use all reasonable means to save covered property at and after the time of a loss. It also means neglect by an **insured** to use all reasonable means to save and preserve covered property when endangered by a peril insured against.
6. **Earth Movement of any Kind** — This includes, but is not limited to, earthquake, landslide, mudflow, earth sinking and earth rising or shifting.

We pay for direct loss by fire or explosion resulting from earth movement.

7. **Water Damage** — This means loss caused by:

- a. flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these whether wind driven or not;
- b. water which backs up through sewers or drains; or
- c. water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool or other structure.

We pay for direct loss by fire or explosion which may result.

8. **Power Interruption** — This means loss from the interruption of power or other utility services resulting from any cause, whether insured under this policy or not, if the interruption takes place away from the **Insured premises**.

We pay for direct loss by a peril insured against which occurs on the **Insured premises** as a result of any interruption of power.

9. **Business Interruption** — This means loss resulting from the interruption of **business**.
10. **Wear and Tear** — This includes damage caused by marring, deterioration, latent defect, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog unless caused by a peril insured against by this policy.

## HOW MUCH WE PAY FOR LOSS OR CLAIM

1. Property losses are settled on the basis of actual cash value including deduction for depreciation, however caused. (If the Replacement Cost Provision is made part of this policy, losses under Coverage A - Residence and Coverage B - Related Private Structures on the Premises are settled according to the **terms** of that provision.)
2. **Our Limit of Liability** — For loss to property, we pay for the lesser of the following amounts:
  - a. the applicable limit for liability;
  - b. the amount of **your** interest in the property;
  - c. the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
  - d. the amount computed after applying the deductible or other limitation applicable to the loss;
  - e. the actual cash value of the property at the time of loss (except as provided under the Replacement Cost Provision, if applicable); or
  - f. (applies to mobile homes only at **your** option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.

### 3. **Deductible**

- a. The deductible applies to the following Principal Coverages: Coverage A - Residence; Coverage B - Related Private Structures on the Premises; and Coverage C - Personal Property. It also applies to the following Incidental Coverages: Change of Location; Debris Removal; Trees, Plants, Shrubs and Lawns; Tenant's Improvements and Betterments; Condominium Unit-Owner Additions; and Outdoor Antenna Coverage.  
  
The deductible applies to all perils insured against unless otherwise stated in the Declarations or any endorsement.
- b. We pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per loss;
- c. If coverage is otherwise restricted by special limits of liability, our liability must be separately computed under both the deductible and the special limit of liability. We pay the lesser of the two amounts.
- d. If this policy covers more than one **residence**, the deductible applies separately to each **residence**.

4. **Loss to a Pair or Set** — If there is loss to an article which is part of a pair or set, we are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

5. **Insurance Under More Than One Coverage** — If more than one coverage of this policy insures the same loss, we pay no more than the actual claim, loss or damage sustained.
6. **Insurance Under More Than One Policy** — If there is other insurance which applies to a loss we pay only that part of the loss that the applicable limit of liability under this policy bears to the total amount of insurance covering the loss, whether collectible or not.
7. **Restoration of Limit of Liability** — Any loss we pay under this policy does not reduce the limits of liability applying to a later loss.

## **PAYMENT OF LOSS OR CLAIM**

1. **You Property** — We will adjust all losses with you. An insured loss will be payable 45 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with you or the filing of an appraisal award with us. Payment will be made to you unless another loss payee is named in the policy.
2. **Additional Living Expenses** — If the insured premises are made unfit for occupancy for more than one month, covered expenses will be paid on a monthly basis upon submission of reasonable proof of the insured's expenses.
3. **Damage to Personal Property of Others** — At our option, an insured loss to property of others may be:
  - a. adjusted with and paid to you for the account of the owner of the property; or
  - b. adjusted with and paid to the owner. Payment to the owner discharges our obligation to an insured as to this property.
4. **Our Options**
  - a. We have the option to:
    - 1) pay the loss in money; or
    - 2) rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time. We must give the insured notice of our intent to do so within 30 days after receipt of a duly executed proof of loss.
  - b. We may take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become our property.

## **WHAT YOU MUST DO IN CASE OF LOSS**

1. **Notice**
  - a. In case of a loss or if an insured becomes aware of anything that indicates there might be a claim under this policy, he or she must:
    - 1) promptly give us or our agent notice (in writing if requested);
    - 2) notify the police when the act causing the loss is also a violation of law.

b. The notice to **us** must state:

- 1) the **Insured's** name, the kind of policy, policy number and the time, place, and circumstances of the loss; and
- 2) names and addresses of any potential witnesses.

2. **Cooperation** — The **Insured** must cooperate with **us** in performing all acts required by this policy.

3. **Volunteer Payments** — The **Insured** must not, except at his or her own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as specifically permitted in the following paragraph.

4. **Additional Duties**

a. The **Insured** must also:

- 1) take all reasonable steps to protect covered property at and after an insured loss to avoid further damage. (We pay for repairs which are reasonable and necessary to protect the property from further damage, provided the **Insured** keeps an accurate record of such expenses. These payments do not increase the limit of liability otherwise applicable to the loss.); and
- 2) submit to **us** a statement of loss (under oath if requested) within 60 days after the loss or accident.

b. At **our** request, the **Insured** must also:

- 1) submit a proof of loss containing the following information:
  - a) the time, place and circumstances of loss;
  - b) the **Insured's** interest and the interests of all others in the property involved, including all mortgages and liens on the covered property;
  - c) other policies of insurance that may cover the loss on the property;
  - d) changes in title or occupancy of the property during the policy period;
  - e) available plans and specifications of buildings or structures;
  - f) detailed estimates for repair of the damage; and
  - g) an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount loss. The **Insured** must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.
- 2) submit to examination under oath in matters connected with the loss or claim as often as we reasonably request and subscribe same;
- 3) exhibit the damaged property as often as we reasonably request;
- 4) produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as we reasonably request;
- 5) assist in enforcing any right of recovery which the **Insured** may have against any party causing the loss;
- 6) produce records supporting loss of rents and receipts to support any additional living expenses.

## POLICY CONDITIONS

In addition to the policy **terms** which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment** — This policy is void if assigned without **our** written consent.

2. Cancellation

- a. **By You** — You may cancel this policy at any time by giving us written notice or returning the policy to us and stating when thereafter the cancellation is to be effective.
- b. **By Us** — We may cancel this policy by written notice delivered to or mailed to you at the mailing address shown in the Declarations. Proof of delivery or mailing is sufficient proof of notice.
- c. We refund premium for the unexpired policy period as follows:
  - 1) if cancelled by us - on a pro rata basis;
  - 2) if cancelled by you - calculated in accordance with our short rate table.
- d. **Refund of Premium** — Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to you within a reasonable time.
- e. **When We May Cancel** — We may cancel the policy under the following conditions:
  - 1) *Non-Payment of Premium* — If the premium has not been paid when due, we may cancel at any time by giving the required notice at least 10 days before cancellation is effective.
  - 2) *New Policy* — If this is a new policy which has been in effect less than 60 days and is not a renewal, we may cancel for any reason by giving the required notice at least 30 days before cancellation is effective. A renewal of a policy issued by us is not a new policy.
  - 3) *Policy with Terms over One Year* — If this policy is written for a term longer than one year, we may cancel for any reason by giving you the required notice at least 30 days before the anniversary date.
  - 4) *All Other Situations* — If this policy has been in effect 60 days or more or is a renewal of a policy issued by us, we may cancel only for the reasons set forth below and by giving the required notice at least 30 days before cancellation is effective.

The reasons are:

- a) the policy was obtained through fraud, material misrepresentation or omission of fact which, if known by us, would have caused us not to issue the policy; or
- b) there has been a material change or increase in hazard of the risk.

- f. **Time of Cancellation** — The effective date of cancellation is the earliest of the following:
  - 1) the effective date and hour of cancellation stated in any notice;
  - 2) the time you surrender the policy if no cancellation date was stated; or
  - 3) the expiration of the policy period.
3. **Non-Renewal** — We may elect not to renew or continue this policy by giving written notice of our intent at least 30 days before the expiration date. The notice may be delivered to or mailed to you at the mailing address shown in the Declarations. Proof of delivery or mailing shall be sufficient proof of notice. This policy terminates automatically on its expiration or anniversary date if you:
  - a. surrender the policy to us;
  - b. have notified us or our agent in writing of your intent not to renew; or
  - c. have not paid the renewal or installment premium when due.

**4. Change, Modification or Waiver of Policy Terms** — A waiver or change of any **terms** of this policy must be issued by **us** in writing to be valid. Our request for an appraisal or examination under oath does not waive any of **our** rights.

If we adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy.

If this policy is issued on a continuous basis (with no specified expiration date) we may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with **our** manual rules in effect at the time.

**5. Conformity with Statute** — **Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

**6. Misrepresentation, Concealment or Fraud** — This entire policy is void if, whether before or after a loss:

a. An **Insured** has willfully concealed or misrepresented:

- 1) any material fact or circumstance concerning this insurance; or
- 2) an **Insured's** interest herein.

b. There has been fraud or false swearing by an **Insured** regarding a matter relating to this insurance or the subject thereof.

**7. Inspection** — We are permitted but not obligated to inspect **your** property and operations. Our inspection or any resulting advice or report does not warrant that **your** property or operations are safe or healthful or are in compliance with any law, rule or regulation.

**8. Policy Premium** — If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to **us** before each anniversary date. This policy expires on any anniversary date that the premium has not been received by **us**. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.

**9. Recoveries** — If we pay an **Insured** for loss under this policy and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

- a. The **Insured** may notify **us** or we will notify the **Insured** promptly if either recovers property or receives payment.
- b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
- c. The **Insured** may keep recovered property by refunding to **us** the amount of the claim paid, or any lesser amount to which we agree.
- d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting **terms** of the policy, any recovery will be pro-rated between the **Insured** and **us** based on **our** respective interests in the loss.

**10. Subrogation**

- a. If we make a payment under this policy, we may require that the Insured assign to us his or her right of recovery against any person for the loss to the extent of the payment. The Insured must do everything necessary to make this assignment and secure our rights.
- b. We are not liable for any loss if an Insured does anything after the loss occurs to impair our right to recover. You may waive your right of recovery in writing before a loss occurs without voiding the coverage.
- c. If we pay a loss to or on behalf of an Insured and the Insured recovers damages from another person for the same loss, the Insured shall hold the amount recovered in trust for us and shall reimburse us as provided under Recoveries.

**11. Suit Against Us —** No suit to recover for any property claim may be brought against us unless:

- a. the terms of this policy have been fully complied with; and
- b. the suit is commenced within 1 year after the loss. If any law of the state where the premises described in the Declarations are located makes this limitation invalid, then suit must begin within the shortest period permitted by the law.

**12. Abandonment of Property —** We may take the property or any part of it at the agreed or appraised value, but an Insured may not abandon the covered property to us unless we specifically agree.

**13. Appraisals —** If you and we do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to us, the amount agreed upon will be the amount of the damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by you and us.

**14. Benefit to Bailee —** Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.

**15. Secured Party Coverage — Applies Only to Coverage on Mobile Homes and Personal Property —** (This entire clause is void unless the name of a secured party is inserted in the Declarations. This clause applies only to the interest of a secured party and does not affect the Insured's rights or duties under the policy.)

If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and you as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.

If we deny your claim, that denial shall not apply to a valid claim of a secured party, if such party has:

- a. notified us of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
- b. paid any premium due under the policy on demand if you have not made such payment; and
- c. submitted a signed, sworn proof of loss within 60 days if an Insured has failed to do so.

Policy conditions relating to Appraisal, Suit Against Us and loss payment apply to the secured party. If the policy is cancelled by us the secured party shall be notified at least 10 days before the cancellation takes effect. If we pay the secured party for any loss for which we have denied payment to you:

- a. we are subrogated to all the rights of the secured party granted under the security agreement; or
- b. at our option we may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.

However, the secured party's interest is not covered for conversion, embezzlement or secretion by an insured in possession of the encumbered property, unless specifically insured against and premium paid for such.

**16. Mortgage Clause — Applies only to Coverage on Buildings** (This entire clause is void unless the name of the mortgagee, or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect the insured's rights or duties under this policy.)

Loss, if any, under this policy, shall be payable to the mortgagee (or trustee), named on the Declarations page of this policy, as interests may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify us of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof, otherwise this policy shall be null and void.

We reserve the right to cancel this policy at any time as provided by its terms but in case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and we shall have the right, on like notice to cancel this agreement.

Wherever we shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, we shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt; or may at our option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

## AMENDATORY ENDORSEMENT

The policy is amended as follows:

### EXCLUSIONS THAT APPLY

- The introductory sentence, "We do not pay for loss resulting directly or indirectly from:" is replaced by:  
**We do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.**
- Exclusion 6, Earth Movement of any Kind, is replaced by:  
**6. Earth Movement— We do not pay for loss which results from earth movement whether the earth movement results from natural or artificial causes. Earth movement includes but is not limited to:**
  - a. earthquake;
  - b. landslide, subsidence, sinkhole, erosion;
  - c. mudflow;
  - d. earth sinking, rising, shifting, expanding or contracting; or
  - e. volcanic eruption or effusion including outpouring of lava or ash.**We do pay for direct loss caused by Fire, Explosion and (if covered by this policy) Theft resulting from earth movement. Explosion does not include volcanic eruption or effusion.**
- The following exclusions are added:  
**11. Intentional Acts— We do not pay for a loss which results from an act committed by or at the direction of an insured and with the intent to cause a loss.**

12. **Errors, Omissions and Defects— We do not pay for loss which results from one or more of the following:**
  - a. an act, error or omission (negligent or not) relating to:
    - 1) land use;
    - 2) the design, specification, construction, workmanship, installation or maintenance of property;
    - 3) planning, zoning, development, surveying, siting, grading compaction; or
    - 4) maintenance of property (including land, structures or improvements);
  - whether on or off the **insured premises**;
- b. a defect, a weakness, the inadequacy, a fault or unsoundness in materials used in construction or repair whether on or off the **insured premises**.

**We do pay for an ensuing loss unless the ensuing loss itself is excluded.**

### PERILS SECTION

- The following applies only when form FL-2 or FL-3 is attached to the policy.

Peril 13 is amended to include:

**We do not pay for loss by collapse that results from an excluded cause or event.**

- The following applies only when form FL-3 is attached to the policy.

The first paragraph is replaced by:

**Coverage A— Residence and Coverage B— Related Private Structures on the Premises**

This policy covers the Residence and Related Private Structures on the Premises for risks of physical loss unless specifically excluded.

## REQUIRED FIRE FORM Property Coverages Only

This form contains the Standard Fire Policy required by state law and applies only to insurance against loss by fire, lightning or removal from premises endangered by fire or lightning.

When the terms of the Standard Fire Policy are more liberal than those found elsewhere in the policy, the terms of this form shall apply.

### STANDARD FIRE PROVISIONS

In consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement attached hereto), this Company for the term specified in the Declarations from inception date shown in the Declaration At Noon (Standard Time) to expiration date shown in the Declaration At Noon (Standard Time) at location of property involved, to an amount not exceeding the limit of liability specified in the Declarations, does insure the Insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair, or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

**1 Concealment, 2 fraud.** This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

**7 Uninsurable and 8 excepted property.** This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities, nor, unless specifically named hereon in writing, bullion or manuscripts.

**11 Perils not 12 included:** This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

**25 Other insurance** Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

**28 Conditions suspending or restricting insurance.** Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring

(a) while the hazard is increased by any means within the control or knowledge of the insured; or

(b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or

(c) as a result of explosion or riot, unless fire ensues, and in that event for loss by fire only.

**38 Other perils 39 or subjects.** Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

**42 Added provisions.** The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

**49 Waiver 50 provisions.** No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

**56 Cancellation 57 of policy.** This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

**68 Mortgagee 69 interests and 70 obligations.** If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue, or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions

84 relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

**86 Pro rata liability.** This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

**90 Requirements in 91 case loss occurs.** The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed, and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery, destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

**123 Appraisal.** In case the insured and this Company shall fail to agree as to the actual cash value or the amount of the loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

**141 Company's 142 options.** It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty days after the receipt of the proof of loss herein required.

**148 Abandonment.** There can be no abandonment to this Company of any property.

**150 When loss 151 payable.** The amount of loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

**157 Suit.** No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twelve months next after inception of the loss.

**162 Subrogation.** This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

"We" will give "you" notice of at least 30 days in advance of cancellation or nonrenewal. "Our" notice will state the reasons for cancellation or non renewal.

"Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

This policy terminates automatically on its expiration or anniversary if "you":

- a. surrender the policy to "us";
- b. have notified "us" or "our" agent in writing of "your" intent not to renew; or
- c. have not paid the renewal or installment premium when due.

4. If this policy covers loss caused by Vandalism or Glass Breakage, the "terms" that apply to such losses are amended by adding:

"We" do not pay for loss if the residence has been vacant for more than 30 days in a row just before the loss. A residence being built is not vacant.

## AMENDMENT OF POLICY TERMS PENNSYLVANIA

This endorsement amends the following policy "terms". It must be attached to policies covering owner occupied dwellings or household personal property in private living quarters when the premises described in the "declarations" are located in Pennsylvania.

1. The following provision amends Form FL-20, if applicable:

Under Incidental Coverages, the following addition amends Debris Removal:

"We" pay up to \$500 to remove fallen trees from the "insured premises" if:

- a. the fallen trees are within 250 feet of the residence covered under Coverage A and;
- b. a structure covered under Coverage A is damaged by Windstorm or Hail, or Weight of Ice, Snow, or Sleet; and
- c. as a result of such weather conditions, the Governor of Pennsylvania declares the area in which the "insured premises" is located to be a disaster area.

2. Under Payment Of Loss or Claim, the Our Options provision is deleted and replaced by the following:

Our Options - "We" may:

- a. pay the loss in money; or
- b. rebuild, repair, or replace the property. "We" must give "you" notice of "our" intent to do so within 15 working days after "we" receive and acceptable proof of loss.

"We" may take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by "us" becomes "ours".

3. Under Policy Conditions, the Cancellation and Nonrenewal condition is replaced by:

Cancellation and Nonrenewal - "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the Declarations. Proof of delivery or mailing is sufficient proof of notice.

During the first 60 days this policy is in effect, "we" may cancel for any reason.

After this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only for the following reasons:

- a. the premium has not been paid when due;
- b. the policy was obtained through fraud, material misrepresentation, or omission of fact which, if known by "us", would have caused "us" not to issue the policy; or
- c. there has been a material change or increase in hazard of the risk.

## AMENDATORY ENDORSEMENT

The reference to words that have special meaning is deleted and replaced by the following:

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

## EVER-GREENE MUTUAL INSURANCE CO.

R.D. #1 P.O. BOX 347, Everett, PA 15537

## DECLARATIONS

## POLICY NUMBER

MO\_41412

## POLICY PERIOD

03/14/98 to 03/14/99

## POLICY TYPE

MOBILE HOMEOWNERS

## POLICYHOLDER

KENNETH & SHELIA LEIGEY  
R D 1 BOX 289C  
FRENCHVILLE, PA 16836

## YOUR AGENT

ALBRIGHT INSURANCE AGENCY  
14 S 4TH STREET  
HAMBURG, PA 19526  
Phone #: (610) 562-7818

ACCOUNT #: LEIK01-01 LMW - 2AB

## MORTGAGEE

## AUTHORIZED REPRESENTATIVE

## PROPERTY COVERAGE

## LIMIT OF LIABILITY

## SECTION I

A. Residence	0
B. Related Structures on Premises	0
C. Personal Property	10,000
D. Additional Living Expense	2,000

## DEDUCTIBLE SECTION I

ALL PERILS 250

## PERSONAL LIABILITY COVERAGE

100,000  
1,000

L PERSONAL LIABILITY EACH OCCURRENCE

M MEDICAL PAYMENTS TO OTHERS EACH PERSON

BASIC PREMIUM SUB-TOTAL &gt;&gt; \$ 84

THIS POLICY APPLIES ONLY TO ACCIDENTS, OCCURRENCES OR LOSSES WHICH HAPPEN DURING THE POLICY PERIOD SHOWN ABOVE. IF THE POLICY IS WRITTEN ON A CONTINUOUS BASIS EACH PERIOD OF ONE YEAR ENDING ON THE ANNUAL ANNIVERSARY DATE OF THIS POLICY CONSTITUTES A SEPARATE POLICY PERIOD.

THIS POLICY APPLIES ONLY TO THOSE COVERAGES FOR WHICH A LIMIT OF LIABILITY OR PREMIUM CHARGE IS SHOWN. OUR LIMIT OF LIABILITY FOR COVERAGE SHALL BE NOT MORE THAN THE AMOUNT STATED FOR SUCH COVERAGE, SUBJECT TO ALL THE TERMS OF THIS POLICY AND LIMITATIONS STATED THEREIN.

## ADDITIONAL FORMS AND COVERAGES

10% Anchorage credit applies

ML-55 (07-78) REPLACEMENT VALUE

30

ML-216 (07-88) LOCAL ALARMS 2% CREDIT

incl.

ATTACH THIS RENEWAL CERTIFICATE TO YOUR ORIGINAL POLICY

PREMIUM TOTAL &gt;&gt; \$ 114

Policy subject to the following forms:

ML4(7/78), ML-147(1/87), ML20(7/78), ML250(9/84), ML-778(1.0),  
ML156(6/86), ML149(6/86), ML-83(3.2), CL-300(1.0), ML-149A(6-97), ML9(7/78), ML-223(2.0)

AGENT

EXHIBIT

C

**REPLACEMENT VALUE ENDORSEMENT  
FOR  
COVERAGE C - PERSONAL PROPERTY**

**We** agree to extend Coverage C to cover the *replacement value* of covered personal property.

1. **Definition** - *Replacement value* means the cost to repair or replace the property with new property of equivalent kind and quality to the extent practicable, without deduction for depreciation.
2. **Personal Property Not Covered for *Replacement Value*** - This endorsement does not apply to the following property:
  - a. *business* property;
  - b. property not owned by an *insured*;
  - c. film, tapes, cassettes, records, magnetic recordings, or similar property;
  - d. articles of art or rarity that cannot be duplicated; or
  - e. property covered by any scheduled insurance.
3. **Our Limit of Liability** - **We** pay the lesser of the following amounts for each covered item:
  - a. the applicable limit of liability;
  - b. an amount not greater than *your* interest in the property;
  - c. the *replacement value* of the property as defined in this endorsement;
  - d. four times the actual cash value of the property at the time of loss; or
  - e. the amount computed after applying the deductible or other limitation applying to the loss.
4. When the *replacement value* is more than twice the actual cash value of the damaged property, **we** are not liable for more than the actual cash value of the loss until actual repair or replacement is completed.
5. **You** may make a claim for the actual cash value amount of the loss before repairs are made or replacement is completed. A claim for any additional amount payable under this provision must be made within 180 days after the loss.

## PREMISES ALARM OR FIRE PROTECTION SYSTEM

The premium for this policy includes a credit for the installation of a fire alarm, burglar alarm or automatic sprinkler system approved by us on the insured premises. You agree to maintain said system in working order and to notify us promptly when the system becomes inoperative or has been removed.

**PERILS SECTION**  
**(FOR RENTERS AND CONDOMINIUM UNIT-OWNERS)**

This policy insures against direct physical loss to covered property caused by the following perils:

1. **Fire or Lightning**
2. **Windstorm or Hail.** This does not cover loss:
  - a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all whether wind driven or not;
  - b. to the interior of a building or mobile home, or to the property inside, caused by dust, rain, sand, sleet, snow or water, all whether wind driven or not, entering through openings not made by the direct force of wind or hail; or
  - c. to watercraft (except rowboats and canoes on the *insured premises*) including their trailers, accessories, equipment and outboard motors unless such property is inside a fully enclosed building.
3. **Explosion**
4. **Riot or Civil Commotion**
5. **Aircraft**
6. **Vehicles**
7. **Sudden and Accidental Damage from Smoke** - This does not cover loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism and Malicious Mischief** - This does not cover loss if the *insured premises* are vacant for more than 30 consecutive days immediately before the loss. A *residence* under construction is not considered vacant.
9. **Glass Breakage** - This covers breakage of glass or other glazing material which forms part of detachable components or fixtures of a building or mobile home. This includes storm doors and windows.  
 This does not cover loss if the *insured premises* are vacant for more than 30 consecutive days immediately before the loss. A *residence* under construction is not considered vacant.
10. **Theft** - This includes attempted theft and loss of property from a known place when it is likely that theft occurred.  
 Property is considered as being on the *insured premises* while placed for safekeeping in: a bank; trust or safe deposit company; public warehouse; or an occupied *residence*, condominium-unit or apartment not owned, rented or occupied by an *insured*.
  - a. This does not cover:
    - 1) theft committed by an *insured*;
    - 2) theft from premises where a *residence* is under construction until the building is completed and occupied;
    - 3) loss of a precious or semi-precious stone from its setting;
    - 4) theft from any part of the *residence*, condominium unit or apartment, usually occupied exclusively by an *insured*, while rented to others;
    - 5) theft from premises which are vacant for more than 30 consecutive days immediately before the loss;
    - 6) loss resulting from the theft of any **credit card** or similar device except as provided under Incidental Property Coverages; or
    - 7) loss resulting from the theft of a debit card or similar device used for the deposit, withdrawal or transfer of funds.
  - b. This does not cover theft that occurs away from the *insured premises* of:
    - 1) property while on the portion of any residential premises owned, rented or occupied by an *insured*, except for the period of time while an *insured* is temporarily residing there; (However, property of a full-time student who is an *insured* is covered while on the portion of the residential premises occupied by the student at school.) or
    - 2) trailers, their equipment, campers, camper bodies, outboard motors, watercraft, and their accessories.

11. **Falling Objects** - This does not cover loss:
  - a. to the interior of a building or mobile home, or to the property inside, unless the object has previously damaged the outside walls or roof by impact;
  - b. to outdoor awnings or canopies including their supports;
  - c. to fences or to outdoor equipment not permanently installed; or
  - d. to the object which falls.
12. **Weight of Ice, Snow or Sleet**, which causes physical damage to covered property inside a building or mobile home.
13. **Collapse of a Building or Any Part of a Building** (Collapse does not include settling, cracking, shrinking, bulging or expanding.) Unless directly caused by the collapse of a building, this does not cover loss to:
  - a. outdoor awnings or canopies including their supports;
  - b. outdoor equipment not permanently installed; or
  - c. any outdoor structures covered under Tenant's Improvements and Betterments Coverage or Condominium Unit-Owner Additions Coverage.
14. **Sudden and Accidental Tearing Apart, Burning or Bulging** of a heating or air-conditioning system or water heater. This does not cover loss by freezing.
15. **Accidental Discharge or Overflow of Liquids or Steam** from a plumbing, heating or air-conditioning system or domestic appliance. (Gutters and downspouts are not part of a plumbing system.) - This does not cover loss:
  - a. caused by continuous or repeated seepage or leakage;
  - b. if the **insured premises** have been vacant for more than 30 consecutive days immediately before the loss; (A **residence** under construction is not considered vacant.)
  - c. to the system or domestic appliance from which the liquid or steam escapes; (We pay the cost of removing and replacing only those parts of the building or mobile home necessary to repair the system or domestic appliance.) or
  - d. caused by freezing.
16. **Freezing** of a plumbing, heating or air-conditioning system or domestic appliance - We do not pay for loss while the portion of the **insured premises** normally occupied exclusively by **your** household is vacant, unoccupied (including temporary absence) or is under construction. However, this exclusion does not apply if an **insured** has used reasonable care to:
  - a. maintain heat in the building or mobile home; or
  - b. shut off the liquid supply and completely empty the system or domestic appliance.
17. **Sudden and Accidental Damage from Artificially Generated Electrical Currents** to electrical appliances, devices, fixtures and wiring. Tubes, transistors and similar electronic components are not covered.

## PUNITIVE DAMAGE EXCLUSION

This policy does not cover punitive or exemplary damages or related defense costs. This exclusion applies regardless of any provisions of this policy or endorsements attached to it.

## AGREEMENT

This policy, subject to all of its *terms*, provides: insurance against loss to property, personal liability insurance and other described coverages during the policy period in return for payment of the required premium. It consists of this Agreement, the Declarations, the General Policy Provisions, Perils Section, Liability Coverage Section, and any endorsements made part of it.

It is important that *you* read each part of this policy carefully to understand the coverage provided, *your* obligations and *our* obligations under the policy. Each coverage is subject to all policy *terms* relating to that coverage including the *terms* applicable to the entire policy. *Each principal coverage described in this policy applies only if a limit of liability is shown on the Declarations for that coverage,*

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

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## **GENERAL POLICY PROVISIONS**

### **DEFINITIONS** - The following definitions apply to this policy.

1. The words **you** and **your** refer to the person or persons named in the Declarations and **your** spouse if a resident of **your** household. The words **we**, **us** and **our** refer to the insurance company named in the Declarations.
2. **Bodily Injury** means bodily harm, sickness or disease to a person including required care, loss of services and death resulting therefrom.
3. **Business** means a trade, profession, or other occupation including farming, all whether full or part time, or the rental of any property to others. (However, **business** does not include the occasional rental, for residential purposes, of the portion of the **insured premises** normally occupied exclusively by **your** household.)
4. **Credit Card** means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor or services on credit. (It does not include debit cards or any similar device used for the deposit, withdrawal or transfer of funds.)
5. **Domestic Employee** means a person employed by an **insured** to perform duties in connection with the maintenance or use of the **insured premises**. This includes persons who perform household or domestic services or duties of a similar nature elsewhere for an **insured**. This does not include persons while performing duties in connection with an **insured's business**.
6. **Insured:**
  - a. **Insured** means **you** and, if residents of **your** household, **your** relatives and any other person under the age of 21 in **your** care or in the care of **your** resident relatives.
  - b. Under Personal Liability and Medical Payments to Others coverages only, **insured** also includes:
    - 1) any person or organization legally responsible for a watercraft or animal owned by an **insured** and to which this insurance applies; (This does not include anyone using or having custody of the watercraft or animal in the course of any **business** or without the owner's permission.) and
    - 2) any person while performing duties as a **domestic employee** of an **insured**.
  - c. If **you** die while insured under this policy, **your** protection passes to **your** legal representative or other person having proper, temporary custody of covered property. However, this person or **your** legal representative is an **insured** only with respect to insurance on covered property and legal liability arising out of the property. Any person who is an **insured** at the time of **your** death continues to be an **insured** while residing on the **insured premises**.
  - d. Each person listed above is a separate **insured** under this policy, but this does not increase **our** limit of liability under this policy.
7. **Insured Premises:**
  - a. Described Location:
    - 1) If **you** own the one to four family house described in the Declarations, the **insured premises** mean that house, related private structures, and grounds at that location.
    - 2) If **you** own the townhouse or row house described in the Declarations, the **insured premises** mean that townhouse or row house, related private structures and grounds used or occupied exclusively by **your** household for residential purposes at that location.
    - 3) If **you** own the one or two family mobile home described in the Declarations, the **insured premises** mean that mobile home, related private structures and grounds at that location.
    - 4) If **you** reside in the condominium unit, cooperative, apartment or rented premises described in the Declarations, the **insured premises** mean the parts of the described location which are used or occupied exclusively by **your** household for residential purposes.
  - b. For Personal Liability and Medical Payments to Others coverages only, **insured premises** also include the following:
    - 1) other premises listed in the Declarations;
    - 2) the portion of any residential premises acquired by **you** for **your** occupancy during the policy period;

- 3) vacant land (other than farm land) owned by or rented to an *insured* including land on which a *residence* is being constructed for the personal use of an *insured*;
- 4) individual or family cemetery lots and burial vaults;
- 5) the portion of any residential premises, not owned by an *insured*, while temporarily occupied by an *insured*;
- 6) any premises used by *you* in connection with the described location; and
- 7) approaches and access ways immediately adjoining the *insured premises*.

8. **Medical Expenses** mean reasonable and necessary expenses for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing and funeral services, prosthetic devices, and eyeglasses, including contact lenses.

9. **Motorized Vehicle** means any self-propelled land or amphibious vehicle (regardless of horsepower, number of wheels or method of surface contact) including parts and equipment. (This does not include small motorized equipment for the service of the *insured premises* such as power lawn mowers and snow blowers.)

The following categories of *motorized vehicles* have specific meanings as used in this policy.

- a. **Motor Vehicle** means a *motorized vehicle*, trailer or semi-trailer (including any attached machinery or apparatus):
  - 1) subject to motor vehicle registration; or
  - 2) designed for use or travel on public roads.
- b. **Recreational Motor Vehicle** means a *motorized vehicle* (other than a *motor vehicle* as defined above), trailer, or attached apparatus designed or used for recreation, vacation or leisure time activities.

10. **Occurrence** means an accident, including continuous or repeated exposure to substantially similar conditions.

11. **Property Damage** means injury to or destruction of tangible property including the loss of its use.

12. **Residence** means a one to four family house, a townhouse, a row house, or one or two family mobile home.

13. **Terms** as used in this policy mean provisions, limitations, exclusions and definitions.

#### PROPERTY COVERAGES

##### PRINCIPAL PROPERTY COVERAGES

###### *Coverage A - Residence*

This policy covers the *residence* on the *insured premises* including, additions and built-in components and fixtures.

*Coverage A* does not cover:

- 1. outdoor antennas, their lead-in wiring, accessories, masts and towers except as provided under Incidental Property Coverages;
- 2. detachable building items covered under Coverage C - Personal Property;
- 3. carpeting, curtains or drapes, all whether or not permanently installed, covered under Coverage C - Personal Property; or
- 4. trees, plants, shrubs and lawns except as provided under Incidental Property Coverages.

###### *Coverage B - Related Private Structures on the Premises*

This policy covers related private structures on the *insured premises* which are not attached to *your residence*. (Structures connected to the *residence* by only a fence, utility line or similar connection are considered to be related private structures.) This coverage includes fences, driveways, sidewalks, and other permanently installed outdoor yard fixtures.

*Coverage B* does not cover:

- 1. structures designed or used for *business*; (However, this exclusion does not apply to structures rented, held for rental or otherwise used solely for private garage purposes.)
- 2. outdoor antennas including their lead-in wiring, accessories, masts and towers, except as provided under Incidental Property Coverages;
- 3. detachable building items covered under Coverage C - Personal Property;
- 4. carpeting, curtains or drapes, all whether or not permanently installed, covered under Coverage C - Personal Property; or
- 5. trees, plants, shrubs and lawns except as provided under Incidental Property Coverages.

### ***Coverage C - Personal Property***

1. **While on the Insured Premises** - This policy covers personal property owned by or in the care of an *insured*. At *your* option, the personal property of guests and *domestic employees* is covered while on the portion of the *insured premises* occupied exclusively by an *insured*.  
This coverage also includes:
  - a. all detachable building items such as awnings, screens, storm doors and windows, and window air conditioners;
  - b. carpeting, curtains and drapes, all whether or not permanently installed;
  - c. outdoor equipment not permanently installed; and
  - d. building materials and supplies located on the *insured premises* and intended for use in construction on the *insured premises*.
2. **While Away from the Insured Premises** - *You* may apply up to 10 percent of the Coverage C limit of liability or \$2500 (whichever is more) to cover personal property owned or used by an *insured*, while away from the *insured premises*, anywhere in the world. This does not increase the Coverage C limit of liability.
3. **Limitations on Certain Property** - These special limits do not increase the Coverage C limit of liability. The special limit for each category below is the total limit per *occurrence* for all property in that category:
  - a. \$100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals, and numismatic property;
  - b. \$500 on securities, commercial paper, stamps, philatelic property, tickets, accounts, deeds, evidence of debt, passports, manuscripts, unpublished works and other valuable papers; (Commercial paper means drafts, checks, certificates of deposit and notes other than bank notes, including negotiable orders of withdrawal.)
  - c. \$500 on jewelry, watches, precious and semi-precious stones, gems and furs;
  - d. \$500 on guns and gun accessories;
  - e. \$500 on watercraft including their trailers, equipment, accessories, and outboard motors;
  - f. \$1000 on silverware, goldware, pewterware and items plated with gold or silver; or
  - g. \$1000 on *motorized vehicles* used to service the *insured premises* and not designed or licensed for use on public roads.

The following property is covered only while on the *insured premises* and is limited to the amounts stated:

- h. \$500 on *business* property of any *insured*; or
- i. \$500 on dismounted camper bodies and trailers not used with watercraft.

4. **Personal Property Not Covered** - Coverage C does not cover:
  - a. property covered by any scheduled insurance;
  - b. animals, insects, birds and fish;
  - c. *motorized vehicles* including their parts and equipment, except those vehicles used to service the *insured premises* subject to the Limitations on Certain Property;
  - d. aircraft including their parts and equipment;
  - e. *business* property while away from the *insured premises*;
  - f. property of roomers and boarders who are not *insureds*;
  - g. outdoor antennas, their lead-in wiring, accessories, masts and towers, except as provided under Incidental Property Coverages;
  - h. trees, plants, shrubs and lawns, except as provided under Incidental Property Coverages; or
  - i. any device, accessories, or antennas designed for reproducing, receiving, transmitting, recording or playing back data, sound or picture (or any film, tape, wire, record or other media designed for use with such device) which 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.

### ***Coverage D - Additional Living Expense and Loss of Rent Coverage***

We pay any necessary and reasonable increase in living expenses *you* incur to maintain the normal standard of living of *your* household if the *insured premises* or a portion of the *insured premises* is made unfit for occupancy by an insured loss. We pay only for the period of time reasonably required to make the *insured premises* fit for occupancy 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 any loss of rents actually sustained by *you* if the part of the *insured premises* rented to others is made unfit for occupancy due to an insured loss. We pay only for the period of time reasonably required to make the *insured premises* fit for occupancy or until *your* household is permanently relocated, whichever is less. Loss of rents is the amount *you* would have received less the charges and expenses that do not continue while the *insured premises* are unfit for occupancy. This period of time is not limited by the policy period.

We pay your additional living expenses and loss of rents for a period of up to two weeks if the premises immediately adjoining the *insured premises* are damaged from a peril insured against by this policy, and *you* are prohibited by order of civil authority from using the *insured premises*. This period of time is not limited by the policy period.

Under this coverage, *we* do not pay expenses due to cancellation of any lease or written or oral agreement.

#### **INCIDENTAL PROPERTY COVERAGES**

This policy provides the following Incidental Property Coverages. These incidental coverages are subject to all of the *terms* of the applicable Principal Property Coverages A, B, or C. These incidental coverages do not increase the limit of liability stated for the Principal Property Coverages.

##### **1. Removal**

###### **a. Emergency Removal**

- 1) We pay for loss to covered property while removed from the *insured premises* for preservation from damage from perils insured against. Such property is covered against direct loss from all risks of physical loss, not specifically excluded under this policy, for a period up to five days. It is covered against loss from perils insured against for an additional 25 days. This coverage does not extend past the expiration date of the policy.
- 2) We pay up to \$100 towing charge to move a covered mobile home endangered by a peril insured against.

###### **b. Debris Removal -** We pay for the removal of debris of covered property following an insured loss.

###### **c. Change of Location -** When *you* move to another location where *you* intend to permanently reside:

- 1) the Coverage C limit of liability applies pro rata at each location for 30 days from the date *you* begin to move but not extending past the expiration date of the policy;
- 2) property in transit is covered against direct loss from perils insured against for an amount up to 10 percent of the Coverage C limit of liability or \$2500, whichever is more.

When *you* move, this Change of Location coverage applies in place of *your* coverage for property While Away from the Insured Premises.

##### **2. Fire Department Service Charge** (not applicable in Arizona, New Hampshire, New Mexico or New York) - We pay up to \$500 for charges *you* are obligated to pay when a fire department is called to protect the *insured premises* from perils insured against.

##### **3. Credit Card, Forgery and Counterfeit Money**

###### **a. We** pay up to \$1000 for loss sustained by an *insured* when such *insured*:

- 1) becomes legally obligated to pay for the unauthorized use of *credit cards* issued or registered in the *insured's* name;
- 2) suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
- 3) accepts in good faith counterfeit United States or Canadian paper currency.

###### **b. We** do not pay for loss if:

- 1) the *insured* has not complied with the *terms* under which the *credit card* was issued;
- 2) the loss is caused by the dishonesty of an *insured*;
- 3) the loss results from *business* activities of an *insured*;
- 4) the loss occurs while a person, not an *insured*, has possession of the *credit card* with an *insured's* permission; or
- 5) the loss involves a bank debit card or similar device used for the deposit, withdrawal or transfer of funds.

##### **4. Trees, Plants, Shrubs and Lawns** - You may apply up to 10 percent of the Coverage C limit of liability to cover trees, plants, shrubs, and lawns on the *insured premises*. We pay only for loss

caused by the following perils: Fire, Lightning, Explosion, Riot, Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the *insured premises*, and (if insured under this policy) Vandalism, Malicious Mischief or Theft. *We* do not pay more than \$500 for any one tree, plant, shrub or portion of lawn including the cost of removing the debris of the covered item.

*We* do not cover trees, plants, shrubs, or portions of lawn:

- a. grown for **business** purposes; or
- b. located more than 250 feet from the *residence* on the *insured premises*.

5. **Tenant's Improvements and Betterments** - If you are a tenant, *you* may apply up to 10 per cent of the Coverage C limit of liability to cover direct loss by perils insured against to permanent fixtures, alterations, decorations and additions installed on the *insured premises* and made or acquired at *your* expense.
6. **Condominium Unit-Owner Additions** - If the *insured premises* are a condominium-unit, *you* may apply up to 10 percent of the Coverage C limit of liability to cover direct loss by perils insured against to permanent fixtures, alterations, decorations or additions *you* own within *your* condominium unit. This does not include parts of the building structure, or other property such as utility lines, situated in easements within the unit.
7. **Outdoor Antenna Coverage** - *We* pay up to \$500 for direct loss by perils insured against to outdoor antennas, including their lead-in wiring, accessories, masts and towers.

#### **EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES**

*We* do not pay for loss resulting directly or indirectly from:

1. **Ordinance or Law** - This means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair, or demolition of a building or other structure. When breakage of glass is covered by this policy, *we* pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
2. **Civil Authority** - This means loss, including seizure, confiscation or destruction of property, caused by order of any civil authority.  
*We* pay for loss resulting from acts of destruction by civil authority to prevent the spread of fire as long as the fire did not originate from a peril excluded by this policy.
3. **Nuclear Hazard** - This means loss caused by nuclear reaction, nuclear radiation or radioactive contamination (whether controlled or uncontrolled and whether caused by, contributed to or aggravated by any peril insured against by this policy). Loss caused by nuclear hazard shall not be considered loss caused by fire, explosion or smoke. However, direct loss by fire resulting from the nuclear hazard is covered.
4. **War** - This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
5. **Neglect** - This means neglect by an *insured* to use all reasonable means to save covered property at and after the time of a loss. It also means neglect by any *insured* to use all reasonable means to save and preserve covered property when endangered by a peril insured against.
6. **Earth Movement of any Kind** - This includes, but is not limited to, earthquake, landslide, mudflow, earth sinking and earth rising or shifting.  
*We* pay for direct loss by fire, explosion, and (if covered by this policy) theft resulting from earth movement.
7. **Water Damage** - This means loss caused by:
  - a. flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these whether wind driven or not;
  - b. water which backs up through sewers or drains; or
  - c. water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool or other structure.*We* pay for direct loss by fire, explosion and (if covered under this policy) theft which may result.
8. **Power Interruption** - This means loss from the interruption of power or other utility services resulting from any cause, whether insured under this policy or not, if the interruption takes place away from the *insured premises*.

- We pay for direct loss by a peril insured against which occurs on the *insured premises* as a result of any interruption of power.
- 9. **Business Interruption** - This means loss resulting from the interruption of *business*.
- 10. **Wear and Tear** - This includes damage caused by marring, deterioration, inherent vice, latent defect, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog unless caused by a peril insured against by this policy.

## HOW MUCH WE PAY FOR LOSS OR CLAIM

### 1. *Under Property Coverages:*

- a. Property losses are settled on the basis of actual cash value including deduction for depreciation, however caused. (If the Replacement Cost Provision is made part of this policy, losses under Coverage A - Residence and Coverage B - Related Private Structures on the Premises are settled according to the *terms* of that provision.)
- b. **Our Limit of Liability** - For loss to property, we pay the lesser of the following amounts:
  - 1) the applicable limit of liability;
  - 2) an amount not greater than *your* interest in the property;
  - 3) the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
  - 4) the amount computed after applying the deductible or other limitation applicable to the loss;
  - 5) the actual cash value of the property at the time of loss (except as provided under the Replacement Cost Provision, if applicable); or
  - 6) (applies to mobile homes only at *your* option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.

#### c. **Deductible**

- 1) The deductible applies to the following Principal Property Coverages: Coverage A - Residence; Coverage B - Related Private Structures on the Premises; and Coverage C - Personal Property. It also applies to the following Incidental Property Coverages: Change of Location; Debris Removal; Trees, Plants, Shrubs and Lawns; Tenant's Improvements and Betterments; Condominium Unit-Owner Additions; and Outdoor Antenna Coverage. The deductible applies to all perils insured against unless otherwise stated in the Declarations or any endorsement.
- 2) We pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per *occurrence*;
- 3) If coverage is otherwise restricted by special limits of liability, *our* liability must be separately computed under both the deductible and the special limit of liability. We pay the lesser of the two amounts.
- d. **Loss to a Pair or Set** - If there is loss to an article which is part of a pair or set, we are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

### 2. *Under Personal Liability and Medical Payments to Others Coverages* - The limits of liability stated in the Declarations are the maximum amounts we pay for loss in a single *occurrence* under these coverages, regardless of the number of:

- a. persons insured under this policy;
- b. parties who sustain injury or damage; or
- c. claims made or suits brought.

Payment of a claim under the Medical Payments to Others coverage does not constitute an admission of liability under the Personal Liability coverage.

- 3. **Insurance Under More Than One Coverage** - If more than one coverage of this policy insures the same loss, we pay no more than the actual claim, loss or damage sustained.
- 4. **Insurance Under More Than One Policy** - If there is other valid and collectible insurance 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 such other insurance is exhausted.
- 5. **Restoration of Limit of Liability** - Any loss we pay under this policy does not reduce the limits of liability.

## PAYMENT OF LOSS OR CLAIM

### 1. *Property Coverages*:

- a. **Your Property** - We will adjust all losses with *you*. An insured loss will be payable 45 days after a satisfactory proof of loss is received and the amount of the loss has been established either by written agreement with *you* or the filing of an appraisal award with *us*. Payment will be made to *you* unless another loss payee is named in the policy.
- b. **Additional Living Expenses** - If the *insured premises* are made unfit for occupancy for more than one month, covered expenses will be paid on a monthly basis upon submission of reasonable proof of the *insured's* expenses.
- c. **Damage to Personal Property of Others** - At *our* option, an insured loss to property of others may be:
  - 1) adjusted with and paid to *you* for the account of the owner of the property; or
  - 2) adjusted with and paid to the owner. Payment to the owner discharges *our* obligation to an *insured* as to this property.
- d. **Our Options**
  - 1) We have the option to:
    - (a) pay the loss in money; or
    - (b) rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time. We must give the *insured* notice of *our* intent to do so within 30 days after receipt of a duly executed proof of loss.
  - 2) We may take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become *our* property.

2. **Liability Coverages** - Any person, who has secured a judgment against an *insured* for an insured loss or has liability established by a written agreement between the claimant, an *insured* and *us*, is entitled to recover under this policy to the extent of coverage provided.

## WHAT YOU MUST DO IN CASE OF LOSS

### 1. *Notice*

- a. In case of a loss or if an *insured* becomes aware of anything that indicates there might be a claim under this policy, he or she must:
  - 1) promptly give *us* or *our* agent notice (in writing if requested);
  - 2) notify the police when the act causing the loss is also a violation of law; or
  - 3) notify the *credit card* company, if the loss involves *credit cards*.
- b. The notice to *us* must state:
  - 1) the *insured's* name, the kind of policy, policy number and the time, place, and circumstances of the loss; and
  - 2) names and addresses of any potential claimants and witnesses.

2. **Cooperation** - The *insured* must cooperate with *us* in performing all acts required by this policy.

3. **Volunteer Payments** - The *insured* must not, except at his or her own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as specifically permitted in the following paragraph.

### 4. *Additional Duties - Property Coverages*

- a. The *insured* must also:
  - 1) take all reasonable steps to protect covered property at and after an insured loss to avoid further damage; (We pay for repairs which are reasonable and necessary to protect the property from further damage, provided the *insured* keeps an accurate record of such expenses. These payments do not increase the limit of liability otherwise applicable to the loss.) and
  - 2) submit to *us* a statement of loss (under oath if requested) within 60 days after the loss or accident.
- b. At *our* request, the *insured* must also:
  - 1) submit a proof of loss containing the following information:
    - a) the time, place and circumstances of loss;
    - b) the *insured's* interest and the interests of all others in the property involved, including all mortgages and liens on the covered property;
    - c) other policies of insurance that may cover the loss on the property;
    - d) changes in title or occupancy of the property during the policy period.

- e) available plans and specifications of buildings or structures;
- f) detailed estimates for repair of the damage; and
- g) an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount of loss. The *insured* must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.

- 2) submit to examination under oath in matters connected with the loss or claim as often as *we* reasonably request;
- 3) exhibit the damaged property as often as *we* reasonably request;
- 4) produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as *we* reasonably request;
- 5) assist in enforcing any right of recovery which the *insured* may have against any party causing the loss;
- 6) produce records supporting loss of rents and receipts to support any additional living expenses; and
- 7) submit evidence or affidavit supporting a claim under Credit Card, Forgery, and Counterfeit Money coverage stating the amount and cause of loss.

5. **Additional Duties - Personal Liability Coverage** - In the event of an *occurrence* which might result in a claim for *bodily injury* or *property damage* liability under this policy, the *insured* must also do the following:

- a. promptly forward to *us* copies of all notices, demands, or legal papers received in connection with the *occurrence*;
- b. at *our* request, assist in:
  - 1) making settlements;
  - 2) the conduct of suits including attending trials and hearings;
  - 3) enforcing any right of contribution or indemnification against any party who may be liable to any *insured* for the injury or damage;
  - 4) securing and giving evidence; and
  - 5) obtaining the attendance of witnesses.

6. **Additional Duties - Medical Payments to Others Coverage** - In case of a medical payments loss, the following are also required:

- a. The injured person or someone acting on such persons behalf must:
  - 1) give *us* written proof of claim (under oath if requested) as soon as practical; and
  - 2) authorize *us* to obtain copies of medical reports and records.
- b. The injured person shall submit to physical examinations by physicians selected by *us* when and as often as *we* reasonably require.

## POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

## CONDITIONS APPLICABLE TO ALL COVERAGES

1. **Assignment** - This policy is void if assigned without *our* written consent.
2. **Cancellation**
  - a. **By You** - *You* may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the cancellation is to be effective.
  - b. **By Us** - *We* may cancel this policy by written notice delivered to or mailed to *you* at the mailing address shown in the Declarations. Proof of delivery or mailing is sufficient proof of notice.
  - c. *We* refund premium for the unexpired policy period as follows:
    - 1) if cancelled by *us* - on a pro rata basis;
    - 2) if cancelled by *you* - calculated in accordance with *our* short rate table.
  - d. **Refund of Premium** - Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to *you* within a reasonable time.
  - e. **When We May Cancel** - *We* may cancel the policy under the following conditions:
    - 1) **Non-Payment of Premium** - If the premium has not been paid when due, *we* may cancel at any time by giving the required notice at least 10 days before cancellation is effective.

- 2) *New Policy* - If this is a new policy which has been in effect less than 60 days and is not a renewal, *we* may cancel for any reason by giving the required notice at least 30 days before cancellation is effective. A renewal of a policy issued by *us* is not a new policy.
- 3) *Policy with Term over One Year* - If this policy is written for a term longer than one year, *we* may cancel for any reason by giving *you* the required notice at least 30 days before the anniversary date.
- 4) *All Other Situations* - If this policy has been in effect 60 days or more or is a renewal of a policy issued by *us*, *we* may cancel only for the reasons set forth below and by giving the required notice at least 30 days before cancellation is effective.  
The reasons are:
  - a) the policy was obtained through fraud, material misrepresentation or omission of fact which, if known by *us*, would have caused *us* not to issue the policy; or
  - b) there has been a material change or increase in hazard of the risk.

f. *Time of Cancellation* - The effective date of cancellation is the earliest of the following:

- 1) the effective date and hour of cancellation stated in any notice;
- 2) the time *you* surrender the policy if no cancellation date was stated; or
- 3) the expiration of the policy period.

3. *Non-Renewal* - *We* may elect not to renew or continue this policy by giving written notice of *our* intent at least 30 days before the expiration date or anniversary. The notice may be delivered to or mailed to *you* at the mailing address shown in the Declarations. Proof of delivery or mailing shall be sufficient proof of notice. This policy terminates automatically on its expiration or anniversary date if *you*:
  - a. surrender the policy to *us*;
  - b. have notified *us* or *our* agent in writing of *your* intent not to renew; or
  - c. have not paid the renewal or installment premium when due.
4. *Change, Modification, or Waiver of Policy Terms* - A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid. *Our* request for an appraisal or examination under oath does not waive any of *our* rights.  
If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy.  
If this policy is issued on a continuous basis (with no specified expiration date) *we* may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with *our* manual rules in effect at the time.
5. *Conformity with Statute* - *Terms* of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.
6. *Misrepresentation, Concealment or Fraud* - This entire policy is void if, whether before or after a loss:
  - a. An *insured* has willfully concealed or misrepresented:
    - 1) any material fact or circumstance concerning this insurance; or
    - 2) an *insured*'s interest herein.
  - b. There has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject thereof.
7. *Inspection* - *We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.
8. *Policy Premium* - If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to *us* before each anniversary date. This policy expires on any anniversary date that the premium has not been received by *us*. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.
9. *Recoveries* - If *we* pay an *insured* for loss under this policy and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
  - a. The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers property or receives payment.
  - b. Any proper expenses incurred by either party in making the recovery are reimbursed first.

- c. The *insured* may keep recovered property by refunding to *us* the amount of the claim paid or any lesser amount to which *we* agree.
- d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.

**10. Subrogation**

- a. If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
- b. *We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.
- c. If *we* pay a loss to or on behalf of an *insured* and the *insured* recovers damages from another person for the same loss, the *insured* shall hold the amount recovered in trust for *us* and shall reimburse *us* as provided under Recoveries.

**11. Suit Against Us**

- a. **Property Coverages** - No suit to recover for any property claim may be brought against *us* unless:
  - 1) the *terms* of this policy have been fully complied with; and,
  - 2) the suit is commenced within 1 year after the loss. If any law of the state where the premises described in the Declarations are located makes this limitation invalid, then suit must begin within the shortest period permitted by the law.
- b. **Liability Coverage** - No suit may be brought against *us* to recover amounts due for *bodily injury* or *property damage* liability unless:
  - 1) the *terms* of this policy have been fully complied with; and
  - 2) the amount of any *insured*'s liability has been conclusively fixed:
    - (a) by a final judgment against the *insured* following trial; or
    - (b) by written agreement of the *insured*, the claimant and *us*.

No person shall have any right under this policy to join or implead *us* in any action brought to determine an *insured*'s liability.

**12. Bankruptcy of an Insured** - Bankruptcy or insolvency of any *insured* or his or her estate does not relieve *us* of any of *our* obligations under this policy.

**CONDITIONS APPLICABLE TO PROPERTY COVERAGES ONLY**

**13. Abandonment of Property** - *We* may take the property or any part of it at the agreed or appraised value, but an *insured* may not abandon the covered property to *us* unless *we* specifically agree.

**14. Appraisal** - If *you* and *we* do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, *you* or *we* can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to *us*, the amount agreed upon will be the amount of the damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by *you* and *us*.

**15. Benefit to Bailee** - Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.

**16. Secured Party Coverage - Applies Only to Coverage on Mobile Homes and Personal Property** (This entire clause is void unless the name of a secured party is inserted in the

Declarations. This clause applies only to the interest of a secured party and does not affect the *insured's* rights or duties under the policy.)

If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and *you* as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.

If *we* deny *your* claim, that denial shall not apply to a valid claim of a secured party, if such party has:

- a. notified *us* of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
- b. paid any premium due under the policy on demand if *you* have not made such payment; and
- c. submitted a signed, sworn proof of loss within 60 days if an *insured* has failed to do so.

Policy conditions relating to Appraisal, Suit Against Us and loss payment apply to the secured party. If the policy is cancelled by *us*, the secured party shall be notified at least 10 days before the date cancellation takes effect. If *we* pay the secured party for any loss for which *we* have denied payment to *you*:

- a. *we* are subrogated to all the rights of the secured party granted under the security agreement; or
- b. at *our* option *we* may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.

However, the secured party's interest is not covered for conversion, embezzlement or secretion by an *insured* in possession of the encumbered property, unless specifically insured against and premium paid for such.

**17. Mortgage Clause - Applies only to Coverage on Buildings** (This entire clause is void unless the name of the mortgagee, or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect the *insured's* rights or duties under this policy.)

Loss, if any, under this policy, shall be payable to the mortgagee (or trustee), named on the Declarations page of this policy, as interests may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify *us* of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof, otherwise this policy shall be null and void.

We reserve the right to cancel this policy at any time as provided by its *terms* but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and *we* shall have the right, on like notice to cancel this agreement.

Whenever *we* shall pay the mortgagee (or trustee) any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, *we* shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt; or may at *our* option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage, with interest accrued and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

## AMENDATORY ENDORSEMENT

The policy is amended as follows:

### EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

- The introductory sentence, "We do not pay for loss resulting directly or indirectly from:" is replaced by:

We do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- Exclusion 6, Earth Movement of any Kind, is replaced by:

**6. Earth Movement—** We do not pay for loss which results from earth movement whether the earth movement results from natural or artificial causes. Earth movement includes but is not limited to:

- a. earthquake;
- b. landslide, subsidence, sinkhole, erosion;
- c. mudflow;
- d. earth sinking, rising, shifting, expanding or contracting; or
- e. volcanic eruption or effusion including outpouring of lava or ash.

We do pay for direct loss caused by Fire, Explosion and (if covered by this policy) Theft resulting from earth movement. Explosion does not include volcanic eruption or effusion.

- The following exclusions are added:

**11. Intentional Acts—** We do not pay for a loss which results from an act committed by or at the direction of an insured and with the intent to cause a loss.

**12. Errors, Omissions and Defects—** We do not pay for loss which results from one or more of the following:

- a. an act, error or omission (negligent or not) relating to:
  - 1) land use;
  - 2) the design, specification, construction, workmanship, installation or maintenance of property;
  - 3) planning, zoning, development, surveying, siting, grading compaction; or
  - 4) maintenance of property (including land, structures or improvements);
- whether on or off the insured premises;

- b. a defect, a weakness, the inadequacy, a fault or unsoundness in materials used in construction or repair whether on or off the insured premises.

We do pay for an ensuing loss unless the ensuing loss itself is excluded.

### PERILS SECTION

- The following applies only when form ML-2, ML-3 or ML-4 is attached to the policy.

Peril 13 is amended to include:

We do not pay for loss by collapse that results from an excluded cause or event.

- The following applies only when form ML-3 is attached to the policy.

The first paragraph is replaced by:

**Coverage A— Residence and Coverage B— Related Private Structures on the Premises**

This policy covers the Residence and Related Private Structures on the Premises for risks of physical loss unless specifically excluded.

### LIABILITY COVERAGE SECTION

- Exclusion d.3) under Incidental Coverage 1, Damage to Property of Others, is replaced by:

3) the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of **motorized vehicles**, aircraft or watercraft.

- Exclusions 1.b. and 1.c. are replaced by:

b. resulting from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of aircraft, except for **bodily injury** to a person while performing duties as a **domestic employee**. (This exclusion does not apply to model airplanes.);

c. resulting from the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading by an **insured** of **motorized vehicles** or watercraft, except:

1) for **bodily injury** to a person in the course of performing duties as a **domestic employee**; or

2) if coverage is provided for by an Incidental Liability Coverage;

## AMENDATORY ENDORSEMENT

It is agreed that Coverage B - Related Private Structures on the Premises under the Principal Property Coverages in Form ML-20 is deleted and replaced by the following:

### Coverage B - Related Private Structures on the Premises

This policy covers related private structures on the **Insured premises** which are not attached to **your residence**. (Structures connected to the **residence** by only a fence, utility line, or similar connection are considered to be related private structures.) This coverage includes fences, driveways, sidewalks, and other permanently installed outdoor yard fixtures.

Coverage B does not cover:

1. structures used or designed for **business**, even if such **business** use is occasional or partial;
2. structures, including mobile homes, used or designed as dwellings, even if such dwelling use is occasional or partial;
3. structures, such as barns, poultry houses, implement sheds, silos, and any similar structures, designed specifically for farming use, even if at the time of the loss the structure is not used for farming;
4. structures rented or held for rental to others, even if rental is occasional or partial (this does not apply to structures, other than those structures designed for farming use, rented solely for use as a private garage);
5. utility structures used solely for the service and maintenance of the **residence**, if located more than 250 feet from the **residence** on the **insured premises**;
6. outdoor antennas including their lead-in wiring, accessories, masts, and towers, except as provided under incidental Property Coverages;
7. detachable building items covered under Coverage C - Personal Property;
8. carpeting, curtains, or drapes, all whether or not permanently installed, covered under Coverage C - Personal Property; or
9. trees, plants, shrubs, and lawns except as provided under incidental Property Coverages.

All other terms and conditions remain unchanged.

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ML-778 Ed 1.0

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## CARE PROVIDED FOR OTHERS - A BUSINESS ACTIVITY

The word **business**, as used in this policy, includes services regularly provided by an **insured** for the care of others and for which an **insured** is compensated.

Therefore, the policy exclusions and limitations that apply to **business** property and **business** activities also apply to services provided for the care of others.

## AMENDATORY ENDORSEMENT - LIABILITY COVERAGE SECTION

### INCIDENTAL LIABILITY COVERAGES

Item a. under "Damage To Property of Others" is replaced by the following:

- a. owned by an **insured** or owned by, rented to or leased to another resident of **your** household or the tenant of an **insured**;

### EXCLUSIONS THAT APPLY TO COVERAGES L AND M

The following exclusions are added:

This policy does not apply to liability which results directly or indirectly from:

- the transmission of a communicable disease by an **insured**; or
- the actual, alleged or threatened sexual molestation of a person.

## AMENDATORY ENDORSEMENT PENNSYLVANIA

1. Under Incidental Property Coverages, the following addition amends Debris Removal:

"We" pay up to \$500 to remove fallen trees from the "insured premises" if:

- a. a structure covered under this property is damaged by Windstorm or Hail, or Weight of Ice, Snow, or Sleet; and
- b. as a result of such weather conditions, the Governor of Pennsylvania declares the area in which the "insured premises" is located to be a disaster area.

2. Under Principal Liability and Medical Payments Coverages, Coverage M – Medical Payments To Others, the three year time limitation does not apply to expenses for funeral services.

3. Under Exclusions that Apply to Both Personal Liability and Medical Payments to Others, exclusion d. is deleted and replaced by:

resulting from the use of a "motorized vehicle" in any prearranged or organized racing, speed, pulling or pushing, demolition, or stunting activity or contest or in the practice or preparation for such activity or contest.

4. Under Exclusions that Apply only to Personal Liability, exclusion f. is deleted.

5. Under Payment Of Loss Or Claim, the following addition amends Your Property:

"We" will pay a fire loss claim in accordance with Title 40, Pennsylvania Statute 638, in a municipality that has adopted an ordinance establishing procedures for the payment of such a claim.

6. Under Payment Of Loss Or Claim, item 1) of Our Options is deleted and replaced by:

- 1) "We" have the option to:
  - (a) pay the loss in money; or
  - (b) rebuild, repair, or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time. "We" must give the "insured" notice of "our" intent to do so within 15 working days after receipt of a duly executed proof of loss.

7. Under Policy Conditions, the Cancellation and Non-Renewal conditions are deleted and replaced by:

**Cancellation and Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the declarations. Proof of delivery or mailing is sufficient proof of notice.

During the first 60 days this policy is in effect, "we" may cancel for any reason. "We" will give "you" notice at least 30 days before cancellation is effective.

After this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel or not renew only for the following reasons:

- a. the premium has not been paid when due;
- b. the policy was obtained through fraud, material misrepresentation, or omission of fact which, if known by "us", would have caused "us" not to issue the policy;

- c. there has been a material change or increase in hazard of the risk; or
- d. for any other reasons approved by the Insurance Commissioner.

"We" will give "you" notice at least 30 days in advance of cancellation or nonrenewal. "Our" notice will state the reasons for cancellation or nonrenewal.

"Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

This policy terminates automatically on its expiration or anniversary if "you":

- a. surrender the policy to "us";
- b. have notified "us" or "our" agent in writing of "your" intent not to renew; or
- c. have not paid the renewal or installment premium when due.

## AMENDATORY ENDORSEMENT

The reference to words that have special meaning is deleted and replaced by the following:

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

EVERETT CASH MUTUAL INSURANCE CO.  
or EVER-GREENE MUTUAL INSURANCE CO.  
R. D. #1, P. O. Box 347  
Everett, PA 15537-0347

**AMENDATORY ENDORSEMENT  
UNDERGROUND FUEL STORAGE TANK EXCLUSION**

The following provision is added to and made part of your Homeowners or Mobile Homeowners Policy:

Liability Coverage Section, Exclusions.

The paragraph below is added:

Coverage L - Personal Liability and Coverage M - Medical Payments to Others do not apply to *bodily injury* or *property damage*:

arising out of the release of fuel or fuel products from an "underground storage tank system".

Underground storage tank system means the underground tank, the fill pipe, the vent pipes, and all associated fixtures, including pipe and tubing which contains or conveys fuel or fuel products to and from the underground storage tank to the point of combustion.

All other provisions of this policy apply.

ML-149 A (6/97)

**LIABILITY COVERAGE SECTION**  
**PRINCIPAL LIABILITY AND MEDICAL PAYMENTS COVERAGES**

***Coverage L - Personal Liability***

*We* pay, up to *our* limit of liability, all sums for which any *insured* is legally liable because of *bodily injury* or *property damage* caused by an *occurrence* to which this coverage applies.

*We* will defend any suit seeking damages, provided the suit resulted from *bodily injury* or *property damage* not excluded under this coverage. *We* may make any investigation and settle any claim or suit that *we* decide is appropriate. *We* are not obligated to provide a defense after *we* have paid an amount equal to *our* limit of liability.

***Coverage M - Medical Payments To Others***

*We* pay the necessary *medical expenses* incurred or medically determined within three years from the date of an accident causing *bodily injury* to which this coverage applies. This coverage applies only:

1. to a person on the *insured premises* with the permission of any *insured*; or
2. to a person away from the *insured premises* if the *bodily injury*:
  - a. results from a condition on the *insured premises*;
  - b. is caused by the activities of any *insured*;
  - c. is caused by a person while performing duties as a *domestic employee* of any *insured*;
  - d. is caused by an animal owned by or in the care of any *insured*; or
  - e. is suffered by a *domestic employee* and arises out of and in the course of employment by any *insured*.

**INCIDENTAL LIABILITY AND MEDICAL PAYMENTS COVERAGES**

This policy provides the following Incidental Liability and Medical Payments Coverages. These incidental coverages are subject to the *terms* of the Principal Liability and Medical Payments to Others coverages. These incidental coverages do not increase the limit of liability stated for the principal coverages except: Claims Expense Coverage and First Aid Expense Coverage.

1. ***Damage to Property of Others*** - Regardless of an *insured*'s legal liability, *we* either pay for property of others damaged or destroyed by an *insured* or *we* repair or replace the property, to the extent practicable, with property of equivalent kind and quality. *Our* limit of liability for this coverage is \$250 per *occurrence*.

*We* do not pay for damage to property:

- a. owned by, rented to or leased to any *insured*, any other resident of *your* household, or tenant of any *insured*;
- b. caused intentionally by any *insured* who has attained the age of 13;
- c. covered under this policy under Property Coverages; or
- d. resulting from:
  - 1) activities in connection with an *insured*'s *business*;
  - 2) premises owned by, rented to or controlled by an *insured*, other than the *insured premises*, or
  - 3) the ownership, maintenance, use, loading or unloading of *motorized vehicles*, aircraft or watercraft.

2. ***Contracts and Agreements Coverage*** - *We* pay for damages for *bodily injury* or *property damage* resulting from liability assumed by an *insured* under a contract, provided:

- a. the contract is in writing and made before the loss; and
- b. it is not in connection with *business* activities of any *insured*.

3. ***Claims and Defense Expense Coverage*** - *We* pay the following expenses incurred in connection with a suit defended by *us* under the Personal Liability coverage:

- a. costs taxed to the *insured*;
- b. expenses incurred by *us*;
- c. actual loss of earnings by an *insured*, up to \$50 per day, for time spent away from work at *our* request;
- d. other necessary expenses incurred at *our* request;
- e. interest accruing after entry of a judgment but ending when *we* tender or pay up to the applicable limit of liability;
- f. premiums on appeal bonds or bonds to release attachments up to *our* limit of liability; (*We* are not required to apply for or furnish any bonds.) and

- g. premiums up to \$500 per bail bond required of any *insured* because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies. *We* are not required to apply for or furnish any bonds.)
- 4. **First Aid Expense Coverage** - Regardless of an *insured's* legal liability, *we* pay expenses incurred by an *insured* for first aid to persons, other than *insureds*, for *bodily injury* covered by this policy.
- 5. **Incidental Motorized Vehicle Coverage** - *We* pay for *bodily injury* or *property damage* which:
  - a. occurs on the *insured premises* and results from the ownership, maintenance, use, loading or unloading of:
    - 1) *motorized vehicles* not subject to motor vehicle registration because of their type or use; or
    - 2) *recreational motor vehicles*;
  - b. occurs anywhere and results from:
    - 1) golf carts while used for golfing purposes;
    - 2) utility, boat, camp or mobile home trailers except when the trailer is carried on, towed by or attached to a *motor vehicle* or recreational motor vehicle; or
    - 3) *motorized vehicles* designed exclusively for use off public roads and used principally to service the *insured premises*; or
  - c. results from the *insured's* use of a *recreational motor vehicle* not owned by an *insured*.
- 6. **Watercraft**
  - a. *We* pay for *bodily injury* or *property damage* resulting from the maintenance, use, loading or unloading of watercraft:
    - 1) while on the *insured premises*; or
    - 2) not owned by or rented to an *insured* if the *bodily injury* or *property damage* results from the activities of an *insured*.
  - b. *We* pay for *bodily injury* and *property damage* resulting from the maintenance, use, loading or unloading of:
    - 1) watercraft owned by or rented to any *insured* and powered by inboard or inboard/outboard motors totaling 50 horsepower or less; or
    - 2) sailing vessels with or without auxiliary power owned by or rented to any *insured* and less than 26 feet in overall length.
  - c. *We* pay for *bodily injury* and *property damage* resulting from the maintenance, use, loading, or unloading of watercraft powered by outboard motors totaling 25 horsepower or less.
  - d. Under the following circumstances, *we* pay for *bodily injury* or *property damage* resulting from the maintenance, use, loading, or unloading of watercraft powered by outboard motors totaling more than 25 horsepower:
    - 1) the motors are insured for Personal Liability coverage and shown on the Declarations or any endorsement;
    - 2) the motors are reported to *us* and Personal Liability coverage is requested within 45 days after acquisition by any *insured*; or
    - 3) the motors are not owned by any *insured*.
- 7. **Incidental Business Coverage** - *We* pay for *bodily injury* or *property damage* resulting from:
  - a. the occasional rental of the portion of the *insured premises* normally occupied by *you*, exclusively for residential purposes;
  - b. the rental of any other portion of the *insured premises* for residential purposes; (No family unit may include more than two roomers or boarders.)
  - c. the rental of a portion of the *insured premises* as a school, studio, office or private garage;
  - d. incidental activities normally performed by minors; and
  - e. activities in conjunction with *business* pursuits which are ordinarily considered *non-business* in nature.

#### EXCLUSIONS

1. **Exclusions that Apply to Both Personal Liability and Medical Payments to Others** - This policy does not apply to liability:
  - a. caused directly or indirectly by war; (This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction, seizure or

use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.)

- b. resulting from the ownership, maintenance, use, loading or unloading of aircraft; (This exclusion does not apply to *bodily injury* to a person while performing duties as a *domestic employee* of an *insured*.)
- c. resulting from the ownership, maintenance, use, loading or unloading by an *insured* of *motorized vehicles* or watercraft, except as provided under Incidental Liability and Medical Payments Coverages; (This exclusion does not apply to *bodily injury* to a person while performing duties as a *domestic employee* of an *insured*.)
- d. resulting from the use of a *motorized vehicle* in any racing, speed, pulling or pushing, demolition or stunting activity or contest or in the practice or preparation for such activity or contest;
- e. resulting from the rendering of or failing to render professional services;
- f. resulting from activities in connection with an *insured's business*, except as provided under Incidental Liability and Medical Payments Coverages;
- g. resulting from premises owned, rented or controlled by an *insured* other than the *insured premises*; (This exclusion does not apply to *bodily injury* to a person while performing duties as a *domestic employee* of an *insured*.)
- h. caused intentionally by or at the direction of any *insured*;
- i. for *bodily injury* if benefits are payable or required to be provided by an *insured* under any worker's compensation, non-occupational disability, occupational disease or similar law; or
- j. for which an *insured* under this policy is also an *insured* under a nuclear energy liability policy or would be an *insured* but for the exhaustion of its limits of liability. (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.)

2. ***Exclusions that Apply only to Personal Liability*** - This coverage does not apply to liability:

- a. for *bodily injury* to *you* and, if residents of *your* household, *your* relatives, and any other person under the age of 21 in *your* care or in the care of *your* resident relatives;
- b. assumed under any contract or agreement, except as provided under Incidental Liability and Medical Payments Coverages;
- c. for damage to property owned by any *insured*;
- d. for damage to property rented to, occupied by, used by, or in the care of an *insured*; (This exclusion does not apply to *property damage* to *insured premises* caused by fire, smoke, or explosion.)
- e. for sickness, disease or death of a *domestic employee* unless a written notice is received by *us* within 36 months after the end of the policy period in which the injury occurs; or
- f. resulting from the discharge, dispersal, release or escape of solid, liquid or gaseous waste materials or other pollutants into or upon land, the atmosphere or any watercourse or body of water. (This exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.)

3. ***Exclusions that Apply only to Medical Payments to Others*** - This coverage does not apply to *bodily injury*:

- a. to an *insured* not a *domestic employee*, or other person, regularly residing on the *insured premises*;
- b. to any person while on the *insured premises* because a *business* is conducted or professional services are rendered on the *insured premises*; or
- c. to any person, including a *domestic employee*, if benefits are provided under any worker's compensation, non-occupational disability, occupational disease or similar law.

## LEAD LIABILITY EXCLUSION

This endorsement changes the coverage provided by this policy.

### EXCLUSIONS THAT APPLY TO COVERAGES L AND M

The following is added:

This policy does not apply to:

1. actual or alleged **bodily injury** that results directly or indirectly from the ingestion, inhalation or absorption of lead in any form;
2. actual or alleged **property damage** that results directly or indirectly from any form of lead;
3. any loss, cost or expense arising out of any request, demand or order that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of lead; or
4. any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

**VERIFICATION**

I, JIM RHODES, Vice President of Claims for Everett Cash Mutual Insurance Company and Ever-Greene at Mutual Insurance Company, have read the **COMPLAINT FOR DECLARATORY JUDGMENT**. The statements therein are correct to the best of my personal knowledge or information and belief.

This statement and verification is made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn fabrication to authorities, which provides that if I make knowingly false averments I may be subject to criminal penalties.

*Jim Rhodes*  
\_\_\_\_\_  
JIM RHODES, Vice President/Claims  
Everett Cash Mutual Insurance Company  
and Ever-Greene at Mutual Insurance  
Company

2-20-2002  
Date

**FILED** 2cc  
Sheriff  
M 18.50 ~~8.50~~  
MAR 06 2002 Atty ad. 80.00  
W.A. Shaw  
William A. Shaw  
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

EVERETT CASH MUTUAL INSURANCE  
COMPANY and EVER-GREENE AT  
MUTUAL INSURANCE COMPANY

Plaintiffs

vs.

GRACE LEIGEY, individually and as  
Administratrix/trustee ad litem, of the  
Estate of KEN LEIGEY, deceased, and  
SHELIA FLICK, formerly known as  
SHELIA LEIGEY

Defendants

No. 2002-342-C0

Jury Trial Demanded

TYPE OF PLEADING:  
**ANSWER OF SHELIA FLICK,  
formerly SHELIA LEIGEY TO  
COMPLAINT FOR DECLARATORY  
JUDGEMENT**

FILED ON BEHALF OF  
DEFENDANT, SHELIA FLICK  
formerly SHELIA LEIGEY

ATTORNEY FOR DEFENDANT:  
David C. Mason, Esquire  
Supreme Court ID #39180  
DAVID C. MASON LAW OFFICE  
P.O. Box 28  
Philipsburg, PA 16866  
(814) 342-2240

**FILED**

MAR 28 2002

012:46 AM  
William A. Shaw  
Prothonotary

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G.P.A.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

EVERETT CASH MUTUAL INSURANCE  
COMPANY and EVER-GREENE AT  
MUTUAL INSURANCE COMPANY

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No.

Plaintiffs

\*

vs.

\*

GRACE LEIGEY, individually and as  
Administratrix/trustee ad litem, of the  
Estate of KEN LEIGEY, deceased, and  
SHELIA FLICK, formerly known as  
SHELIA LEIGEY

\*

Defendants

\*

\*

\*

**ANSWER OF SHELIA FLICK,  
formerly SHELIA LEIGEY, TO COMPLAINT  
FOR DECLARATORY JUDGMENT**

**AND NOW**, comes the Defendant, **SHELIA FLICK**, formerly **SHELIA LEIGEY**, by  
and through her attorney, David C. Mason, Esquire, who Answers the Plaintiff's Complaint  
for Declaratory Judgment and in support thereof aver as follows:

**1. ADMITTED.**

**2. DENIED.** It is denied that Grace Leigey is the Personal Representative of the  
Estate of Ken Leigey, deceased. By way of further answer, it is averred that Shelia Flick  
is the Personal Representative of the Estate of Ken Leigey.

**3. ADMITTED.**

**4. ADMITTED.**

**5. DENIED.** The assertion contained in paragraph 5 of Plaintiff's Complaint

contains a summary of the allegations made in the Complaint filed to Docket Number 00-381-CD. That Complaint, being a writing, speaks for itself and any summary or conclusion of the averments contained therein is denied and strict proof thereof is demanded at the time of Trial.

**6. ADMITTED.** It is admitted that Defendant, Shelia Flick was at the time married to Kenneth Leigey.

**7. DENIED.** The assertion contained in paragraph 5 of Plaintiff's Complaint contains a summary of the allegations made in the Complaint filed to Docket Number 00-381-CD. That Complaint, being a writing, speaks for itself and any summary or conclusion of the averments contained therein is denied and strict proof thereof is demanded at the time of Trial.

**8. ADMITTED.**

**9. ADMITTED.**

**10. DENIED.** Paragraph 10 of Plaintiff's Complaint contains averments regarding Insurance Coverages as described in Insurance Policies attached to Plaintiff's Complaint. These policies, being writings, speak for themselves and any averments regarding the content of said Insurance Policies are denied and strict proof thereof is demanded at the time of Trial.

**11. ADMITTED.** It is admitted that the language described in paragraph 11 of Plaintiff's Complaint is contained in the aforesaid policies. However, the said policies, being writings, speak for themselves and any averment regarding the substance of these provisions is denied and strict proof thereof is demanded at the time of Trial.

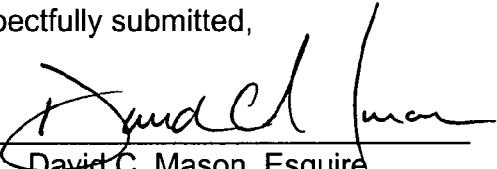
**12. ADMITTED.**

13. **DENIED.** The averment contained in paragraph 13 contains a conclusion of law, not an averment of fact, and therefore no response is necessary or required. To the extent a response is necessary, the averments contained in paragraph 13 are denied and strict proof thereof is demanded at the time of Trial.

**WHEREFORE**, Defendant, Shelia Flick respectfully prays your Honorable Court for the entry of an Order dismissing the Plaintiff's Complaint, with prejudice, and denying their pray for Declaratory Judgment.

Respectfully submitted,

By:

  
\_\_\_\_\_  
David C. Mason, Esquire  
Attorney for Shelia Flick, formerly  
Shelia Leigey

**VERIFICATION**

I, SHELIA FLICK, formerly SHELIA LEIGEY, verifies that the statements made in the foregoing **ANSWER OF SHELIA FLICK, formerly SHELIA LEIGEY, TO COMPLAINT FOR DECLARATORY JUDGMENT** is true and correct to the best of my knowledge, information and belief. I understand that false statements herein are made subject to the penalties of 18 PA. C.S. §4904 relating to unsworn falsification to authorities.

Shelia Flick  
Shelia Flick

C:\Office\COURT\flick,answertocomplaint.wpd\kib

**In The Court of Common Pleas of Clearfield County, Pennsylvania**

**Sheriff Docket # 12215**

**EVERETT CASH MUTUAL INSURANCE COMPANY**

**02-342-CD**

**VS.**

**LEIGEY, GRACE ind. & as Admx./trustee ad litem al**

**COMPLAINT FOR DECLARATORY JUDGMENT**

**SHERIFF RETURNS**

---

**NOW MARCH 11, 2002 AT 1:45 PM EST SERVED THE WITHIN COMPLAINT FOR DECLARATORY JUDGMENT ON GRACE LEIGEY, IND & AS ADMX./TRUSTEE AD LTIEM OF THE ESTATE OF KEN LEIGEY, DECEASED, DEFENDANT AT RESIDENCE, PO BOX 289, FRENCHVILLE, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO GRACE LEIGEY A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT FOR DECLARATORY JUDGMENT AND MADE KNOWN TO HER THE CONTENTS THEREOF.**

**SERVED BY: MCCLEARY/NEVLING**

**NOW MARCH 14, 2002, ROBERT STEVENS, SHERIFF OF CRAWFORD COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN COMPLAINT FOR DECLARATORY JUDGMENT ON SHEILA FLICK f/k/a SHEILA LEIGEY, DEFENDANT.**

**NOW MARCH 19, 2002 SERVED THE WITHIN COMPLAINT FOR DECLARATORY JUDGMENT ON SHEILA FLICK f/k/a SHEILA LEIGEY, DEFENDANT BY DEPUTIZING THE SHERIFF OF CRAWFORD COUNTY. THE RETURN OF SHERIFF STEVENS IS HERETO ATTACHED AND MADE A PART OF THIS RETURN.**

---

**Return Costs**

**Cost      Description**

**43.74 SHFF. HAWKINS PAID BY: ATTY.**

**43.50 SHFF. STEVENS PAID BY: ATTY.**

**20.00 SURCHARGE PAID BY; ATTY.**

**10724**

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket # 12215

EVERETT CASH MUTUAL INSURANCE COMPANY

02-342-CD

VS.

LEIGEY, GRACE ind. & as Admx./trustee ad litem al

COMPLAINT FOR DECLARATORY JUDGMENT

**SHERIFF RETURNS**

---

Sworn to Before Me This

2nd Day Of May, 2002

So Answers,



Chester A. Hawkins  
Sheriff

WILLIAM A. SHAW  
Prothonotary  
My Commission Expires  
1st Monday in Jan. 2006  
Clearfield Co., Clearfield, PA

**FILED**

MAY 02 2002  
014:00  
61  
KED

William A. Shaw  
Prothonotary

IN THE COURT OF COMMON PLEAS OF CRAWFORD COUNTY

Pennsylvania

Everett Cash Mutual Insurance Co and Ever-Greene at Mutual Insurance Co.	No. 02-342-CD
VS	Complaint for Declaratory Judgment
Sheila Flick, f/k/a Sheila Leigey	

Sheriff's Return

SERVED Sheila Flick, f/k/a Sheila Leigey, personally, on March 19, 2002 at 1:35 PM by handing copy of Complaint for Declaratory Judgment to her at her place of custody, State Correctional Facility at Cambridge Springs, Fullerton Avenue, Cambridge Springs, Crawford County, PA 16403.

So answers,

Dale A. Collins  
Dale A. Collins, Deputy  
Robert M. Stevens  
Robert M. Stevens, Sheriff

Crawford County Costs: \$43.50

Sworn to and subscribed before me this  
21<sup>st</sup> day of March, 2002.

Mary J. Smith  
Mary J. Smith  
Prothonotary

DATE	AP	E	PAGE	NO.	TERM	YEAR	RECEIVED OF	PLAINTIFF	DEFENDANT
3-21	1		CD	343	02		McIntyre, Dugas	Everett Cash	Flick

IN TH

EVERETT  
COMPAN  
MUTUAL

## CRAWFORD COUNTY SHERIFF DEPT.

Forty-three and 50/100 DOLLARS

AMOUNT PAID \$ 43.50

B. Beagle

GRACE L.  
Administrat  
Estate of  
SHEILA FLICK, formerly known as  
SHEILA LEIGEY

RC21282 10-96

Defendants.

FILED ON BEHALF OF PLAINTIFFS:

COUNSEL OF RECORD FOR THE  
NAMED PARTIES:  
McINTYRE, DUGAS, HARTYE &  
SCHMITT  
STEPHEN L. DUGAS, ESQUIRE  
PA I.D.#: 21351  
P. O. Box 533  
Hollidaysburg, PA 16648-0533  
(814) 696-3581  
FAX (814) 696-9399

I hereby certify that a true and correct of  
the within was mailed to all counsel of record  
this 21<sup>st</sup> day of May, 2002.

\_\_\_\_\_  
Attorney for Plaintiff

**FILED**

MAY 22 2002

William A. Shaw  
Prothonotary

3-21		CD	343-02	McIntyre Drugs	Connett Cash	Stuck
DATE	P. A. X.	E PAGE	NO.	TERM	YEAR	RECEIVED OF

PLAINTIFF

DEFENDANT

**CRAWFORD COUNTY SHERIFF DEPT.**

Thirty-three and 50/100 DOLLARS

AMOUNT PAID \$ 43.50

B. Beagle

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL DIVISION

EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE MUTUAL INSURANCE COMPANY	:	No. 2002 - 342 - CD
Plaintiffs,	:	JURY TRIAL DEMANDED
vs.	:	
GRACE LEIGEY, individually and as Administratrix/trustee ad litem, of the Estate of KEN LEIGEY, deceased, and SHEILA FLICK, formerly known as SHEILA LEIGEY	:	TYPE OF PLEADING: <b>PRAECIPE FOR DISCONTINUANCE</b>
Defendants.	:	FILED ON BEHALF OF PLAINTIFFS:
	:	COUNSEL OF RECORD FOR THE NAMED PARTIES: MCINTYRE, DUGAS, HARTYE & SCHMITT <b>STEPHEN L. DUGAS, ESQUIRE</b> <b>PA I.D.#: 21351</b> P. O. Box 533 Hollidaysburg, PA 16648-0533 (814) 696-3581 FAX (814) 696-9399

I hereby certify that a true and correct of  
the within was mailed to all counsel of record  
this 21<sup>st</sup> day of May, 2002.

\_\_\_\_\_  
Attorney for Plaintiff

**FILED**

MAY 22 2002

William A. Shaw  
Prothonotary

EVERETT CASH MUTUAL INSURANCE COMPANY and EVER-GREENE MUTUAL INSURANCE COMPANY : IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PA

Plaintiffs, :  
vs. : No. 2002- 342 - CD

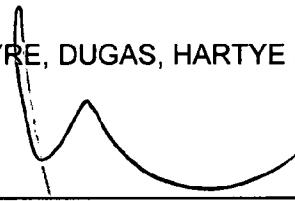
GRACE LEIGEY, individually and as Administratrix/trustee ad litem, of the Estate of KEN LEIGEY, deceased, and SHEILA FLICK, formerly known as SHEILA LEIGEY :  
Defendants. : JURY TRIAL DEMANDED

**PRAECIPE TO DISCONTINUE**

TO THE PROTHONOTARY:

Mark the above-captioned action "discontinued."

MCINTYRE, DUGAS, HARTYE & SCHMITT

  
Attorney for Plaintiff

STEPHEN L. DUGAS, ESQUIRE  
PA. ID. No. 21351  
P.O. Box 533  
Hollidaysburg, PA 16648  
814/696-3581

FILED NO  
cc  
13:51 AM  
MAY 22 2002  
copy of Disc. to C/A  
Ex-1  
William A. Shaw  
Prothonotary

**COPY**

**IN THE COURT OF COMMON PLEAS OF  
CLEARFIELD COUNTY, PENNSYLVANIA**

**CIVIL DIVISION**

**Everett Cash Mutual Insurance Company and  
Ever-Greene at Mutual Insurance Company**

**Vs.**

**No. 2002-00342-CD**

**Grace Leigey individually and as  
Administratrix/trustee ad litem, of the  
Estate of Ken Leigey, deceased, and  
Sheila Flick, formerly known as Sheila Leigey**

**CERTIFICATE OF DISCONTINUATION**

Commonwealth of PA  
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on May 22, 2002 marked:

Discontinued

Record costs in the sum of \$187.24 have been paid in full by Stephen L. Dugas, Esq..

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 22nd day of May A.D. 2002.

---

William A. Shaw, Prothonotary