

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PASCO COUNTY, FLORIDA  
CIVIL DIVISION

ELLISE BINGHAM,  
Plaintiff,

CASE NUMBER: 51-2012-CA-0812-ES  
DIVISION: Y

vs.

TOWER HILL PREFERRED INSURANCE  
COMPANY,  
Defendant.

\_\_\_\_\_ /

**PLAINTIFF ELISE BINGHAM'S  
VERIFIED AMENDED MOTION FOR LEAVE TO FILE HER  
THIRD AMENDED COMPLAINT FOR COMPENSATORY AND  
PUNITIVE DAMAGES AND DEMAND FOR JURY TRIAL**

Plaintiff, ELISE BINGHAM ("Mrs. Bingham"), for her Verified Amended Motion for Leave to file her Third Amended Complaint to Seek Compensatory and Punitive Damages, and in her proffer, states and alleges as follows:

I. Procedural Statement

Mrs. Bingham has completed initial discovery on the allegations contained in her original complaint, and having completed these first steps, seeks leave of Court to now seek punitive damages against Defendant, TOWER HILL PREFERRED INSURANCE COMPANY ("Tower Hill"). Florida Rules of Civil Procedure 1.190(f) requires a motion for leave to amend to assert a claim for punitive damages making a reasonable showing, by evidence in the record or evidence to be proffered by the claimant, which shows a "reasonable basis" for recovery of such damages. Timing is also essential, in that Florida Rule of Procedure 1.190(f) permits the motion to amend can be filed separately and before the supporting evidence or proffer, but each shall be served on all parties at least 20 days before the hearing. Florida Rule of Civil Procedure 1.190(f) mirrors the requirements of Section 768.72, Florida Statutes:

In any civil action, no claim for punitive damages shall be permitted unless there is a reasonable showing by evidence in the record or proffered by the claimant, which would provide a reasonable basis for recovery of such damages. The claimant may move to amend his or her complaint to assert a claim for punitive damages as allowed by the rules of civil procedure.

Section 768.72(1), Florida Statutes (2019). In the context of an extra-contractual, "bad faith" claim against an insurer, Section 624.155 provides for recovery of punitive damages when the appropriate proffer and proof has been made:

No punitive damages shall be awarded under this section unless the acts giving rise to the violation occur with such frequency as to indicate a general business practice and these acts are:

- (a) Willful, wanton, and malicious;
- (b) In reckless disregard for the rights of any insured; or
- (c) In reckless disregard for the rights of a beneficiary under a life insurance contract.

Section 624.155, Florida Statutes (2020). "Florida law is clear on this point," requiring a plaintiff to provide the court with an evidentiary basis for punitive damages before the court may allow a claim for punitive damages to be included in a plaintiff's complaint. Cypress Aviation, Inc. v. Bollea, 826 So. 2d 1091, 1092 (Fla. App. 2d DCA 2002), *citing* Simeon, Inc. v. Cox, 671 So. 2d 158, 160 (Fla. 1996). Certiorari jurisdiction is appropriate to review whether a trial judge has conformed with the procedural requirements of Section 768.72, but not so broad as to encompass a review of the sufficiency of evidence when the trial judge has followed the procedural requirements of Section 768.72. *See* Simeon, 671 So. 2d at 160.

## II. Satisfaction of Conditions Precedent to Seek Punitive Damages

The conditions necessary to satisfy the requirements for the Court granting a motion for leave to seek punitive damages, includes the following, as outlined in Section 768.72:

- (1) A copy of the Third Amended Complaint for Compensatory and Punitive Damages is attached hereto as Exhibit A, which contains the necessary allegations and factual

support to establish a general business practice by Tower Hill, its Vice Presidents, its Claim Adjusters, and duly authorized representatives of the offending conduct for such damages, as outlined in Section 624.155, Florida Statutes;

(2) the evidentiary basis upon the motion for leave to amend is being served upon Tower Hill, along with the proposed Third Amended Complaint, which includes the following:

- a. Tower Hill Policy, Policy Number 9000252710, attached to the Third Amended Complaint.
- b. Deposition Transcript of Senior Vice President Daniel Tadrowski, dated August 7, 2019, filed under a separate Notice of Filing in Support;
- c. Deposition Transcript of Claim Adjuster Karen McCleave, dated March 13, 2020, filed under a separate Notice of Filing in Support;
- d. Deposition Transcript of Martha Carter, dated March 28, 2014, filed under a separate Notice of Filing in Support;
- e. Deposition Transcript of Vice President Lincoln LeVarge, dated August 7, 2019, filed under a separate Notice of Filing in Support;
- f. Deposition Transcript of Litigation Manager Sam Townsend, December 19, 2017, filed under a separate Notice of Filing in Support;
- g. Redacted Claim Notes produced by Tower Hill for Claim Number 2800070851, incorporated into the record in the Deposition of Vice President Lincoln LeVarge as its Exhibit 5, and filed under a separate Notice of Filing in Support;

- h. Adjuster's Handbook, portions incorporated into the record in the Deposition of Associate Vice President of Claims, Pedro Quiroga, and as its Exhibit 1 and filed under a separate Notice of Filing in Support;
- i. Deposition Transcript of Elise Bingham, dated April 26, 2018, filed under a separate Notice of Filing in Support;
- j. Hearing Transcript regarding Plaintiff's Motion for Summary Judgment as to Total Loss and Defendant's Motion for Concealment or Fraud, dated April 30, 2014, filed under a separate Notice of Filing in Support;
- k. Hearing Transcript of Proceedings, dated June 3, 2014, filed under a separate Notice of Filing in Support;
- l. Deposition Transcript of Pedro Quiroga, March 13, 2020, filed under a separate Notice of Filing in Support; and
- m. Report of Robert A. Beverly, August 6, 2020, filed under a separate Notice of Filing in Support.
- n. Notices of Filing regarding Concealment Motions filed by the Defendant in numerous cases.

**(3)** The proffer of evidence identified herein, as well as the draft of the proposed Third Amended Complaint for Compensatory and Punitive Damages, will have been served on Tower Hill and the Court at least twenty (20) days prior to the hearing for Mrs. Bingham's Motion for Leave, currently set for September 1, 2020. *See* Plaintiff's Notice of Telephonic Hearing, Plaintiff's Motion for Leave to file her Third Amended Complaint for Compensatory and Punitive Damages and Demand for Jury Trial and Notices of Filing in support dated and served August 10, 2020.

WHEREFORE, having set forth a reasonable basis in fact and law to establish a general business practice by Defendant, TOWER HILL PREFERRED INSURANCE COMPANY, entitling Plaintiff, ELISE BINGHAM to seek recovery of punitive damages pursuant to Section 768.72(1), Florida Statutes, and Section 624.155, Florida Statutes, *et seq.*, Mrs. Bingham prays the Court grant her motion for leave to file her Third Amended Complaint for Compensatory and Punitive Damages and provide her any, and all other relief the Court deems just and equitable.

VERIFICATION OF PROFFER

Undersigned counsel, being first duly sworn, proffers the record evidence provided herein, states that the materials are true and correct to his personal knowledge, and based upon authentic records produced by Tower Hill.

State of Florida

County of Hillsborough County

Dated this the 10<sup>th</sup> day of August 2020.



Signature of Affiant

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of August 2020 by Theodore A. Corless, who is personally known to me, and who took an oath.

IN WITNESS WHEREOF, my hand and seal in the State and County aforesaid this 10<sup>th</sup> day of August 2020.

  
NOTARY PUBLIC

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing document has been electronically filed with the Clerk of Court using the *Florida Courts E-Filing Portal* and served via *Florida Courts E-Filing Portal* Electronic Mail to: Attorney for the Defendant, **Brett M. Carey, Esq., and Darryl Gavin, Esq.,** [dgavin@rumberger.com](mailto:dgavin@rumberger.com), [docketingorlando@rumberger.com](mailto:docketingorlando@rumberger.com), [dgavinsecy@rumberger.com](mailto:dgavinsecy@rumberger.com), [bcarey@rumberger.com](mailto:bcarey@rumberger.com); Rumberger, Kirk & Caldwell, Post Office Box 1873, Orlando, Florida 32802 this 10<sup>th</sup> day of August, 2020.

**/S/Theodore A. Corless**

THEODORE A. CORLESS, ESQUIRE

Florida Bar Number 176192

MARY CATHERINE LAMOUREUX, ESQUIRE

Florida Bar Number 872288

CORLESS BARFIELD TRIAL GROUP, LLC

6812 West Linebaugh Avenue

Tampa, Florida 33625

[Service@corlessbarfield.com](mailto:Service@corlessbarfield.com)

Telephone: (813) 258-4998

Facsimile: (813) 259-4988

Attorneys for Plaintiff, ELISE BINGHAM

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PASCO COUNTY, FLORIDA  
CIVIL DIVISION

ELLISE BINGHAM,  
Plaintiff,

CASE NUMBER: 51-2012-CA-0812-ES  
DIVISION: Y

vs.

TOWER HILL PREFERRED INSURANCE  
COMPANY,  
Defendant.

\_\_\_\_\_ /

**THIRD AMENDED COMPLAINT FOR COMPENSATORY AND  
PUNITIVE DAMAGES AND DEMAND FOR JURY TRIAL**

Plaintiff, ELLISE BINGHAM (“Mrs. Bingham”), by and through the undersigned counsel, hereby sues Defendant, TOWER HILL PREFERRED INSURANCE COMPANY (“Tower Hill”), and hereby states and alleges as follows:

**THE PARTIES**

1. This is an action by Mrs. Bingham pursuant to Sections 624.155 and 626.9541, Florida Statutes, *et seq.*, as more fully described herein, for both compensatory and punitive damages, arising from Tower Hill’s “general business practice” of failing to attempt in good faith to settle her claim when under all the circumstances Tower Hill could and should have done so had it acted fairly and honestly towards Mrs. Bingham and with due regard for her interests. Tower Hill's actions and inactions are referred to herein and are supported by evidence proffered into the Court’s record.

2. At all times material hereto, Mrs. Bingham was the owner of one side of a duplex located at 31140 Whitlock Drive, Wesley Chapel, Florida 33543. Mrs. Bingham procured a policy of property insurance from Tower Hill for the above-referenced property, Policy No.

9000252710. A copy of Insurance Policy No. 9000252710 is attached hereto as Exhibit “A.” (“the Tower Hill Policy”).

3. At all times material hereto, the Defendant, Tower Hill, was a domestic corporation doing business in the State of Florida and was a duly licensed and qualified insurance carrier by the State of Florida to engage in the insurance business with Florida citizens.

**GENERAL ALLEGATIONS AND  
SATISFACTION OF CONDITIONS PRECEDENT**

4. On or about November 10, 2010, while the Tower Hill Policy was in place, Mrs. Bingham discovered damage to the insured building, including but not limited to physical damage to the walls and floors, as well as to other insured structures on the property. Mrs. Bingham timely tendered a claim to Tower Hill, which assigned it claim number 2800070851 (“Mrs. Bingham’s Claim”). In receipt of Mrs. Bingham’s claim, Tower Hill improperly and incompletely investigated and adjusted the loss, resulting in it being denied. Consequently, on February 7, 2012, Mrs. Bingham filed a civil action for breach of contract under the Tower Hill Policy, in an action styled Ellise Bingham vs. Tower Hill Preferred Ins. Company, Case No. 51-2012-CA-0812-ES (“the Underlying Contract Action”).

5. While the Underlying Contract Action was pending, Mrs. Bingham served upon Tower Hill on the form provided by the Department of Financial Services a Notice of Insurer Violation, as set forth in Section 624.155(3)(a). The Department of Financial Services accepted her Notice of Insurer Violation, on December 23, 2013. The Notice of Insurer Violation stated with specificity the statutory provisions violated by Tower Hill’s acts and omissions, the facts, and circumstances giving rise to the specific violations, and the particular policy language that was relevant to her allegations. Tower Hill was then given sixty (60) days to respond to the Notice, cure the violations by paying Mrs. Bingham’s damages, and correct the circumstances

giving rise to the violations. Nonetheless, at no time during the cure period did Tower Hill take any action on behalf of Mrs. Bingham's Claim or the Notice of Insurer Violation, but instead on February 20, 2014, filed a general denial of any of the facts, circumstances, or law associated with their actions.

6. On July 9, 2014, consistent with its findings on the record at the hearing conducted on April 30, 2020, the Court in the Underlying Contract Action granted Mrs. Bingham's summary judgment motion and entered judgment in her favor against Tower Hill, ordering Tower Hill to pay Mrs. Bingham policy limits. By Order of the Court dated February 27, 2015, Tower Hill was ordered to pay Mrs. Bingham's attorney's fees. Further, by Order of the Court dated March 10, 2015, it was determined Mrs. Bingham was owed statutory interest by Tower Hill. As the prevailing party under an action against her insurance company who wrongfully denied her claim, otherwise referred to as an "adverse adjudication" against Tower Hill, Mrs. Bingham sought leave of the Court and was granted her amended pleading to seek common law for "bad faith" and statutory damages according to Section 624.155 and 626.9541, Florida Statutes, *et seq.*

7. Discovery in the second phase has permitted Mrs. Bingham access to previously undisclosed claim notes and confidential internal guidelines and procedures meant for claims like hers, all of which were withheld as privileged during the Underlying Contract Action. The evidence demonstrates that Tower Hill failed to act fairly and honestly toward Mrs. Bingham and with due regard to her interests. The acts demonstrating Tower Hill's failure to act appropriately occurred at the time her claim was being evaluated for coverage, as well as after it denied her benefits. Later, after Tower Hill was sued and reversed its claim denial and agreed to coverage, Tower Hill used various policy provisions as a pretext to seek leverage over Mrs. Bingham to

agree to accept less than her actual damages. The strategy was not done in isolation. Instead, this strategy described *infra* as “the Tower Hill Formula” has been discovered to be used by Tower Hill in dozens of claims for other claimants similarly situated to Mrs. Bingham. Moreover, during litigation, and after coverage was established, Tower Hill’s senior managers used policy provisions, namely, its “concealment and fraud” language to make false and legally baseless accusations against Mrs. Bingham to attempt to reduce her benefits. Tower Hill tried to hide its conduct by demanding its claimants sign onerous confidentiality agreements as part of its scheme to reduce its aggregate claim payments.

8. Based upon the information to date, including depositions of key Tower Hill managers about the handling of Mrs. Bingham’s Claim, Mrs. Bingham is entitled to and now seeks leave to add a claim of punitive damages against Tower Hill. The evidence shows clearly and convincingly that the actions taken by Tower Hill and the scheme used in Mrs. Bingham’s claim occurred, and may continue to occur, with such frequency as to indicate a general business practice and these acts were and are (a) willful, wanton, and malicious, and (b) in reckless disregard for the rights of Mrs. Bingham and other similarly situated insureds. *See* Section 624.155(5), Florida Statutes. By its design and by its execution, Tower Hill employed company-wide strategies to deprive Mrs. Bingham and other policyholders of the benefit of their bargain under the Tower Hill Policies.

#### **UNDERSTANDING RECENT CHANGES TO FLORIDA’S SINKHOLE STATUTES**

9. The Florida Sinkhole Statutes are found at Section 627.706, Florida Statutes. Before 2005, sinkhole loss insurance was mandated to be offered for all property insurance contracts by admitted insurers in Florida, like Tower Hill. When a claim was made, under Section 627.706 (2004), Florida Statutes, the insurer would have been obligated to inspect the

insured's premises to determine if there has been physical damage to the structure which might be the result of sinkhole activity. If the engineer engaged by the insurer determined that sinkhole activity could not be eliminated as a cause of damage to the insured dwelling, the insurer would be obligated to cover damages for direct physical loss, and to stabilize the building, the land, and repair the foundation.

10. After extensive lobbying by multitudes of insurance companies to the Florida Legislature to limit payments in sinkhole claims, the law changed regarding when an insurer must indemnify its insureds for the costs associated with repairing the subsurface of a property. Under the new statutes, if the investigation conducted by the insurance company's engineers resulted in a sinkhole loss, a Florida insurer "may" limit its payment to the actual cash value of the sinkhole loss. This payment will not include underpinning or grouting or any other repair technique performed below the building's existing foundation until the policyholder enters into a contract for the performance of building stabilization or foundation repairs. After the policyholder enters into a contract, the insurer shall pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. While the language "may" permits some degree of discretion in determining which claims insurer would require a contract and which ones did not, the insurer retained its duty to act in compliance with its company guidelines and procedures and to examine each claim on its own merits and act fairly and honestly toward its insureds with due regard for their interests.

11. As an institution engaging the public trust selling insurance, Tower Hill and all insurers maintain a duty of good faith and fair dealing, requiring them to act in the best interests of their insureds including taking no action designed to deprive their policyholders of the benefit of the insurance for which they accepted premiums. Enforcing the requirement that an insured

present a contract for repairs to the property is not absolute and must not be done in a manner contrary to the best interests of an insured. Insurance companies cannot use the requirement that insureds enter into contracts to repair their properties as a mere pretext to leverage those insureds to accept less in payments and maximize carrier profit at the expense of its policyholders. Each insured's claim should be addressed competently, on its own merits, and according to the express terms of an insured's policy. Additionally, any claims adjuster participating in a claim shall do so according to the company's internal guidelines and the standard of care for other adjusters acting in the same or similar circumstances.

12. The actions taken by the claims personnel include admissions that this was not done as an isolated act against Mrs. Bingham, but occurred regularly, as a general business practice, and usually at the direction of authorized, senior-ranking claim personnel who acted with full knowledge that they were denying and delaying benefits due improperly for weeks, months, and in Mrs. Bingham's claim, for years.

13. The 2005 revisions to the applicable sinkhole statutes additionally required, "any insurer that has paid a claim for a sinkhole loss shall file a copy of the report and certification, prepared pursuant to subsection (1), including the legal description of the real property and the name of the property owner, with the county clerk of court, who shall record the report and certification." See Section 627.7073(2)(a)(2006). By requiring insurers to do so, all future property owners and insurers will be able to determine whether any property has previously had a sinkhole loss confirmed by an appropriate professional.

**MRS. BINGHAM'S CLAIM – DATE OF LOSS, NOVEMBER 11, 2010**

14. Mrs. Bingham owned one-side of a Duplex adjacent to the other owners, the Wilbers. The Duplex was a single structure consisting of one foundation for the construction,

one roof, one driveway, and divided by a shared, load-bearing wall between the units. Each side was owned separately by the Wilbers and Mrs. Bingham, and each side had its own unique legal description recorded with the Pasco County Recorder of Deeds. To the extent any structural repairs were ever to be completed for the Duplex, depending on the nature of the repairs, both owners would need to obtain independent building permits for their side of the structure. When she bought her home in 2002, Mrs. Bingham purchased her first insurance policy from Tower Hill, which renewed every year through 2015. The premium was calculated according to Tower Hill's underwriting of the home. During this time, Tower Hill was fully aware the house was one half of a villa-type Duplex, with a shared, load-bearing wall dividing the two homes. The Wilbers were not insureds under Mrs. Bingham's Tower Hill Policy; instead, they were covered by a policy the Wilbers purchased from American Strategic Insurance Company ("American Strategic"). Similarly, the Tower Hill Policy only covered Mrs. Bingham's side of the Duplex, not the Wilbers.

15. In or around 2009, the Wilbers observed settlement damage to the Duplex consistent with sinkhole activity, including damage to the floors, the walls, and the roof. In response, the Wilbers presented a claim to their insurer. American Strategic engaged an engineering firm named Westcoast Forensic Consulting Group, Inc. ("Westcoast Forensic") and its principal engineer Arthur Baker, P.E. ("Professional Engineer Baker") to conduct a sinkhole investigation according to Section 627.707, Florida Statutes, and to produce a report.

16. While the Wilber's sinkhole claim with American Strategic was pending, and while Westcoast Forensic studied the Duplex, the Wilbers stopped paying their mortgage to US Bank Association, NA ("US Bank") for their side of the Duplex. After that, on March 9, 2010, US Bank filed a *lis pendens* and an action for foreclosure in Pasco County Clerk of Court, Case

Number 2010 CA 2249. The pendency of the foreclosure action would be readily discoverable by Tower Hill in the public record by use of reasonable diligence during its claim investigation by the Tower Hill representatives, outside adjusters, and employees.

17. Professional Engineer Baker conducted a statutorily compliant investigation of the Duplex, according to Section 627.707, Florida Statutes, including the use of geophysics and geotechnical methods, and Standard Penetration Testing (“SPTs”). Professional Engineer Baker conducted testing covering both the Wilbers’ side and Mrs. Bingham's side of the Duplex. According to the report prepared and sealed by Professional Engineer Baker, the testing covering both sides of the Duplex was of sufficient scope to opine within a reasonable degree of engineering certainty that sinkhole activity was a cause of subsidence to the Duplex. The primary source of data relied upon by Professional Engineer Baker to draw his conclusions was an SPT performed just a few feet in front of Mrs. Bingham's front door.

18. At no time was Mrs. Bingham ever in possession of the Westcoast Forensic report. Still, she was aware the Wilbers’ insurance company had hired Westcoast Engineering and that Professional Engineer Baker confirmed the Duplex was a confirmed sinkhole loss. The Wilbers were paid by American Strategic but never repaired their property. American Strategic tendered a check to the Wilbers, without requiring them first to enter into a contract for the repairs. American Strategic filed a copy of the Westcoast Forensic Report, with the Pasco County Clerk of Court, as it was required to do so by Section 627.7073(2)(a), Florida Statutes, placing it into the public record for other owners and insurance companies to discover.

19. Upon learning of Westcoast Forensics’ conclusions about the cause of damage to the Duplex, on November 10, 2010, Mrs. Bingham filed a claim with Tower Hill for a sinkhole loss, a covered peril under the Tower Hill Policy. Tower Hill assigned the claim to Martha

Carter, a Tower Hill Claims Adjuster. Claim Adjuster Carter was to consult with a field adjuster who would then conduct an examination of the Duplex and report further to Tower Hill.

20. Two weeks after making a claim, Mrs. Bingham agreed to Claim Adjuster Carter's request to take her recorded statement. On November 24, 2010, via a recorded conversation, Mrs. Bingham answered all questions asked by Claim Adjuster Carter, including questions whether she was aware if any of her neighbors had any similar issues with settlement or sinkholes. In the recorded statement, since obtained by her counsel, Mrs. Bingham can be heard answering affirmatively and advised Tower Hill of the Wilbers' loss to the other side of the Duplex. In response to her answers, Claim Adjuster Carter even remarked on the recording to Mrs. Bingham:

[T]hat's really something, when [a sinkhole is] right next door, attached to your house. ... [the Tower Hill Adjuster conducting the inspection of the Duplex] will surely be knocking on that door.

She likely made this statement because, according to the Tower Hill "Adjuster's Handbook," the Claims Personnel assigned to Mrs. Bingham's claim were instructed to "canvass the neighborhood" to determine if there were other homes near Mrs. Bingham's side of the Duplex where any sinkhole losses may have occurred. The Tower Hill Adjuster did knock on the Wilbers' door, but no one was home. Other than that one door knock, at no time did he or any other Tower Hill representative attempt again to communicate with the Wilbers before any claim decision was made, or examine the public record for a copy of Professional Engineer Baker's report.

21. At no point before denying Mrs. Bingham's claim did Tower Hill investigate the information Mrs. Bingham provided it about the sinkhole confirmation on the adjacent home owned by the Wilbers. Tower Hill would wait more than three years before it would eventually

reach out to representatives from Westcoast Forensic. At no time did Tower Hill speak with American Strategic about the Wilbers' claim. However, it was their legal right to do so, given that insurance companies are free to exchange details about related losses. Tower Hill did not attempt to talk with the Wilbers, even though Tower Hill knew the two sides of the Duplex shared the same foundation and that at least one engineering firm had concluded the damages to the Duplex were the result of a sinkhole loss.

22. Instead of seeking consult with Westcoast Forensic to learn the basis of Professional Engineer Baker's conclusions that a sinkhole loss had occurred to the Duplex, Tower Hill elected to shop for a new engineering firm. Tower Hill hired Madrid Engineering Group ("Madrid Engineering"). At the time it was investigating Mrs. Bingham's claim, Madrid Engineering's staff interviewed her. According to the notes in the Madrid Engineering file on the Duplex, Mrs. Bingham disclosed the details of the Wilbers sinkhole claim, as well as the identity of the other engineering firm, Westcoast Forensic. At no time did Tower Hill or any representative of Madrid Engineering ever ask Mrs. Bingham to produce any additional information about the Wilbers' sinkhole claim, or any documents associated with the Westcoast Forensic sinkhole investigation. Instead, Madrid Engineering conducted its own investigation and drilled at the wrong locations and missed the confirmed evidence of sinkhole activity in the Duplex's shared yard. At the same time, the Westcoast Forensic report was quickly discoverable by examining the publicly available, web-based Clerk of Court records, either by Tower Hill or Madrid Engineering. Madrid Engineering presented its findings to Tower Hill in its report, which expressly noted that another report by a licensed engineer had confirmed the building was damaged as a result of data collected at the property location. This information was known but deliberately ignored by Tower Hill before its denial of Mrs. Bingham's claim.

23. Based upon the Madrid Engineering Report on Mrs. Bingham's property, and without any regard to the data found by Westcoast Forensic, on March 21, 2011, Tower Hill denied Mrs. Bingham's claim, alleging the absence of evidence of sinkhole activity. This denial was made with full knowledge that the Duplex had been studied and confirmed as a sinkhole loss by Westcoast Forensic and that the Duplex shared a roof, the same foundation, and was laid upon the same soil as Mrs. Bingham's home. The denial of the claim was made through the chain of command at Tower Hill, starting with Claim Adjuster Carter, her supervisor Karen McCleave, and then Vice President of Claims Greg Nelsen. In the claim notes produced in this discovery, Claim Adjuster Carter, Supervisor McCleave, and Vice President Nelsen were aware of the Westcoast Forensic report but never sought to obtain a copy of it to review before denying Mrs. Bingham's claim.

**IMPROPER INSURANCE CLAIMS HANDLING OF MRS. BINGHAM'S CLAIM:  
THREE CATEGORIES OF INDIVIDUAL AND INSTITUTIONAL BAD FAITH**

24. The "bad faith" claims handling procedures undertaken on Mrs. Bingham's Claim can be viewed in three distinct categories. The first category of offending conduct began when the claim was received, on November 10, 2010, through the wrongful denial of benefits on March 21, 2011. The various claims personnel knowingly ignored the fact that the Duplex had been examined by a competent engineer who found compelling evidence of sinkhole activity and identified it as a cause of the loss. The second category of offending conduct of Tower Hill's claims management commenced when the lawsuit for breach of contract was received by it. Tower Hill ultimately abandoned its defenses two years later, when on the eve of trial, it finally paid the Tower Hill Policy limits to Mrs. Bingham. During this second phase, Tower Hill flipped its denial of benefits, on May 16, 2012. Tower Hill's next strategy would be to use its authority to require her to obtain a contract for repairs of the Duplex. The confidential claims

notes reflect this was nothing more than a gambit to force insureds, like Mrs. Bingham, who could not or should not, based upon the facts of their claim, repair their homes to accept payments less than was due under the Tower Hill Policy. This is because Tower Hill knew it would be impossible for Mrs. Bingham to fix her home when the other side of the Duplex was foreclosed and abandoned by the Wilbers.

25. The third category of bad faith discovered through the production of the confidential claim notes reflects a strategy where Tower Hill was regularly using allegations of concealment and fraud against many of its insureds, where it had previously denied these insureds' claims improperly. This was the strategy used by Tower Hill in Mrs. Bingham's claim and other insureds' claims with the intent to leverage her and other similarly situated insureds to either abandon their claims or accept substantially less than was due under their policies. Upon examination of other claims and lawsuits involving Tower Hill in all circuit courts in the 67 counties in Florida, Tower Hill had an institutional process of denying claims and/or delaying claims to negotiate down its aggregate claims payments. This strategy was used regularly for more than four years, basing the move on debunked theories of various extra-contractual duties on the part of its insureds. This has not occurred in isolation but occurred with such regularity to establish it as a general business practice in dozens, if not more of other claims with the same or similar facts.

26. These actions were not fortuitous or in isolation but were the result of a company-wide-effort at Tower Hill to lower payments on its sinkhole claims according to a documented general business practice with willful intent, with a wanton disregard for Mrs. Bingham's interests and other similarly situated insureds. Access to Tower Hill's confidential claim notes reveals the full participation and cooperation of the highest-ranking claims personnel at Tower

Hill, from Claim Adjuster Martha Carter as well as her Supervisor Karen McCleave, then up to three Vice Presidents, including Vice President Greg Nelsen, Vice President Lincoln Leverage, and most importantly, Senior Vice President Dan Tadrowski, who was the head of the Tower Hill Litigation Department. Once the lawsuit was filed, the claim was reassigned to a "Litigation Manager" named Sam Townsend, who stepped into the place of Adjuster Carter and Supervisor McCleave.

**CATEGORY ONE: FAILURE TO ADJUST MRS. BINGHAM'S LOSS PURSUANT TO THE APPLICABLE STANDARD OF CARE AT THE TIME OF CLAIM INVESTIGATION**

27. At the time Tower Hill received notice of Mrs. Bingham's claim for the Duplex, Tower Hill was fully aware that another engineering firm had certified that a sinkhole loss had occurred to the Duplex. Although Mrs. Bingham told Claim Adjuster Carter about a report of confirmed sinkhole activity to the Duplex, and Madrid Engineering made reference to the West Coast Forensic investigation, Tower Hill never sought to obtain a copy of the data collected by Westcoast Forensic and Professional Engineer Baker. While Mrs. Bingham did not have a copy of the Westcoast Forensic report, a copy of the report was readily available in the public domain and accessible by merely examining free online court records. Armed with the knowledge of the Westcoast Forensic investigation and if it had conducted itself within the standard of care, Tower Hill would have known there was no scientific dispute regarding the presence of sinkhole activity as a cause of the damage to the Duplex's foundation and, thus, no dispute that Mrs. Bingham's loss was covered.

28. According to Tower Hill's Adjuster's Handbook, any claims adjuster assigned to the loss was obligated to canvass the neighbors and learn of any other, similar problems encountered by other owners. If such a duty means anything under its procedures, it would have

meant that Tower Hill should have acted upon the information provided by Mrs. Bingham about the adjacent property owned by the Wilbers.

29. The discovery to date reflects that Claim Adjuster Carter summarized Mrs. Bingham's recorded statement in the claim notes, and she was told about the confirmed sinkhole at the Wilbers. Shortly after the notice of loss, she noted in the claim notes that Mrs. Bingham's property was a duplex; two units that shared a common wall. Adjuster Carter also stated in the claim notes that the adjoining unit [the Wilber property] had a confirmed sinkhole. This information was then forwarded to all Tower Hill personnel responsible for Mrs. Bingham's claim. (Claim Notes, Martha Carter, November 24, 2010 and December 21, 2010). Even prior to sending the denial letter she drafted to Mrs. Bingham, Claim Adjuster Carter wrote in the confidential claims note that "This is a duplex with two units. *Neighboring unit has a confirmed sinkhole.*" (Claim Notes, January 7, 2011). At no time did any of the claim personnel before denial ever investigate this further, even though Madrid Engineering (who also noted this in its report to Tower Hill) and Claim Adjuster Carter had advised them of this. This was a willful denial of benefits, given that Tower Hill chose to ignore any data that did not support its denial of benefits. These details were known to Supervisor McCleave and Vice President Nelsen who authorized Claim Adjuster Carter sending the denial letter to Mrs. Bingham.

30. After receiving a copy of the Westcoast Forensic report, on May 16, 2012 Tower Hill flipped from a denial of Mrs. Bingham's claim to accepting coverage, but with a catch. For Mrs. Bingham to receive the benefits of the bargain she paid for, Tower Hill advised her that while coverage was available, she would not get her benefits unless she entered into a contract for repairs.

31. As a follow up to its its letter, dated May 16, 2012, on July 19, 2012 Tower Hill sent Mrs. Bingham a copy of a proposed repair plan. Tower Hill went back to Madrid Engineering, the engineering firm it originally hired to investigate the Duplex and obtained a repair recommendation for just Mrs. Bingham's side of the home only, excluding the Wilbers' side of the Duplex. The Supplemental Madrid Report was proffered by Tower Hill to Mrs. Bingham with instructions to follow it, or no benefits would be paid. The repair protocol presented by Tower Hill was below the minimum requirements of the Tower Hill Policy because it would fail to produce the result of "stabilizing the building, and land, and repairing the foundation," as required by the Tower Hill Policy. The problem, evident to an appropriately trained and well-intentioned adjuster: *you cannot repair one side of a sinkhole house*, but instead must stabilize the entire building, and all the land, and then repair the whole foundation.

On the same day Tower Hill sent the Supplemental Madrid Report, it invoked neutral evaluation. The Neutral Evaluator ultimately confirmed a sinkhole loss at the property and prepared a repair plan comprehensively encompassing the entire building (both sides of the Duplex). On February 18, 2013, Tower Hill informed Mrs. Bingham it was accepting the Neutral Evaluator's repair plan for the whole building. But once again Tower Hill informed Mrs. Bingham it was withholding payment of coverage until she entered into a contract for the repairs recommended by the Neutral Evaluator. At this time Tower Hill was fully aware this request would be impossible for Mrs. Bingham to perform; the two sides of the Duplex had separate legal descriptions and the repair would require authorization and cooperation from the Wilbers who were long gone and had abandoned their side of the Duplex shared with Mrs. Bingham.

32. Tower Hill forcing this condition upon Mrs. Bingham had nothing to do with an assessment of what would be in her best interests, and it was not done pursuant to the objective

of repairing her home according to the terms and conditions of the Tower Hill Policy and Florida Statutes. Instead, it was one to enforce its unwritten, undisclosed scheme to force insureds like Mrs. Bingham to either abandon their plans for repair and save Tower Hill the costly expenses associated with the repair, or force Mrs. Bingham to negotiate a cash payment less than she was legally entitled to. One of Tower Hill's senior managers, Vice President Lincoln Leverage was fully aware that the home was an unrepaired Duplex, where one side was in foreclosure. In his confidential claim note, Vice President Leverage admitted *the "[u]ltimate goal [was] to involve the bank-owned neighboring property in the repair, thus allowing repair or providing leverage for settlement."* (Vice President Lincoln Leverage Deposition, Page 69, Line 9; Claims Notes, October 2, 2014). This specific business practice executed by Mr. Leverage, to use the contract requirement language to force insureds to accept less than was due to them, was done with the knowledge, approval, and participation of Senior Vice President Dan Tadrowski, who was the senior officer at Tower Hill on Mrs. Bingham's claim and other insureds' similarly situated claims.

33. When confronted with this scheme, given that Mrs. Bingham's attempt to repair the home was futile, Tower Hill's representatives admitted to it and offered no legal explanation. When asked how Mrs. Bingham could get a contract for repairs to the Duplex when she didn't own the other half, Vice President Leverage commented: "Somebody owned it." (Leverage Deposition, Page 62, Line 22). When presented with the impossibility of forcing the bank-owned property to undertake repairs, which included destructive interior drilling into both sides of the Duplex foundation, Vice President Leverage quipped, "That's between her and her engineer and her contractor and the neighbors," (Leverage Deposition, Page 62, Lines 2-3). Tower Hill repeatedly misrepresented to Mrs. Bingham and the Court that Tower Hill was "required" to

withhold the coverage until Mrs. Bingham entered into a repair contract. There certainly were other options available to Tower Hill **including tendering her policy limits as outlined in its own Adjuster's Handbook.**

34. This strategy and use of the tactic to force insureds to accept less than their total benefits did not include consideration of what was fair and in the best interests of Mrs. Bingham. The fact Tower Hill knew their request to obtain permission from the Wilbers was impossible did not move the dial because this was the general business practice used for all confirmed claims. "We wanted to fix this house. *We want to fix every house.*" (Levarge Deposition, Page 70, Line 16). Tower Hill never made a monetary offer to her to make Mrs. Bingham whole, repair her home, and cover the costs of the engineers she had to hire to get Tower Hill to flip their denial of the claim. Tower Hill wanted Mrs. Bingham to accept less than was due under the Tower Hill Policy and less than its own estimates. When asked whether the offers made to Mrs. Bingham would ultimately be enough for her to repair her home, Vice President Levarge responded, "I don't know." (Levarge Deposition, Page 70, Line 24).

35. This Tower Hill strategy, according to Vice President Levarge, of forcing repairs even when they made no sense from either their insureds' perspective or the perspective of the senior managers, was an extra-contractual condition, unknown to insureds until they had a confirmed loss like Mrs. Bingham. Vice President Levarge first claimed, in defense of this strategy, "because that's what the statute and our policy *requires*," which is false (Levarge Deposition, Page 67). Ultimately, Vice President Levarge admits this was a process they invented to leverage insureds for tremendous cost savings to Tower Hill for each claim. When confronted about the legality of this strategy under the Tower Hill Policy, Vice President Levarge was asked, "is there anything in the Tower Hill Policy that would require Mrs. Bingham

to [obtain consent from a neighbor before benefits would be paid],” he answered, “I don’t believe so,” even though that was the very thing he and the other Tower Hill representatives were conditioning coverage payments upon (Levarge Deposition, Page 63, Line 19). As discussed in precise details, *infra* at ¶ 39, the clear and convincing evidence in the record is loaded with formal efforts taken by Tower Hill’s representatives and counsel, to condition payment of her benefits on a myriad of extra-contractual terms and if that failed (which it did), Tower Hill would force Mrs. Bingham to defend accusations of being a fraud, a tactic discovered to be undertaken by Tower Hill as a documentable, general business practice.

36. Deliberately, willfully, and wantonly, Tower Hill acted against Mrs. Bingham's best interests and did so against other similarly situated insureds. Rather than fulfilling its contractual, statutory, regulatory, common law, and ethical obligations, Tower Hill breached its duty of good faith and faith dealing and violated Sections 624.155 and 626.9541, Florida Statutes, by the aforementioned and the following:

(a) Not attempting in good faith to settle Mrs. Bingham's claim, and other claims like hers, when under all the circumstances, Tower Hill could have done so, had it acted fairly and honestly toward its insured and with due regard for her interests;

(b) failing to pay the undisputed amount of partial or full benefits owed under the Tower Hill Policy, and other first-party insurance claims, within ninety (90) days after receiving notice of its residential property insurance claim, both at the time of its denial on March 21, 2011, or after it "flipped" coverage from denied to covered on May 16, 2012;

(c) failing to adopt, implement, or enforce standards for the proper investigation of claims, by its adjusters or in consultation with outside vendors, in Mrs. Bingham’s claim and other sinkhole claims;

(d) repeatedly, and regularly misrepresenting pertinent facts or insurance policy provisions relating to her coverage for sinkhole loss at issue in her claim, and the Underlying Contract Lawsuit, even after Tower Hill “flipped” its denial of coverage to covered;

(e) failing to acknowledge and act promptly upon communications concerning Mrs. Bingham's claim and other sinkhole losses, especially after being sued and after Tower Hill reversed itself in different claims, by treating those claimants who had to file suit to obtain benefits differently and punitively than others;

(f) denying Mrs. Bingham’s claim, and other sinkhole loss claims, without conducting reasonable investigations based upon readily available, public information;

(g) failing to promptly provide a reasonable explanation in writing to Mrs. Bingham of the basis in the insurance policy, in relation to the known facts of Mrs. Bingham’s claim, for the denial of her claim;

(h) delaying Mrs. Bingham's claim, and other claims, by failing to conduct a reasonable investigation based upon Mrs. Bingham's information, and otherwise available in the public record; and

(i) deliberately ignoring its own “Adjuster’s Handbook,” and the instructions and guidelines contained therein, from its own willful and wanton desire to deprive Mrs. Bingham and other covered claimants of the benefit of the bargain in its sale of the Tower Hill Policy, as a general business practice;

**CATEGORY TWO: GENERAL BUSINESS PRACTICE OF NEGOTIATING BENEFITS DUE TO INSUREDS.**

37. Tower Hill adopted a company policy, not published or approved by the Department of Financial Services or other regulatory authorities, to obligate every sinkhole loss claimant to conduct repairs in a prescribed manner, regardless of the facts and circumstances of

the individual claim. On May 16, 2012, Tower Hill wrote to Mrs. Bingham and advised her that it was withdrawing its denial of benefits, after finally locating and including the Westcoast Forensic report confirming the Duplex was a confirmed sinkhole loss. However, despite this change in coverage, and even the fact it had now confessed judgment in the pending lawsuit, Tower Hill continued to delay, defend, and deny benefits due, for more than two years. It then moved to its practice of taking confirmed sinkhole losses and forcing its insured, Mrs. Bingham, into accepting less to save on its aggregate claim payments to insureds and deter other Tower Hill insureds from filing otherwise valid claims. When Mrs. Bingham initially requested the confidential claims notes in the discovery in this case, Tower Hill met the requests with dozens of redacted statements in the claims notes and emails, claiming that Vice President Leverage and Senior Vice President Tadrowski were providing "legal counsel" when, in fact, they were only acting as claim managers. The Court acknowledged that both of these individuals were lawyers, but rejected any privilege given the counsel they provided was purely managerial. Untimely, all of the objections to this discovery were overruled, and Mrs. Bingham's claim notes were produced.

38. The previously confidential claims notes are damaging to Tower Hill's defense of the bad faith suit, given the strategy and willful intent to deprive Mrs. Bingham and others from benefits due on confirmed claims, like hers. First, the confidential claim notes reveal that as early as the original underwriting at the time the insurance policy was bound, Tower Hill was aware the home was one side of a villa-type duplex and that Mrs. Bingham only owned one side of the building. This was before the claim was made, and before Claim Adjuster Carter, Claim Supervisor McCleave, and Vice President Nelsen were aware that a claim regarding the Duplex made by the owners of the other side of the Duplex had been confirmed as a sinkhole loss by

Westcoast Forensic. The failure of Tower Hill to properly canvass the neighborhood as required by its internal operating guidelines was driven by an interest in shopping for a different engineer to permit Tower Hill to deny the claim.

39. The formerly confidential claim notes written by the Tower Hill adjusters, managers, and Vice Presidents reflect a trove of incriminating statements and admissions, by the most senior claims management at Tower Hill, demonstrating a willful and wanton intent to deprive Mrs. Bingham of her insurance benefits, and forcing her to continue to fight for more than two years before Tower Hill would admit it had wrongfully denied her claim. It would take two years for Tower Hill to finally accept that the Duplex was a total loss, but it still refused to pay Mrs. Bingham the amount of the loss as even Tower Hill knew it to be. This strategy has been discovered in dozens of other sinkhole losses. Tower Hill would flip its denied claims, but then use its authority to require a contract as a pretext to negotiate down the aggregate claim payment Tower Hill was making for its sinkhole losses. Its representatives regularly described how its methods were also designed to discourage others from making valid claims for coverage, as a general business practice. The following is a sampling of the various times during which Tower Hill had an opportunity to pay what it owed to Mrs. Bingham, but like so many other sinkhole loss claimants, chose not to:

(a) Focusing on what Tower Hill Vice President Leverage referred to as Tower Hill's "ultimate goal" of "leveraging" the contract requirement to lower its indemnity payments to Mrs. Bingham, Tower Hill accepted coverage, and Claims Management first demanded Mrs. Bingham undertake a repair to her one-side of the Duplex. The result would be absurd, futile, and contrary to the Tower Hill Policy's express language requiring the stabilization of the land and the building and repair of the foundation. Next, Tower Hill demanded Mrs. Bingham undertake a

repair involving property (the other side of the Duplex) that 1) she did not own 2) was not insured by Tower Hill and 3) was abandoned and in the vortex of foreclosure.

(b) Mrs. Bingham's claim was adjusted, not according to the individual and circumstances of her claim, but according to an illegal and unethical formula designed by Tower Hill to reduce its aggregate claims payments on sinkhole losses ("the Tower Hill Formula.") The confidential claims notes for Mrs. Bingham's claim describe the Tower Hill Formula used by Tower Hill in this context, with other claims, where an insured could not or should not repair a sinkhole loss, which was (i) payment for cosmetic, above-ground repairs, and (2) fifty percent of the subsurface repair estimate, *saving Tower Hill hundreds of thousands of dollars in indemnity payments* or more when its formula was used.

(c) Litigation Manager Sam Townsend was the sole claim adjuster who was assigned to adjust Mrs. Bingham's loss and act in her best interests after her lawsuit was filed. Despite these duties, after Tower Hill flipped its denial Litigation Manager Townsend's primary job responsibility was to work with outside legal counsel to defeat her claim, like others' claims, thus creating a conflict of interest. These actions occurred after May 16, 2012, when Tower Hill accepted coverage for the loss and had an ongoing duty to adjust the loss and act in Mrs. Bingham's best interests. This occurred so regularly, rather than adjust his assigned claims, Litigation Manager Townsend spent his time testifying against his insureds in more than a dozen civil trials.

(d) Having accepted coverage on May 16, 2012, there was no longer a bona fide dispute that Mrs. Bingham was entitled to the benefits afforded under the Tower Hill Policy. Even though Mrs. Bingham's lawsuit was the trigger for the reversal, Tower Hill now had a duty to adjust Mrs. Bingham's claim and act fairly and accurately towards her interests.

(e) On July 19, 2012, Tower Hill invoked Neutral Evaluation, according to Section 627.7073, Florida Statutes. In this State-sponsored program, a "neutral" engineer appointed by the State of Florida examines the property's condition to determine the most appropriate repair method and the costs associated with it. On October 18, 2012, the Neutral Evaluator met at the Duplex with representatives of both Mrs. Bingham and Tower Hill.

(f) After Tower Hill flipped its coverage denial for Mrs. Bingham's loss, Tower Hill sent to Mrs. Bingham a proposed repair plan prepared by Madrid Engineering. Despite the knowledge that the Wilbers' side of the Duplex would remain unrepaired, Tower Hill proposed the Supplemental Madrid Engineering Report, asking Mrs. Bingham undertake a "half-building" repair rather than repair the entire Duplex. Recall, the purpose was not to actually get Mrs. Bingham to undertake this repair but to leverage her to accept less if a cash payment had to be made. The repair plan in the Supplemental Madrid Engineering Report dated July 6, 2012, called solely for cementitious grout, no underpins, and only for Mrs. Bingham's side of the Duplex. Notably absent from the Supplemental Madrid Engineering Report is the required certification from the engineer who authored the report, as required by Section 627.7073(1)(a)(5), Florida Statutes, that this new, half-building repair will serve to "stabilize the land and the building and for making repairs to the foundation."

(g) The parties, including representatives of Tower Hill and Mrs. Bingham, met at the Duplex for the Neutral Evaluator to examine the nature of the damages, and the needed scope of repair. According to the Neutral Evaluator, as detailed in his report written after the meeting at the Duplex, both sides of the Duplex had to be repaired, with the installation of subsurface underpins drilled through the foundation on both sides of the connecting wall, and around the entire perimeter the whole Duplex foundation, as well as cement grout on the perimeter of the

whole building. The repairs near the connected, load-bearing wall between the two sides of the Duplex would require the installation of underpins in the interior, several on the Bingham side, and several on the Wilbers' side. Most importantly, in his report, dated February 6, 2013, the Neutral Evaluator expressly rejected Tower Hill's proposed "half-building" repair described in the latest report from Madrid Engineering:

It is our opinion [as the Neutral Evaluator], based upon the borings presented in the Westcoast [Engineering], that sinkhole activity is a cause of the damage to this residence, within a reasonable professional probability ... .

It is our opinion [as the Neutral Evaluator], based upon the data presented, that sinkhole activity at the Bingham residence should be remediated by underpinning and cement grout. ... Additionally, based on the villa-style attached construction of the Bingham residence and neighboring Wilbur-Gao residence, ***it is imperative that repair efforts for both structures be coordinated between the respective owners, insurers (if applicable), engineers, and contractors.***

(h) The Neutral Evaluator's estimate for repairs for grouting and underpinning was \$235,860 and did not include the initial above-ground cosmetic damages estimate of \$21,519.67, making the total \$257,379.67 (\$36,579.67 over the policy limits, or 116 percent of coverage amount due). Comparing these damage estimates to the limits set in the Tower Hill Policy, Mrs. Bingham's claim resulted in a total loss as a matter of law. Nonetheless, Tower Hill's efforts to withhold money owed to Mrs. Bingham were not over. From the date of the Neutral Evaluator's report totaling Mrs. Bingham's home, Tower Hill would delay another eighteen (18) months before tendering the limits of the Tower Hill Policy due to Mrs. Bingham.

(i) According to the Tower Hill Adjuster's Handbook, "If it is determined that the cost of repairs may approach the policy limits available, it may be a business decision to tender payment of the policy limits (Coverage A). The decision to do so requires Vice President and carrier approval." This guideline was ignored in its entirety by all claim personnel and each of

the Vice Presidents involved in Mrs. Bingham's Claim. When each of the Tower Hill claim personnel and claim-management team was asked about this provision in their depositions, it was as if it did not exist.

(j) Tower Hill had no intention of paying the damages as assessed by the Neutral Evaluation Program, promptly or otherwise. Instead, it remained on course to use the Tower Hill Formula to limit its payments to Mrs. Bingham and other sinkhole claimants, i.e., half of their subsurface repair estimate plus an above-ground cosmetic estimate. What Litigation Manager Townsend said in the confidential claim notes confirms the Tower Hill strategy of using the contract requirement to force insureds like Mrs. Bingham to accept less than was due. Rather than assess the loss and determine what was owed, Litigation Manager Townsend looked at the Neutral Evaluator's numbers for damages, and reported to Vice President Leverage:

I think we could tempt Corless to settle at \$200,000 with the MSJ threat hanging out there ***50 Percent of our own subsurface plus cosmetics is \$140,000*** [the Tower Hill Formula] ... If they go forward with the repairs, we are looking at over \$255,000, before interest, attorney fee argument even begins.

April 1, 2013 email correspondence from Townsend to Leverage.

(k) Nonetheless, from the date of this confidential discussion attempting to "tempt" Mrs. Bingham's counsel, Tower Hill would spend an additional eighteen (18) months) delaying payment until it would concede on the eve of trial and pay to total the home. Discovery to date confirms that from the field adjuster level to the Senior Vice President, the entire staff were aware and acted in conformity to derive Mrs. Bingham of the benefits of her policy by continuing to refuse to pay the loss.

(l) On June 13, 2013, in confidential claims notes, Litigation Manager Townsend acknowledges that Mrs. Bingham was not going to be able to stabilize the Duplex, yet this did

not affect Tower Hill's decision to honor its responsibilities. Litigation Manager Townsend expressly advised in his confidential communications with Senior Claims management Vice President Leverage and Senior Vice President Tadrowski that it "is possible that [Mrs. Bingham] cannot grout and underpin," (these are the repair methods Tower Hill was demanding a contract for before any benefits would be paid). "The Neutral Evaluator did say that the Bingham home couldn't be fixed without the Wilbers." (Claims Note, Sam Townsend, June 13, 2013). Yet Tower Hill would spend the next year and a half continuing to refuse to pay Mrs. Bingham because, according to Vice President Leverage, "we want to fix this house," rather than pay Mrs. Bingham. If Mrs. Bingham cannot fix the house, she gets nothing.

(m) Mrs. Bingham filed a Civil Remedy Notice on December 23, 2013, as required, according to Section 624.155, Florida Statutes, as a condition precedent to bringing this action. At the time the Notice of Insurer Violation was filed, Tower Hill knew: (1) it had erroneously denied the claim by failing to investigate its claim within the standard of care diligently; (2) the fact Mrs. Bingham would not be able to get a contract for repairs for the Duplex; (3) the Wilbers' home was in foreclosure, and without repairing the adjacent side of the Duplex, Mrs. Bingham's home was an unreparable, total loss; (4) the repair methods Tower Hill had accepted to this date were not compliant with the repair methodology obligated by Section 627.707(5), Florida Statutes and according to the Tower Hill Policy or were impossible to perform.

(n) On April 8, 2014, the Court in the Wilbers' foreclosure matter entered judgment in favor of the Wilbers' mortgage company and against them, making it even more complicated and less likely that the Wilbers' or their mortgage company could or would consent to destructive, interior drilling at their adjacent side of the Duplex. During this same time, Tower Hill moved to continue the trial date on this claim while it dispatched its lawyers, Groelle &

Salmon, to seek representatives of the bank that now owned the Wilbers's side of the Duplex. The purpose of these communications between Tower Hill and the bank, as shared by Tower Hill's lawyers to the Court and reflected in the transcribed record, was to get permission to drill into the foundation of the side formerly owned by the Wilbers. Although these efforts by Tower Hill added months to the resolution of the claim, they were ultimately unsuccessful in obtaining consent to undertake any repairs to the side of the Duplex formerly owned by the Wilbers.

(o) Meanwhile, on April 24, 2014, according to the confidential claim notes, Tower Hill's representatives finally spoke with Professional Engineer Baker of Westcoast Forensic for the first time about its investigation of the Duplex, and he confirmed that the Bingham home was within the zone of influence of sinkhole activity he found when he did his investigation in 2010. This was more than three years since it learned of his investigation but never thought to inquire about making a complete investigation of Mrs. Bingham's claim.

(p) At a hearing before the Honorable Judge Linda Babb, on April 30, 2014, counsel for Tower Hill, Jon Hall, Esq. presented Tower Hill's argument to force Mrs. Bingham to undertake its proposed "half-building" Duplex repair, which Judge Babb described on the record as "ludicrous." Tower Hill was ordered by the Court to tender the limits of its policy to Mrs. Bingham, after the Court found that Mrs. Bingham couldn't stabilize her home, given the nature of the Duplex needing both sides to be repaired to stabilize the home. After this, Tower Hill would ultimately wait an additional seven (7) months before it would honor the Court's order, again, because it wanted to prevent paying her and instead force her to use the money to repair half of the Duplex.

(q) In a second hearing after losing its half-building repair argument at the April 30 hearing, at the June 3, 2014 hearing, and even as late as a hearing on October 20, 2014, counsel

for Tower Hill, Jon Hall, Esq. and Jesse Groves, Esq. again presented Tower Hill's argument as to why it did not want to pay Mrs. Bingham her benefits. Noteworthy, both Mr. Hall and Mr. Groves, and even Robert Schulte, Esq., a third defense lawyer for Tower Hill all made comments on the record, even after the Court had already ordered Tower Hill to tender its limits to Mrs. Bingham, regarding Tower Hill's attempts to involve the bank even further delaying payment to Mrs. Bingham. This is because Tower Hill had dispatched Hall, Groves, and Schulte to find anyone at the bank that owned the Wilbers' home after its foreclosure to instead allow Tower Hill to use Mrs. Bingham's insurance coverage benefits to repair both sides, *even though Tower Hill did not even insure the Wilbers' side of the Duplex*. According to Mr. Schulte, their efforts to get permission from the new owner of the Wilbers' side of the Duplex were not going as hoped, over the many months since ordered to pay Mrs. Bingham. Again, rather than pay Mrs. Bingham, Tower Hill decided to delay even longer for months, this time while Tower Hill figured out how to get the new owner on board with their strategy.

(r) The Claims Management at Tower Hill then decided that if the new owner of the Wilbers' side of the Duplex would not come along voluntarily, then *Tower Hill decided to sue them*. On September 12, 2014, more than five (5) months after ordered to tender the balance of its policy limits, Tower Hill filed a motion to permit it to force the new owner to join in the litigation, just so it could force the owner to accept its construction plans for the Duplex. Again, all of this expense and delay was from Tower Hill's motives to avoid paying Mrs. Bingham directly as required by the Tower Hill Policy under these circumstances.

(s) Tower Hill's drive to continue to withhold the benefits due to Mrs. Bingham were done in plain view, taking direct actions against Mrs. Bingham, and other, unrelated third parties. At the October 20, 2014 hearing, Mr. Schulte commented to Judge Babb:

We've reached out to the mortgage company, and they're extremely gun shy about talking to us; and ***I think that the only way to resolve the issues in this case, is to bring them in as a party***; and that is the relief that [Tower Hill] is seeking, your honor.

(Hearing Transcript, October 20, 2014, Page 4, Line 2). If its motion to add the mortgage company as a defendant in Mrs. Bingham's case had been granted, it would have resulted in removing Mrs. Bingham's case from the November trial docket. After listening to Mr. Schulte's arguments and reviewing the law on what constituted an "indispensable party," which the subject mortgage company most assuredly was not, Judge Babb denied Tower Hill's motion. See Order denying the motion, dated November 4, 2014.

(t) After years of admitting coverage, Tower Hill had run out of options to delay paying Mrs. Bingham. After years of willful and wanton efforts to avoid paying Mrs. Bingham, on November 11, 2014, Tower Hill advised the Court by motion that it had conceded defeat and tendered the benefits due to her.

(r) This strategy of claiming to require all insureds to repair every home regardless of the individual facts and circumstances of the claim is demonstrated in Tower Hill's handling of Mrs. Bingham's claim but was by no means a singular event. Instead, it has been discovered as an institutional strategy and general business practice from the field adjuster level, through Vice President Leverage, and up to Senior Vice President Tadrowski. Tower Hill used the strategy of using the repair contract requirement as a pretext to force insureds to accept less than the total of the amount due to Mrs. Bingham and many other claimants. The Tower Hill Formula, as previously described, was the basis of this part of its strategy to use the changes to the 2006 Sinkhole statutes to design an institutional method and general business practice of pressuring and leveraging insureds to accept less in benefits than legally due. Tower Hill also required its

insureds to sign confidential settlement and non-disclosure documents to hinder the discovery of its scheme to adjust its losses without weighing the facts and circumstances of each claim.

**Category Three: Tower Hill's Strategy of False Accusations of Concealment and Fraud Against Mrs. Bingham and Other Similarly Situated Insureds**

40. While Tower Hill used its authority to force its insureds with confirmed sinkholes to accept less than what was due under its policies, Tower Hill developed another stratagem it would use to defend dozens of other valid claims. This occurred with regularity demonstrating a general business practice where Tower Hill would defend an insured's covered loss by accusing its insureds of concealment and fraud. This strategy would be used in Mrs. Bingham's claim, and institutionally on more than thirty (30) other claims during the period Mrs. Bingham's claim was being litigated and delayed. The strategy was implemented by Tower Hill in denied claims, covered claims, and claims that were originally denied and then flipped to covered. This strategy was undertaken in claims where Tower Hill had admitted coverage and now owed a contractual duty to its insureds, in order to improperly negotiate paying insureds less than owed under their Tower Hill Policies. In that context, even while in litigation, Tower Hill's duty to act in the best interests of its insureds would supersede any qualified immunity associated with litigation practices.

41. The relevant language in the Tower Hill Policy to its general business practice relates to this provision in the Tower Hill policy:

*Section I Conditions*

***Your Duties After Loss.*** *In case of a loss to covered property, you must*

*see that the following are done:*

- a. Give prompt notice to us or our agent;*
- b. Notify the police in case of loss by theft;*

- c. Notify the credit card company in case of loss under Credit Card or Fund Transfer Card Coverage;*
- d. Protect the property from further damage. If repairs to the property are required, you must
  - (1) Make reasonable and necessary repairs to protect the property; and*
  - (2) Keep an accurate record of repair expenses;**
- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value, and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;*
- f. As often as we reasonably require:
  - (1) Show the damaged property;*
  - (2) Provide us with records and documents we request and permit us to make copies; and*
  - (3) Submit to examination under oath, while not the presence of any other 'insured' and sign the same;**

\*\*\*

**Concealment or Fraud.** *The entire policy will be void if, whether before or after a loss, an 'insured' has:*

- a. Intentionally concealed or misrepresented any material fact or circumstance;*
- b. Engaged in fraudulent conduct, or*
- c. Made false statements.*

(emphasis added).

42. Recall, *supra*, on November 24, 2010, Mrs. Bingham gave a recorded statement to Tower Hill. She advised Tower Hill's Claim Adjuster Carter that the adjacent property with the adjoining wall was investigated in response to the neighbors' claim and that engineering firm had confirmed sinkhole loss. Mrs. Bingham's statements were then reflected in the confidential claims notes and reviewable by her voice recording. Additionally, a review of Tower Hill's engineer Madrid Engineering Group notes reveals that Mrs. Bingham also told Tower Hill's engineering firm, Madrid Engineering, about this investigation. At this time, the Westcoast Forensic report on the Wilbers' home had been published into the public record and was readily available, online and for free. While the Adjuster's Handbook obligated the Tower Hill claim adjusters to conduct a canvassing of the neighborhood homes for others with similar problems as Mrs. Bingham, the Tower Hill's claim staff never followed up. The permission provided by Vice President Greg Nelsen to the claims adjusters on the Bingham claim to deny the claim occurred with the full awareness that an engineering firm had investigated and confirmed sinkhole loss as a cause of the damage. This makes the decision to deny Mrs. Bingham's claim willful and wanton. Note, too, that at no time did Tower Hill ever request Mrs. Bingham or Madrid Engineering obtain and produce a copy of the Westcoast Forensic report on the Wilbers side of the Duplex, a report which Mrs. Bingham did not have.

43. Nonetheless, after almost two years after it admitted coverage based upon the Westcoast Forensic Report, Tower Hill moved to its next deception, which was to accuse Mrs. Bingham of fraudulently concealing a copy of the Wilbers' report. On March 20, 2014, Tower Hill filed Defendant's Motion for Summary Judgment Regarding Concealment, premised upon the idea that Mrs. Bingham's full disclosure to them about the Westcoast Forensic investigation

at the time of their claim evaluation was not enough. Instead, Tower Hill accused Mrs. Bingham of having a copy of the Wilbers report at the time of her disclosure (she did not), and that even without them requesting it, her failure to produce it barred her claim in its entirety (“The Plaintiff(s) (sic) are barred from recovery in this matter as a result of the concealment of the Westcoast Report.”)(Defendant’s Motion for Summary Judgment regarding Concealment, March 20, 2014, Paragraph 30). Five days later, Tower Hill filed a Proposal for Settlement, pursuant to Section 768.79, Florida Statutes, on March 25, 2014, to create leverage to pay less than the total amount of the loss. Importantly, regarding both the Concealment motion and the Proposal for Settlement, and the bad faith acts of Tower Hill:

- (a) the Concealment Motion was a common stratagem Tower Hill used against insureds with covered losses where insureds would be accused of fraud for failing to produce documents even when not requested to or legally obligated to do so. A review of the public record reflects this was an institutional exercise to reduce its aggregate claims on covered losses. Tower Hill used this process in violation of its duty to its insureds in dozens of other, similar claims;
- (b) the Duties After Loss mentions the duty an insured has “to *provide* [Tower Hill] with records and *documents we request*.” But Tower Hill never requested Mrs. Bingham to locate and produce a copy of the Westcoast Forensic Report;
- (c) When the Concealment Motion was filed in Mrs. Bingham's claim, the home had already been declared a total loss and was not repairable, given the abandonment of the property by the Wilbers. At that time, Mrs. Bingham was legally entitled to recover her policy's limits, which were \$228,800. However, the Proposal for Settlement was designed to leverage Mrs. Bingham into accepting \$118,000, an

attempt to save Tower Hill more than \$100,000 below what it was already aware it owed to Mrs. Bingham. At the time of the service of the Proposal for Settlement, Mrs. Bingham would have to be advised that the Proposal for Settlement threatened her financial security because if for some reason, she failed to recover her money, she would then bear Tower Hill's counsel's fees and costs, which at the time of filing would have been substantial.

- (d) Discovery of the Tower Hill confidential claims notes reveals the willful and wanton bad faith nature of the filing of the Concealment Motion and the Proposal. According to Litigation Manager Townsend, "*it does not appear we have a concealment MSJ angle*" (Claims Notes, April 16, 2013). Nonetheless, Tower Hill management authorized the motion to be filed **almost one year later**, knowing the motion was frivolous, and the amount being offered was less than Mrs. Bingham was legally entitled to recover on her claim.
- (e) An examination of the Court's dockets throughout Florida indicates Tower Hill had an institutional strategy to file these motions against its insureds, a well-documented, general business practice claiming an affirmative duty to produce documents without request, and the use of Proposals for Settlement below the coverage amount due to save on aggregate payments on sinkhole claims.
- (f) A sampling of the Clerk of Court dockets in Florida's sixty-seven (67) counties produced a significant sample of cases where *Tower Hill used the same unethical and illegal strategy* and cache of motions, *in more than 30 other claims*, frequently involving the following practices: (i) after learning of improper denial, flip coverage from denied to covered; (ii) invoke Neutral Evaluation, to delay resolution; (iii)

accuse their insureds of concealing material evidence via its Concealment Motion as a basis to deny the entire claim; (iv) offer less than legally entitled to, or file a Proposal for Settlement in an amount less than was owed at the time of filing. Tower Hill used this strategy to then leverage its insureds into taking less than was owed under the Tower Hill Policy, and demand along with its payment that insureds sign onerous confidentiality agreements. *This scheme saved Tower Hill millions in aggregate claim payments.*

**COUNTS UNDER FLORIDA'S BAD FAITH STATUTES, § 624.155, FLORIDA STATUTES**

44. Mrs. Bingham incorporates by reference paragraphs 1 through 43 as if more fully stated herein.

45. According to §624.155 (1)(b)(1), Florida Statutes, Tower Hill had a duty to attempt in good faith to settle the claim when, under all the circumstances, it could and should have done so had it acted fairly and honestly towards its insured and with due regard for her interests. Tower Hill breached this duty in the claims handling of Mrs. Bingham's insurance claim, denying and delaying the benefit due to her under the Tower Hill policy. Moreover, Tower Hill's conduct was based on a company-wide strategy designed to underpay claimants and deter other insureds from filing otherwise valid sinkhole loss claims.

46. According to §624.155(1)(b)(3), Florida Statutes, Tower Hill may not fail to properly settle claims when the obligation to pay the claim has become reasonably clear under one portion of the insurance policy coverage to influence settlements under other portions of the insurance policy coverage. Specifically, Tower Hill used its authority and discretion contained in the language within the Sinkhole Loss Endorsement to negotiate coverage owed to Mrs. Bingham

and other sinkhole loss claimants, in violation of its statutory and ethical obligations for its insureds.

**COUNTS UNDER FLORIDA'S UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS, SECTION § 626.9541, FLORIDA STATUTES**

47. Mrs. Bingham incorporates by reference paragraphs 1 through 43 as if more fully stated herein.

48. According to §626.9541(1)(i)3a, Florida Statutes, Tower Hill had a duty to adopt and implement standards for the proper investigation of claims. Tower Hill breached this duty by failing to investigate Mrs. Bingham's insurance claim properly, and other similar sinkhole loss claims, and wrongfully denying Mrs. Bingham's claim.

49. According to §626.9541(1)(i)3b, Florida Statutes, Tower Hill had a duty not to misrepresent pertinent facts or insurance policy provisions relating to coverages at issue. Tower Hill breached this duty in the claims handling of Mrs. Bingham's insurance claim in numerous ways, including but not limited to misrepresentation of both facts and coverage to Mrs. Bingham, and its misrepresentation of the nature and extent of the required subsurface repairs necessary under the policy and Florida Statutes.

50. According to §626.9541(1)(i)3c, Florida Statutes, Tower Hill had a duty to acknowledge and act promptly upon communications with respect to claims. Tower Hill breached this duty by failing to acknowledge and act promptly upon multiple communications Mrs. Bingham and her representatives directed to Tower Hill. Many times, Tower Hill ultimately failed to respond to Mrs. Bingham's communications and her representatives to Tower Hill regarding her claim.

51. According to §626.9541(1)(i)3d, Florida Statutes, Tower Hill had a duty not to deny claims without conducting reasonable investigations based upon available information.

Tower Hill breached this duty in the claims handling of Mrs. Bingham's insurance claim including but not limited to denying the claim at the time of the investigation, being fully advised that the structure had been confirmed as being damaged by sinkhole activity; deliberately ignoring the evidence available to it at the time it was initially adjusting Mrs. Bingham's claim and choosing instead to deny the claim; refusing to issue payment for Mrs. Bingham's claim even though it was established coverage payment was owed, and continually attempting to find alternate ways to deny Mrs. Bingham's claim even though it was established coverage payment was owed.

52. According to §626.9541(1)(i)3f, Florida Statutes, Tower Hill had a duty to promptly provide Mrs. Bingham a reasonable explanation in writing of the basis in the insurance policy, in relation to the facts or applicable law, for denial of the claim or the offer of a compromise settlement. Tower Hill breached this duty in the claims handling of Mrs. Bingham's insurance claim by denying the claim at the time of the investigation, being fully advised that the structure had been confirmed as being damaged by sinkhole activity; deliberately ignoring the evidence available to it at the time it was initially adjusting Mrs. Bingham's claim and choosing instead to deny the claim; refusing to issue payment for Mrs. Bingham's claim even though it was established coverage payment was owed; underpaying and undervaluing the claim; attempting to force Mrs. Bingham to make repairs contrary to her best interests and for its benefit and gain, and trying to force Mrs. Bingham to make repairs that it knew could not be accomplished, or that would not satisfy the requirement that the repairs would stabilize the building, and the land, and repair the Duplex's foundation.

**COUNT UNDER FLORIDA ADMINISTRATIVE CODE, SECTION 690-220**

53. Mrs. Bingham incorporates by reference paragraphs 1 through 43 as if more fully stated herein.

54. The Florida Administrative Code provides ethical requirements and duties for the adjustment and handling of claims. The Administrative Code specifically provides that: "[a] breach of any provision of this rule constitutes an unfair claims settlement practice."

According to Section 69O-220.201(4), "the work of adjusting claims engages the public trust. An adjuster must put the duty for fair and honest treatment of the claimant above the adjuster's own interest in every instance." Tower Hill breached this Administrative Code provision in the adjustment and handling of Mrs. Bingham's insurance in numerous ways identified herein.

55. According to Florida Administrative Code Section 69O-220.201(4)(c), an adjuster shall never approach investigations, adjustments, and settlements in a manner prejudicial to Mrs. Bingham. Tower Hill breached this Administrative Code provision in the adjustment and handling of Mrs. Bingham's insurance claim in numerous ways, including the acts and omissions identified herein.

56. According to Florida Administrative Code Section 69O-220.201(4)(e), an adjuster shall make truthful and unbiased reports of the facts after making a complete investigation. Tower Hill breached this Administrative Code provision in the adjustment and handling of Mrs. Bingham's insurance claim in numerous ways, including the acts and omissions identified herein.

57. According to Florida Administrative Code Section 69O-220.201(4)(f), an adjuster, upon undertaking the handling of a claim, shall act with dispatch and due diligence in achieving a proper disposition thereof. Tower Hill breached this Administrative Code provision

in the adjustment and handling of Mrs. Bingham’s insurance claim in numerous ways, including the acts and omissions identified herein.

58. According to Florida Administrative Code Section 69O-220.201(4)(m), an adjuster shall not knowingly fail to advise a claimant of his/her claim rights according to the terms and conditions of the contract of the applicable laws of this state. Tower Hill breached this Administrative Code provision in the adjustment and handling of Mrs. Bingham's insurance claim in numerous ways, including the acts and omissions identified herein.

**PRAYER OF RELIEF FOR PUNITIVE DAMAGES**

59. Mrs. Bingham incorporates by reference paragraphs 1 through 43 as if more fully stated herein.

60. The acts and omissions giving rise to the violations mentioned above occurred with such frequency as to indicate a general business practice and these acts are: (a) willful, wanton, and malicious; and (b) in reckless disregard for the rights of Mrs. Bingham, and other, similarly situated insureds.

WHEREFORE, Plaintiff, ELISE BINGHAM, prays the Court grant judgment in her favor, and against Defendant, TOWER HILL PREFERRED INSURANCE COMPANY, for compensatory damages arising from its violation of the common law, Section 624.155, Florida Statutes, Section 626.9541, Florida Statutes, Florida Administrative Code 69O-220, for punitive damages, for statutory attorneys’ fees pursuant to Sections 624.155 & 627.428, Florida Statutes et seq., and for any and all other relief the Court deems just and equitable.

**DEMAND FOR JURY TRIAL**

Mrs. Bingham demands a trial by jury for all issues so triable.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing document has been served attached to Plaintiff Elise Bingham's Verified Motion For Leave To File Her Third Amended Complaint For Compensatory And Punitive Damages And Demand For Jury Trial which was electronically filed with the Clerk of Court using the *Florida Courts E-Filing Portal* and served via *Florida Courts E-Filing Portal* Electronic Mail to: Attorney for the Defendant, **Brett M. Carey, Esq., and Darryl Gavin, Esq.,** [dgavin@rumberger.com](mailto:dgavin@rumberger.com), [docketingorlando@rumberger.com](mailto:docketingorlando@rumberger.com), [dgavinsecy@rumberger.com](mailto:dgavinsecy@rumberger.com), [bcarey@rumberger.com](mailto:bcarey@rumberger.com); Rumberger, Kirk & Caldwell, Post Office Box 1873, Orlando, Florida 32802 this 10<sup>th</sup> day of August, 2020.

**/S/Theodore A. Corless**

THEODORE A. CORLESS, ESQUIRE

Florida Bar Number 176192

MARY CATHERINE LAMOUREUX, ESQUIRE

Florida Bar Number 872288

CORLESS BARFIELD TRIAL GROUP, LLC

6812 West Linebaugh Avenue

Tampa, Florida 33625

[Service@corlessbarfield.com](mailto:Service@corlessbarfield.com)

Telephone: (813) 258-4998

Facsimile: (813) 259-4988

Attorneys for Plaintiff, ELISE BINGHAM

Ellise Bingham  
31140 Whitlock Dr  
wesley chapel FL 33543



**Tower Hill<sup>®</sup>**  
**Insurance**

Your Homeowners Insurance Policy

0010390000 9000252710

THP0445



# Tower Hill Insurance

Dear Ellise Bingham,

Thank you for renewing your policy with Tower Hill Insurance Group. You are a valued member of a growing community of approximately 350,000 Florida homeowners who trust Tower Hill's Family of Companies to protect their homes.

Since 1972, Tower Hill has weathered every Florida storm and been there when our customers need us the most — when it's time to rebuild. We appreciate your business, and assure you that our employees, in partnership with your insurance agent, will work tirelessly to deserve the trust you have placed in us.

*To Protect Your Castle, Look to the Tower.*

Tower Hill Insurance Group, LLC

## How to Contact Tower Hill

### CALL Our Customer Service Center at (800) 342-3407

- Find out about available payment plans or receive help with billing questions
- Pay by phone (Visa, MasterCard, or from your bank account)  
*Our Customer Service Representatives are available Monday-Friday, 8:00 a.m. to 6:00 p.m. (ET)*

### Visit Us ONLINE at THIG.com

- Register at Insured Login to
  - View your Tower Hill policy documents
  - Review your account balance
  - Make an online payment

### Report a CLAIM

- Call our 24-hour hotline at (800) 216-3711 as soon as possible after a loss occurs

### Reach Us by MAIL

- If you pay your bill by mail, please use the payment coupon and envelope included with your invoice.
- Write the policy number in the memo field of your check. If you are sending a money order or cashier's check, include your name as it is listed on your policy.
- Mail payments to Tower Hill Insurance Group, PO Box 105230, Atlanta, GA 30348-5230.
- To send other correspondence regarding your policy, please mail to PO Box 147018, Gainesville, FL 32614-7018.

#### Your Policy Number:

9000252710

#### Insurance Company:

TOWER HILL PREFERRED

#### Policy Effective Date:

December 28, 2009

#### Your Insurance Agency:

Moody D'Avirro & Assoc Inc

(813) 973-0441

Agency Code: FL0496

**Your renewal offer contains important information about deductible options that may help reduce your premium.** Please contact your insurance agent to discuss these options, or with any coverage questions.

### Pay your premium automatically from your bank account or credit card!

You can choose from several pay plan options, including monthly payments.

**Enrollment is available up to 30 days after your policy effective date.**

*Enroll at THIG.com or contact your agent.*

*Tower Hill Insurance Group, LLC is proud to represent these insurance companies: Tower Hill Preferred, Tower Hill Prime, Tower Hill Select, Omega, Royal Palm, Lloyd's and Rockhill.*

00203900000 9000252710

## IMPORTANT INFORMATION ABOUT YOUR POLICY PREMIUM

### Your renewal premium amount reflects the following changes:

- Changes made by you and your agent prior to or during the renewal process (if applicable);
- Any recent rate changes implemented by your insurance company;
- Assessments and recoupments charged to Florida policyholders that may include:
  - Citizens Property Insurance Corporation (CPIC)
  - Florida Hurricane Catastrophe Fund (FHCF)
  - Florida Insurance Guaranty Association (FIGA)

---

### You may be able to reduce your policy premium if you qualify for additional discounts or credits including:

- Protective device credit (such as eligible alarm and sprinkler systems);
- Sinkhole Loss Coverage exclusion.

---

**You can also reduce your policy premium by changing deductibles.** Deductible credits depend on your Coverage A (Dwelling Structure Coverage) amount, your current deductible and your home's location.

For example, an Orange County home with Coverage A equal to \$200,000, with a \$1,000 All Other Perils deductible and 2% hurricane deductible could save 2.5% by changing to a \$1,000/5% deductible. For this home you could save as much as 14% by switching to a \$2,500/5% deductible.

Selecting a higher deductible option will result in a premium credit; however, in the event of a covered loss you will be responsible for higher out-of-pocket expenses. Conversely, selecting a lower deductible will result in a higher premium, though your out-of-pocket expenses would be lower in the event of a covered loss.

**Hurricane deductible changes** can only be made at your policy renewal. **All Other Perils (AOP) deductible changes** can be made during the policy term. *Please contact your agent for details on other conditions that may apply.*

Be sure to discuss these options with your insurance agent, who can help you decide which one best suits your individual situation.

**Your agent will be able to request changes on your behalf.**

### Want more coverage for your premium dollar?

Ask your agent about our broadened coverage options with **Emerald Plus** or **Emerald Deluxe**. The Emerald options provide additional coverage, including personal property replacement cost, increased personal liability, personal injury protection – and more.

### Get extra protection for your most valuable property.

**The Scheduled Personal Property Endorsement** provides coverage for certain categories such as jewelry, silverware, golf equipment, coin collections, stamp collections, or fine art at higher limits than your base policy allows.

### Receive a 2.5% premium discount when you buy your flood policy through a Tower Hill company.

Please note that your homeowners policy does NOT include flood coverage. To learn more, contact your insurance agent today!



## POLICYHOLDER NOTICE OF COVERAGE CHANGES

Dear Policyholder,

Thank you for choosing Tower Hill Insurance Group. We value you as a customer and — in partnership with your insurance agent — are committed to providing you with excellent service.

Enclosed in this renewal offer is your property insurance policy. Please note that there will be important differences from the previous term. Policy differences include coverage changes, clarifications, and limitations. The changes are briefly described below.

*Your renewal policy will include...*

- ❖ **A coverage limit for cosmetic damage to floors.** Your renewal policy will include a maximum of \$10,000 for cosmetic damage to floors. This limitation does not eliminate coverage. It is intended to distinguish between strictly cosmetic and aesthetic damage to floors; such as, scratches, dents, chips, etc. but does not impede the usefulness of the floor. This limitation will not apply to damage caused by a peril insured against described under Personal Property.
- ❖ **A clarification to liability coverage involving motor vehicles.** The renewal policy includes amended wording, if applicable, in regards to Personal Liability and Medical Payments To Others as it relates to motor vehicles. The exclusionary language has been updated as follows: (1) Ownership of "motor vehicle(s)" by an "insured"; (2) Maintenance, occupancy, operation, use, loading or unloading of "motor vehicle(s)" by any person; (3) Entrustment of "motor vehicle(s)" by an "insured" to any person; (4) Failure to supervise or negligent supervision of any person involving "motor vehicle(s)" by an "insured"; or (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving "motor vehicle(s)".
- ❖ **An amendment to the Mediation and Appraisal section.** All wording as it pertains to Appraisal has been removed. All aspects of the section as it applies to Mediation remain unchanged.
- ❖ **A clarification to "Our Option".** Modifications have been made to the section in your policy which refers to the option we, as your insurance company, have when settling a claim. The "Our Option" wording has been removed from the Special Provisions form. The intent is to confirm that we may repair or replace any part of the damaged property with like property, regardless of whether or not a loss is covered under *replacement cost*. By removing the wording from the Special Provisions form the clause will revert back to the language as it appears in your base policy form.
- ❖ **A revision to SECTION I – CONDITIONS "Duties After A Loss".** The language in the Special Provisions form has been modified to clarify the duty to cooperate pertaining to you, and your representative, including any public adjuster engaged on your behalf. For the exact changes to the wording please review the Special Provisions form of your policy.

Please note that this notice is only a general description of coverage and/or coverage changes for informational purposes and is not a statement of contract. All coverages are subject to all policy provisions and applicable endorsements. Please be sure to review this renewal offer for the updated language.

Your agent can answer any questions you have about coverages and requesting updates to your policy. For your convenience, your insurance agency's telephone number is listed on your policy declarations page. With billing questions please contact **Tower Hill's Customer Service Center at (800) 342-3407**, Monday through Friday between the hours of 8:00am and 6:00pm (ET).

Tower Hill customers can make payments on-line and access policy information through our website at [www.thig.com](http://www.thig.com). We greatly appreciate your business and thank you for choosing Tower Hill for your home insurance needs.

Tower Hill Insurance Group, LLC  
cc: policyholder file



November 30, 2010

Ellise Bingham  
31140 Whitlock Dr  
wesley chapel FL 33543

**Location Address**  
31140 Whitlock Dr  
wesley chapel FL 33543

**SAVINGS OPPORTUNITY – PLEASE READ CAREFULLY**

RE: TOWER HILL PREFERRED INSURANCE COMPANY

Moody D'Avirro & Assoc Inc (813) 973-0441

Policy # 9000252710

Renewal Offer Effective Date and Time 12/28/2009 12:01 AM. Standard Time

Estimated Savings **\$232.00**

Dear Policyholder,

We are sending this letter to inform you of a savings opportunity available to our valued customers. Florida legislation now allows homeowners to exclude sinkhole coverage from their policies. This can result in significant savings for you each year! **If you choose to exclude sinkhole coverage your upcoming annual renewal premium of \$1,007.18 could be reduced by an estimated \$232.00\*.**

**IMPORTANT** – Whether you choose to exclude sinkhole coverage or not, your policy does include coverage for **CATASTROPHIC GROUND COVER COLLAPSE**, which is defined as:

Geological activity that results in the following: the abrupt collapse of the ground cover; a depression in the ground cover clearly visible to the naked eye; structural damage to the building, including the foundation; and the insured structure being condemned and ordered to be vacated by the governmental agency authorized by the law to issue such an order for that structure.

If you are interested in taking advantage of these savings, please sign and return the attached rejection notice to your insurance agent. Please be aware that once this coverage is removed an inspection will be required before sinkhole coverage can be added back to your policy. Your insurance agent can assist you with additional information about your coverage options and the inspection requirements. For your convenience, your insurance agency's phone number is listed above. With billing questions please contact **Tower Hill's Customer Service Center at (800) 342-3407**, Monday through Friday between the hours of 8:00am and 6:00pm (EDT).

Tower Hill customers can now make payments on-line and access policy information through our website at [www.thig.com](http://www.thig.com). We greatly appreciate your business and thank you for choosing Tower Hill for your insurance needs.

Tower Hill Insurance Group, Inc.  
cc: policyholder file

\*The premium savings shown is an estimate, final premium and eligibility are subject to underwriting approval.

NF-RSAV-XSNK (06/08)

*To protect your castle, look to the tower.*

THP0449

00403900000 9000252710



**“Sinkhole Loss” Coverage Rejection Notice  
(For HO-3 and Dwelling/Fire Policies Only)**

The peril of “Sinkhole Loss” may be excluded from your policy. Your premium will be reduced accordingly. This Notice must be signed and dated by you and all named insureds on the policy. If there is a mortgagee or lienholder on your policy, we suggest you notify them that you are excluding “Sinkhole Loss” coverage from your policy.

By rejecting, I agree to the following:

My signature below indicates my understanding that the insurance on my home will not pay for damage from Sinkhole Losses. I will pay these costs. My insurance will not.

I also understand this rejection of Sinkhole Loss coverage shall apply to future renewals of my policy.

If at some time in the future I wish to add coverage for Sinkhole Loss back onto my policy, I understand that a signed endorsement request form verifying that there has been no sinkhole activity or damage will need to be submitted. Additionally, an inside/outside inspection may be required to verify that there is no evidence of current sinkhole activity which may include:

- No cracks in the foundation or exterior walls
- No cracks in the interior walls, floors, and ceilings especially around windows and doors
- No deep or multiple driveway cracks.

Requested Change Effective Date: \_\_\_\_\_

(Effective date cannot be prior to date signed.)

Named Insured (s) Signature (s)	Date Signed
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

_____ Agency Representative Signature	_____ Date
--	---------------

**TOWER HILL PREFERRED INSURANCE COMPANY**

POST OFFICE BOX 147018  
GAINESVILLE, FL 32614-7018

**HOMEOWNERS  
DECLARATIONS**

THIS IS NOT A BILL.

Payment notice will be sent separately  
to: The mortgage company.

**POLICY NUMBER**

**9000252710**

Renewal

Issued On:

11/23/2009

Insured  
ELLISE BINGHAM  
31140 WHITLOCK DR  
WESLEY CHAPEL, FL 33543

AGENT FL0496  
MOODY D'AVIRRO & ASSOC INC  
PO BOX 7150  
WESLEY CHAPEL, FL 33543

PHONE NUMBER: (813) 973-0441

**POLICY PERIOD:** 12/28/09 to 12/28/10. Each period begins and ends at 12:01 AM standard time at insured location.

**INSURED LOCATION:** Same as mailing address shown under Named Insured.

Coverage is provided where a premium or limit is shown for the coverage.

SECTION I - PROPERTY COVERAGE	LIMIT	SECTION II - LIABILITY COVERAGE	LIMIT
COVERAGE A - Dwelling	\$208,000	COVERAGE E - Personal Liability	\$300,000
COVERAGE B - Other Structures	\$20,800	Each Occurrence	
COVERAGE C - Personal Property	\$104,000	COVERAGE F - Medical Payments to Others	\$1,000
COVERAGE D - Loss of Use	\$41,600	Each Person	

**BREAKDOWN OF PREMIUM:**

<u>Charges</u>	<u>Premium</u>
Section I and Section II Premium	1,284.00
Screened Enclosure Special Limitation \$10,000	Incl
Ordinance or Law Coverage - 25%	Incl
Personal Property Replacement Cost	190.00
Citizens Property Insurance Corporation (CPIC) Recoupment Fee (2005)	0.38
Emergency Management Preparedness and Assistance Trust Fund (EMPAT) Fee	2.00
Managing General Agency (MGA) Fee	25.00
Florida Hurricane Catastrophe Fund (FHCF) Assessment Fee	9.80
Citizens Property Insurance Corporation (CPIC) Emergency Assessment 2005	13.37
Florida Insurance Guaranty Association Emergency Recoupment Fee 01-2006	0.67
Florida Insurance Guaranty Association (FIGA) Recoupment Fee 2007	0.96
<b>Credits</b>	
Building Code Effectiveness Grading Schedule (BCEGS) Credit	-27.00
Residential Windstorm Loss Mitigation Devices Credit	-492.00

**Total Policy Premium: \$1,007.18**

**DEDUCTIBLE (Section I Only):**

**The Calendar Year Hurricane Deductible is \$4,160 (2% of Coverage A).**

The All Other Perils Deductible is \$1,000.

In case of loss under Section I, we cover only that part of the covered loss over the deductible stated.

00503900000 9000252710

**Mortgagee**  
 SUNTRUST MORTGAGE INC.  
 IT S SUCCESSORS AND/OR ASSIGNS  
 PO BOX 57028  
 IRVINE, CA 92619-7028  
 LOAN ID: 0027097088

**Important:** Please notify your agent immediately if the mortgage company shown is incorrect.

**BASIC RATING INFORMATION:**

PROGRAM	FORM CODE	TERRITORY	COUNTY	CONSTRUCTION YEAR	CONSTRUCTION TYPE
NBRGFLHO	HO-3	736	PASCO	2002	Masonry

FIRE PROTECTION CLASS	ROOF TYPE	BUILDING CODE (BCEG) GRADE	WIND PROTECTIVE DEVICE	PROTECTIVE DEVICE
5	Hip	5	None	

**PREMIUM SUMMARY:**  
 Hurricane Premium: \$430.00  
 Non-hurricane Premium: \$577.18

**SECTION II Other Location(s):**

**APPLICABLE FORMS AND ENDORSEMENTS:**

RHO 1002 (04/08), THR-OHO3 (01/09), HO 00 03 (04/91), HO 04 96 (04/91), HP-0075-00 (09/05), HP-0076-00 (07/04), HP-0077-00 (07/04), HP-0087-00 (07/04), HP-0088-00 (07/04), HP-0091-00 (02/05), HP-0094-00 (09/07), HP-0109-09 (05/09), HP-0351-00 (05/05), HP-0432-00 (01/03), HP-0477-00 (01/09), HP-0490-00 (09/05), IL-0001 (11/01), IL-0009 (01/09), IL-0010 (01/09), IL-0012 (09/05), IL-0502-00 (06/07), IL-0503-00 (06/07), IL-CKLS (02/08), IL-CPIC (05/07), IL-P-001 (01/04), IL-WMCA (04/09), Privacy Notice (01/09)

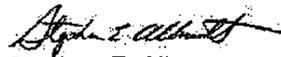
**NOTICES:**

- A Building Code Effectiveness Grading Schedule (BCEGS) rate adjustment is reflected in your total policy premium. Refer to the Breakdown of Premium section on page 1 of this Declarations for the exact dollar amount.
- **This policy does not provide Flood coverage.**
- This Declarations replaces all previously issued policy Declarations, if any. This Declarations together with your policy and endorsements completes your policy. Refer to your policy and endorsements for details regarding your coverages, limits, and exclusions.

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGHER OUT-OF-POCKET EXPENSES TO YOU.**

**LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU MAY WISH TO PURCHASE. YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.**

**COUNTERSIGNATURE:**



Countersigned by Authorized Representative: Stephen E. Allnutt

Prepared: 11/23/2009



**AGENT PHONE:** (813) 973-0441  
**CUSTOMER SERVICE:** (800) 342-3407

**QUESTIONS:** If you have questions about your insurance policy or coverages, please contact your agent.  
If you have payment or billing questions, please call the Customer Service number or contact your agent.

**TO FILE A CLAIM:** Tower Hill Claims Service, Inc. **PHONE:**(800) 216-3711 (24 hours a day, 7 days a week)  
PO Box 142230 **FAX:**(352) 332-7999  
Gainesville, FL 32614-2230

**FRAUD HOTLINE:** (866) 265-6590 (Toll Free and Confidential)

00603900000 9000252710



# **Tower Hill Preferred Insurance Company**

**HOMEOWNERS POLICY**

Administered by:  
Tower Hill Insurance Group, Inc.  
P.O. Box 147018  
Gainesville, FL 32614-7018

00703900000 9000252710

THP0454

## **READ YOUR POLICY CAREFULLY**

For service information or questions concerning this policy, contact your agent  
or call 1-800-342-3407.

### **HOMEOWNER POLICY TOWER HILL PREFERRED INSURANCE COMPANY**

#### **TABLE OF CONTENTS**

Insuring Agreement  
Definitions

#### **SECTION I - PROPERTY COVERAGES:**

Types of Property Covered  
Property Not Covered  
Special Limits on Certain Personal Property  
Coverage Provided  
Supplemental Coverages  
Exclusions  
Conditions Applying to SECTION I

#### **SECTION II - LIABILITY COVERAGES:**

Personal Liability Coverage  
Medical Payments to Others Coverage  
Additional Coverages  
Exclusions  
Conditions Applying to SECTION II  
Conditions Applying to SECTION I & II.

#### **INSURING AGREEMENT**

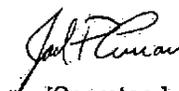
Relying on the facts **you** have given us, **Tower Hill Preferred Insurance Company** agrees to provide the insurance described in this policy. In return, **you** agree to pay the premium and comply with the policy terms.

This policy applies only to covered **occurrences** which take place during this policy period. The Declarations page shows the policy period, coverages, limits of liability and premiums. This policy is not complete without the Declarations Page.

IN WITNESS WHEREOF, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



[President]



[Secretary]

00803900000 9000252710

# TOWER HILL PREFERRED INSURANCE COMPANY

## OUTLINE OF YOUR HOMEOWNERS POLICY

The following outline is for informational purposes only. Florida law prohibits this outline from changing any of the provisions of the insurance contract which is the subject of this outline. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Please read your Homeowners policy carefully for complete descriptions and details. Your Agent will assist you with any questions about this policy.

### SECTION I - PROPERTY COVERAGE

#### **Coverage A - Dwelling**

Protects against covered loss to your dwelling and structures attached to your dwelling. It also protects against covered loss to building materials located on your residence premises which are being used to construct, alter or repair any structure on the residence premises.

#### **Coverage B - Other Structures**

Protects against covered loss to structures on your residence premises not physically attached to the dwelling as long as they are not rented or used as a business.

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

Protects against covered loss to your personal property such as clothing and furniture. Special limits apply to some types of personal property including but not limited to: money, securities, watercraft, theft of jewelry, firearms and silverware.

There are some items not covered under Coverage C. Some examples are animals, food spoilage, motorized vehicles and property of roomers or boarders and other tenants. Please review your policy for a complete list of items that have special limits or are excluded.

#### **Coverage D - Loss Of Use**

Provides for the additional living expenses you incur while you are temporarily unable to live at your home because it was damaged by a covered loss. Payment would include such items as temporary lodging and increased costs for food.

### ADDITIONAL COVERAGES

These additional coverages include limitations and may not completely protect you against loss.

- Debris Removal
- Reasonable Repairs
- Trees, Shrubs And Other Plants
- Fire Department Service Charge
- Property Removed
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money
- Loss Assessment
- Collapse
- Glass Or Safety Glazing Material

- Landlord's Furnishings
- Ordinance or Law
- Fungi, Wet or Dry Rot, Yeast or Bacteria

### PERILS INSURED AGAINST

#### **Coverage A - Dwelling and Coverage B - Other Structures**

This policy insures against risk of direct loss to covered property under Coverages A and B, unless not covered or excluded from coverage as described elsewhere in the policy.

There are some perils not covered under Coverage A or B. Some examples are freezing, wear and tear, pollutants, corrosion, latent defect, and vandalism. Additionally, there are exclusions and other property not covered. Please review your policy for a complete list of items that have special limits or are excluded.

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

This policy insures under Coverage C against sudden and accidental direct physical losses except as limited or excluded by your policy, caused by:

- Fire or lightning
- Windstorm or hail
- Explosion
- Riot or civil commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or malicious mischief
- Theft
- Falling objects
- Weight of ice, snow or sleet
- Accidental discharge or overflow of water
- Sudden & accidental tearing apart or bulging
- Freezing of plumbing or household appliances
- Sudden and accidental damage from artificially generated electricity
- Volcanic eruption
- Catastrophic Ground Cover Collapse
- Sinkhole Loss

### PROPERTY EXCLUSIONS

This policy does not provide protection under Coverages A, B and C for losses resulting in any manner from:

- Earth Movement
- Flood
- Off Premises Power Failure
- Neglect
- War or Nuclear Hazard
- Intentional Acts
- Inherent Vice, Decay, Defect and Mechanical Breakdown

There are other exclusions that apply. Please refer to your policy for complete details regarding exclusions.

## OTHER LIMITATIONS

**Deductibles** - The deductibles selected by you are shown on your Declarations page. This is the amount of the loss you must incur before this policy pays.

**Exclusion of Flood Damage** - We do not provide coverage for damage by the overflow of inland tidal waters, the unusual and rapid buildup or runoff of surface water from any source, mud slides or mud flows, or the collapse or sinking of land along the shore of a body of water.

**Windstorm** - In some areas of the state, generally coastal areas, windstorm and hail coverage, including hurricane coverage, is **not provided** in your policy. Be sure to contact your agent to obtain this important coverage if it has been excluded from your policy.

**Loss Settlement** - Buildings at replacement cost. However, if at the time of loss, the amount of insurance you have purchased for the insured building is less than 80% of the value of the building, we will not pay you replacement value. Instead we will pay the greater of either actual cash value of that part of the building damaged (e.g. depreciated value) or a proportion of the cost to repair or replace that part of the building damaged which the total amount of insurance in your policy on the damaged building bears to 80% of the replacement cost of the building.

**Vacant Property** - If a loss occurs and the dwelling has been vacant for 30 consecutive days prior to the date of loss, some coverages are limited or excluded by your policy.

Please refer to your policy for complete details regarding limitations and exclusions.

---

## SECTION II - LIABILITY COVERAGE

### **Coverage E - Personal Liability**

Provides coverage for bodily injury or property damage you or a person insured under your policy is legally obligated to pay. The bodily injury or property damage must arise from an occurrence covered under Section II of your policy.

### **Coverage F - Medical Payments To Others**

Provides coverage for reasonable and necessary medical expenses if a guest is injured on your premises or, under certain circumstances, off the insured premises. The bodily injury must arise from an occurrence covered under Section II of your policy with limited exceptions.

Some liabilities and medical expenses are not covered under Section II. Please see your policy for complete details.

---

## NONRENEWAL AND CANCELLATION PROVISIONS

All cancellations are granted a pro-rata return of premium.

**Your Right To Cancel** - You may cancel the policy at any time, for any reason, by giving us advance written notice of the future cancellation effective date.

**Our Right To Cancel** - If your policy has been in effect for 90 days or less and the insurance is cancelled for other than nonpayment of premium, we may cancel by giving you at least 20 days notice before the cancellation effective date. When the policy has been in effect for 90 days or less and there has been a material misstatement, misrepresentation, or failure to comply with underwriting requirements, we may cancel immediately.

If your policy has been in effect over 90 days, we may cancel your policy for only a limited number of reasons including but not limited to, material misstatement or substantial change of risk. We can do this by providing written notice at least 100 days prior to the effective date of cancellation. However, we will give at least 100 days written notice or written notice by June 1, whichever is earlier, for any cancellation that would be effective between June 1 and November 30.

However, we shall give you at least 180 days written notice if you have been insured by us or an affiliate for at least a 5-year period immediately prior to the date of the written notice.

If the cancellation is due to nonpayment of premium, we will give you at least 10 days advance written notice.

**Nonrenewal** - If we do not intend to renew your policy we will mail notice to you together with specific reasons for nonrenewal, at least 100 days before the expiration date of the policy. However, we will give at least 100 days written notice or written notice by June 1, whichever is earlier, for any nonrenewal that would be effective between June 1 and November 30.

However, we shall give you at least 180 days written notice together with specific reasons for non-renewal if you have been insured by us or an affiliate for at least a 5-year period immediately prior to the date of the written notice.

**Renewal** - The renewal premium payment must be received no later than the renewal date or the policy will terminate.

---

## PREMIUM CREDITS

The following are brief descriptions of the premium credits available on your homeowner's policy. Your policy Declarations page will show which of these credits, if any, apply to your policy.

**Building Code Effectiveness Grading Schedule (BCEGS) Credit** - Available for homes built in an area graded 1-9.

**Deductible Options** - Selecting a higher deductible may result in a lower premium.

**Homeowners and Flood Policies Discount** - A premium credit will be applied if you also have an active Flood policy through any Tower Hill Insurance Group Company.

**Moisture Control Construction Feature Discount** - A premium credit will be applied to any eligible dwelling built with moisture control construction features, subject to submission of proof or certification of such construction features.

**New Home Discount** - Based on the year that the home was constructed, the policy could qualify for a premium credit.

**Protective Devices** - Available for homes with a qualified central station burglar alarm, central station fire alarm or automatic fire sprinkler system.

**Residential Windstorm Loss Mitigation Devices Credit** - Housing features such as roof covering, roof shape, roof deck attachments, secondary water resistance, roof to wall connection and opening protection (qualifying shutters or other protective devices) may qualify for premium credit. Contact your agent for more information.

**Superior Construction Discount** - A credit applies when the home is built with sufficient non-combustible materials to qualify as Superior Construction.

**Windstorm or Hail Exclusion Credit** - Policies may exclude coverage for losses caused by windstorm or hail. These policies will receive a premium credit.

**Unscheduled Other Structures - Decreased Limits** - For a credit, policies may reduce the limit of coverage for other structures.

**Loss of Use - Decreased Limits** - For a credit, policies may reduce the limit of coverage for Loss of Use.

**Contents Coverage Exclusion Credit** - For a credit, policies may exclude coverage for losses to personal property.

**Ordinance or Law Rejection** - For a credit, policies may exclude coverage for increased costs to repair or replace the damage to a covered structure in order to be compliant with any local, state or federal law.

**Sinkhole Loss Exclusion Credit** - For a credit, policies may exclude coverage for Sinkhole Losses.

- Business Pursuits
- Credit Card, Fund Transfer Card, Forgery And Counterfeit Money
- Golf Cart Coverage
- Identity Fraud Expense Coverage
- Increased Loss Assessment Coverage
- Increased Limits for Business Property
- Increased Limits for Limited Fungi, Wet or Dry Rot, or Bacteria
- Increased Limits for Ordinance or Law
- Increased/Decreased Limits for Personal Property at Residence Premises or Another Residence
- Other Insured Location Occupied by Insured
- Other Structures - Increased Limits, and/or coverage for structures Rented to Others
- Permitted Incidental Occupancies Related to Specified Business Activities
- Personal Injury Coverage
- Personal Property Replacement Cost
- Refrigerated Personal Property
- Rental To Others - Theft Coverage
- Residence Employees
- Scheduled Personal Property
- Special Computer Coverage
- Special Loss Settlement
- Special Personal Property
- Water Backup and Sump Overflow
- Watercraft

---

## PREMIUM SURCHARGES

**Age of Dwelling Surcharge** - Based on the year that the home was constructed, a premium surcharge could be applied to the policy.

**Deductible Options** - Selecting a lower deductible may result in a higher premium.

**Seasonal Dwelling Surcharge** - A surcharge applies to all risks seasonally occupied and/or unoccupied continuously for more than three (3) months per year.

**Solid Fuel Surcharge** - Applies to homes with acceptable solid fuel heating devices, such as professionally installed wood burning stoves.

**Other Surcharges** - Other surcharges may be levied in accordance with state statute or Department of Financial Services rules. These surcharges will be disclosed on your Declarations page when they become applicable.

---

## OPTIONAL COVERAGES AVAILABLE

- Additional Amounts of Insurance
- Additional Residence Rented To Others
- Building Additions and Alterations

HOMEOWNERS 3  
SPECIAL FORM

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
  - a. Your relatives; or
  - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:
  - (1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or
  - (2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
  - a. The "residence premises";
  - b. The part of other premises, other structures and grounds used by you as a residence and:
    - (1) Which is shown in the Declarations; or
    - (2) Which is acquired by you during the policy period for your use as a residence;

- c. Any premises used by you in connection with a premises in 4.a. and 4.b. above;
- d. Any part of a premises:
  - (1) Not owned by an "insured"; and
  - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
  - a. "Bodily injury"; or
  - b. "Property damage."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
  - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
  - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
8. "Residence premises" means:
  - a. The one family dwelling, other structures, and grounds; or
  - b. That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations."Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

01003900000 9000252710

## SECTION I - PROPERTY COVERAGES

### COVERAGE A - Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B - Other Structures

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

### COVERAGE C - Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.

4. \$1000 on trailers not used with watercraft.

5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.

6. \$2000 for loss by theft of firearms.

7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.

9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.

10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

a. Accessories or antennas; or

b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

**Property Not Covered.** We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverages 10.;
7. Property rented or held for rental to others off the "residence premises";

8. "Business" data, including such data stored in:
  - a. Books of account, drawings or other paper records; or
  - b. Electronic data processing tapes, wires, records, discs or other software media;

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or

9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.

#### **COVERAGE D - Loss Of Use**

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

**Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

#### ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. Does not increase the limit of liability that applies to the covered property;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

This coverage is additional insurance. No deductible applies to this coverage.

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
  - b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
  - c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.
- 7. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A – DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II CONDITIONS, does not apply to this coverage.

**8. Collapse.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in COVERAGE C – PERSONAL PROPERTY. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of contents, equipment, animals or people;
- e. Weight of rain which collects on a roof; or
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cess-pool, septic tank, foundation, retaining wall, bulk-head, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

**9. Glass or Safety Glazing Material.**

We cover:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

**10. Landlord's Furnishings.** We will pay up to \$2500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

**a. Fire or lightning.**

**b. Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

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

**c. Explosion.**

**d. Riot or civil commotion.**

**e. Aircraft,** including self-propelled missiles and spacecraft.

**f. Vehicles.**

**g. Smoke,** meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

**h. Vandalism or malicious mischief.**

**i. Falling objects.**

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

**j. Weight of ice, snow or sleet** which causes damage to property contained in a building.

**k. Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in the peril of freezing below; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

**l. Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

**m. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliances of water.

**n. Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

**o. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

The \$2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

---

**SECTION I - PERILS INSURED AGAINST**

---

**COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES**

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, other than as provided in Additional Coverage 8.;
2. Caused by:



01303900000 9000252710

a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliances of water;

b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (1) Fence, pavement, patio or swimming pool;
- (2) Foundation, retaining wall, or bulkhead; or
- (3) Pier, wharf or dock;

c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

d. Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

e. Any of the following:

- (1) Wear and tear, marring, deterioration;
- (2) Inherent vice, latent defect, mechanical breakdown;
- (3) Smog, rust or other corrosion, mold, wet or dry rot;
- (4) Smoke from agricultural smudging or industrial operations;
- (5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
- (7) Birds, vermin, rodents, or insects; or
- (8) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

**3. Excluded under Section I – Exclusions.**

Under items 1. and 2., any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

**COVERAGE C – PERSONAL PROPERTY**

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I – EXCLUSIONS.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

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

**3. Explosion.**

**4. Riot or civil commotion.**

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

**6. Vehicles.**

**7. Smoke, meaning sudden and accidental damage from smoke.**

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

**8. Vandalism or malicious mischief.**

**9. Theft, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.**

This peril does not include loss caused by theft:

- a. Committed by an "insured";
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or

- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

This peril does not include loss caused by theft that occurs off the "residence premises" of:

- a. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
- c. Trailers and campers.

#### 10. Falling objects.

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

#### 11. Weight of ice, snow or sleet which causes damage to property contained in a building.

#### 12. Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;

- b. Caused by or resulting from freezing except as provided in the peril of freezing below; or

- c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

#### 13. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

#### 14. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

#### 15. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to a tube, transistor or similar electronic component.

#### 16. Volcanic eruption other than loss caused by earthquake, land shock waves or tremors.

---

### SECTION I - EXCLUSIONS

---

- 1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

- a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- (1) Fire;
- (2) Explosion; or

- (3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

- c. **Water Damage**, meaning:

- (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

- (2) Water which backs up through sewers or drains or which overflows from a sump; or

- (3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including the following and any consequence of any of the following:
- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
  - (2) Warlike act by a military force or military personnel; or
  - (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.

h. **Intentional Loss**, meaning any loss arising out of any act committed:

- (1) By or at the direction of an "insured"; and
- (2) With the intent to cause a loss.

2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

- a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
- b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
- c. **Faulty, inadequate or defective**:
- (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
- of part or all of any property whether on or off the "residence premises."

---

## SECTION I - CONDITIONS

---

1. **Insurable Interest and Limit of Liability**. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

2. **Your Duties After Loss**. In case of a loss to covered property, you must see that the following are done:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft;
- c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. Protect the property from further damage. If repairs to the property are required, you must:

- (1) Make reasonable and necessary repairs to protect the property; and
- (2) Keep an accurate record of repair expenses;

- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

- f. As often as we reasonably require:

- (1) Show the damaged property;
- (2) Provide us with records and documents we request and permit us to make copies; and
- (3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same;

g. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interest of the "insured" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.e. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss Settlement.** Covered property losses are settled as follows:

a. Property of the following types:

- (1) Personal property;
- (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- (3) Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
  - (a) The limit of liability under this policy that applies to the building;
  - (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or

(c) The necessary amount actually spent to repair or replace the damaged building.

(2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

(a) The actual cash value of that part of the building damaged; or

(b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

(3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

(a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;

(b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and

(c) Underground flues, pipes, wiring and drains.

(4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) above.

However, if the cost to repair or replace the damage is both:

(a) Less than 5% of the amount of insurance in this policy on the building; and

(b) Less than \$2500;

we will settle the loss according to the provisions of b.(1) and b.(2) above whether or not actual repair or replacement is complete.

(5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability according to the provisions of this Condition 3. Loss Settlement.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between actual cash value of the property before and after the loss.

5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

6. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by an "insured."

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

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

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

**13. No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

**14. Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**15. Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

**16. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

---

**SECTION II – LIABILITY COVERAGES**

---

**COVERAGE E – Personal Liability**

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

- 1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
- 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

**COVERAGE F – Medical Payments To Others**

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury." Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

- 1. To a person on the "insured location" with the permission of an "insured"; or
- 2. To a person off the "insured location," if the "bodily injury":
  - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
  - b. Is caused by the activities of an "insured";
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
  - d. Is caused by an animal owned by or in the care of an "insured."

---

**SECTION II – EXCLUSIONS**

---

**1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";

b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";

c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":

- (1) On an occasional basis if used only as a residence;
- (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;

d. Arising out of the rendering of or failure to render professional services;

e. Arising out of a premises:

- (1) Owned by an "insured";
- (2) Rented to an "insured"; or
- (3) Rented to others by an "insured"; that is not an "insured location";

f. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
- (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.
- (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a) Not owned by an "insured"; or
  - (b) Owned by an "insured" and on an "insured location";
- (3) A motorized golf cart when used to play golf on a golf course;
- (4) A vehicle or conveyance not subject to motor vehicle registration which is:
  - (a) Used to service an "insured's" residence;
  - (b) Designed for assisting the handicapped; or
  - (c) In dead storage on an "insured location";

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
  - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c) One or more outboard engines or motors with 25 total horsepower or less;
  - (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i) You acquire them prior to the policy period; and
      - (a) You declare them at policy inception; or
      - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii) You acquire them during the policy period.

This coverage applies for the policy period.
- (2) That are sailing vessels, with or without auxiliary power:
  - (a) Less than 26 feet in overall length;
  - (b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

**h. Arising out of:**

- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

**i. Caused directly or indirectly by war, including the following and any consequence of any of the following:**

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

**j. Which arises out of the transmission of a communicable disease by an "insured";**

**k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or**

**l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.**

Exclusions **e.**, **f.**, **g.**, and **h.** do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

**2. Coverage E – Personal Liability, does not apply to:**

**a. Liability:**

- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:

(a) That directly relate to the ownership, maintenance or use of an "insured location"; or

(b) Where the liability of others is assumed by the "insured" prior to an "occurrence";

unless excluded in (1) above or elsewhere in this policy;

**b. "Property damage" to property owned by the "insured";**

**c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;**

**d. "Bodily injury" to any person eligible to receive any benefits:**

(1) Voluntarily provided; or

(2) Required to be provided; by the "insured" under any:

(1) Workers' compensation law;

(2) Non-occupational disability law; or

(3) Occupational disease law;

**e. "Bodily injury" or "property damage" for which an "insured" under this policy:**

(1) Is also an insured under a nuclear energy liability policy; or

(2) Would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

(1) American Nuclear Insurers;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada; or any of their successors; or

**f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined.**

**3. Coverage F – Medical Payments to Others, does not apply to "bodily injury":**

**a. To a "residence employee" if the "bodily injury":**

(1) Occurs off the "insured location"; and

(2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";

b. To any person eligible to receive benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided; under any:
  - (1) Workers' compensation law;
  - (2) Non-occupational disability law; or
  - (3) Occupational disease law;

c. From any:

- (1) Nuclear reaction;

(2) Nuclear radiation; or

(3) Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

(4) Any consequence of any of these; or

d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

---

## SECTION II - ADDITIONAL COVERAGES

---

We cover the following in addition to the limits of liability:

**1. Claim Expenses.** We pay:

- a. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and
- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

**2. First Aid Expenses.** We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured."

**3. Damage to Property of Others.** We will pay, at replacement cost, up to \$500 per "occurrence" for "property damage" to property of others caused by an "insured."

We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. Arising out of:

(1) A "business" engaged in by an "insured";

(2) Any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location"; or

(3) The ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

**4. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or

b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:

(1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and

(2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

1. Section II – Coverage E – Personal Liability Exclusion 2.a.(1);
2. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

---

## SECTION II – CONDITIONS

---

1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence."

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage F as shown in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence."

3. **Duties After Loss.** In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a. Give written notice to us or our agent as soon as is practical, which sets forth:

- (1) The identity of the policy and "insured";
- (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
- (3) Names and addresses of any claimants and witnesses;

- b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

- c. At our request, help us:

- (1) To make settlement;
- (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
- (3) With the conduct of suits and attend hearings and trials; and
- (4) To secure and give evidence and obtain the attendance of witnesses;

- d. Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;

- e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."

4. **Duties of an Injured Person – Coverage F – Medical Payments to Others.**

The injured person or someone acting for the injured person will:

- a. Give us written proof of claim, under oath if required, as soon as is practical; and
- b. Authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

5. **Payment of Claim – Coverage F – Medical Payments to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.

**6. Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.

No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

**7. Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

**8. Other Insurance – Coverage E – Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

---

### SECTIONS I AND II – CONDITIONS

---

**1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements; relating to this insurance.

**3. Liberalization Clause.** If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

**4. Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**5. Cancellation.**

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

(a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

**6. Nonrenewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

**7. Assignment.** Assignment of this policy will not be valid unless we give our written consent.

**8. Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

**9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

b. "Insured" includes:

(1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

(2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**NO SECTION II – LIABILITY COVERAGES FOR  
HOME DAY CARE BUSINESS  
LIMITED SECTION I – PROPERTY COVERAGES FOR  
HOME DAY CARE BUSINESS**

If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other compensation for such services, that enterprise is a "business." Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an "insured" to a relative of an "insured" is not considered a "business."

Therefore, with respect to a home day care enterprise which is considered to be a "business," this policy:

1. Does not provide Section II – Liability Coverages because a "business" of an "insured" is excluded under exclusion 1.b. of Section II – Exclusions;
2. Does not provide Section I – Coverage B coverage where other structures are used in whole or in part for "business";
3. Limits coverage for property used on the "residence premises" for the home day care enterprise to \$2,500, because Coverage C – Special Limits of Liability – item 8. imposes that limit on "business" property on the "residence premises." (Item 8. corresponds to item 5. in Form HO 00 08.);
4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to \$250, because Coverage C – Special Limits of Liability – item 9. imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item 9. does not apply to adaptable electronic apparatus as described in Special Limit of Liability items 10. and 11. (Items 9., 10. and 11. correspond to items 6., 7. and 8. respectively in Form HO 00 08.)

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

01903900000 9000252710

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**ANIMAL LIABILITY LIMITATION**

Our total limit of liability under Section II – Liability Coverages, Coverage E, for all damages resulting from any “occurrence” which arises from, in connection with, or is caused by, directly or indirectly, any animal, shall not exceed \$25,000. This limit of liability applies whether or not the animal is owned by or in the care, custody or control of any “insured,” or whether or not the “occurrence” is on the “insured location” or any other location.

All other policy provisions apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**TRAMPOLINE LIABILITY LIMITATION**

COVERAGES E – PERSONAL LIABILITY and COVERAGES F – MEDICAL PAYMENTS TO OTHERS for “bodily injury” resulting from the use of any trampoline owned by, or in the care, custody or control of any “insured”, whether or not the injury occurred on the “insured premises” or any other location, shall not exceed \$25,000.

All other policy provisions apply.

02003900000 9000252710

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**DIVING BOARD AND POOL SLIDE LIABILITY LIMITATION**

COVERAGE E – PERSONAL LIABILITY and COVERAGE F – MEDICAL PAYMENTS TO OTHERS for “bodily injury” resulting from the maintenance or use of any diving board or pool slide located on the “insured premises” or at any other location, shall not exceed \$25,000.

All other policy provisions apply.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**OFF-ROAD RECREATIONAL OR SERVICE VEHICLE LIABILITY LIMITATION**

Our **Limit of Liability** under Section II – CONDITIONS, Coverage E for any “bodily injury” or “property damage” resulting from any one “occurrence” shall not exceed \$25,000 if arising out of:

- (1) any motor vehicle or other motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration, or used to service the “insured location”, owned or operated by, or rented by, or loaned to an “insured”; and
- (2) whether or not the injury occurred on the “insured location” or any other location;

All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one “occurrence”.

All other policy provisions apply.

02103900000 9000252710

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

### PERSONAL WATERCRAFT LIABILITY LIMITATION

**Personal Watercraft** means a vessel certified for maximum capacity of six people, maximum overall length of 16 feet including the inflatable portion, have an inboard engine and propelled by impeller drive/jet drive. This definition does not include vessels of a hydrofoil nature.

Our **Limit of Liability** under Section II – CONDITIONS, Coverage E for any "bodily injury" or "property damage" resulting from any one "occurrence" shall not exceed \$25,000 if arising out of:

- (1) any Personal Watercraft owned or operated by, or rented by, or loaned to an "insured";  
and
- (2) whether or not the injury occurred on the "insured location" or any other location;

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

All other policy provisions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**EXISTING DAMAGE EXCLUSION ENDORSEMENT**

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy.

It is also understood and agreed that this policy is not intended to and does not provide coverage for any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception.

This endorsement applies to all coverages under this policy.

02203900000 9000252710

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SCREENED ENCLOSURE SPECIAL LIMITATION**

**Under Section I – Property Coverages** the following limitation is added for both Coverage A – Dwelling and Coverage B – Other Structures:

There is a **Special Limits of Liability** that applies under Coverage A – Dwelling and Coverage B – Other Structures. The Limit is \$ \_\_\_\_\_\*. It applies to screened enclosures with damage caused directly or indirectly by the peril of windstorm during a hurricane. This limit does not increase the Coverage A or Coverage B limit of liability. The special limit is the total limit for each loss for all property defined as screened enclosure.

A "Screened Enclosure" is any structure on the residence premises, whether or not attached to your dwelling, comprised of screens on more than one side, and otherwise open to the weather. Screened Enclosures are structures which are not constructed or covered by the same or substantially the same materials as that of the primary dwelling.

This coverage is subject to your hurricane deductible.

All other provisions of this policy apply.

\*If the limits are not on this form, see the policy declarations for the coverage limits.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SPECIAL PROVISIONS – FLORIDA

### DEFINITIONS

The following definition is added.

10. "Motor vehicle" means:

- a. A self-propelled land or amphibious vehicle; or
- b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.

### SECTION I - PROPERTY COVERAGES

#### COVERAGE B – OTHER STRUCTURES

The last paragraph is deleted and replaced by the following:

The limit of liability for this coverage will not be more than the limit shown on the Declarations for Coverage B. Use of this coverage does not reduce the Coverage A limit of liability.

In all Forms except HO 00 04, **COVERAGE A – DWELLING** and **COVERAGE B – OTHER STRUCTURES**

The following is added:

#### SPECIAL LIMITS OF LIABILITY

##### Cosmetic and Aesthetic Damage to Floors.

The total limit of liability for Coverages A and B combined is \$10,000 per policy term for cosmetic and aesthetic damages to floors.

1. Cosmetic or aesthetic damage includes but is not limited to:
  - a) Chips
  - b) Scratches
  - c) Dents or any other damage less than 5% of the total floor surface area and does not prevent typical use of the floor.
2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
3. This limit does not increase the Coverage A or Coverage B limits of liability shown on the Declarations.
4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described under **Coverage C – Personal Property**.

### COVERAGE C - PERSONAL PROPERTY

#### SPECIAL LIMITS OF LIABILITY

Items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a "motor vehicle" or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 10.

11. \$1,000 for loss to electronic apparatus, while not in or upon a "motor vehicle" or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 11.

#### PROPERTY NOT COVERED

Item 3.b. is deleted and replaced by the following:

3. "Motor vehicles" or all other motorized land conveyances. This includes:
  - b. Electronic apparatus that is designed to be operated solely by use of power from the electrical system of "motor vehicles" or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this Item 3.b.

The exclusion of property described in 3b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration, which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

#### COVERAGE D - LOSS OF USE

The first paragraph and Item 1. is deleted and replaced by the following:

We will pay no more than the limit of liability shown for Coverage D on the Declarations for the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

#### SECTION I - ADDITIONAL COVERAGES

8. **Collapse** is deleted and replaced by the following:

##### 8. **Collapse**

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building, or part of the building, cannot be occupied for its intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

(4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C - Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless presence of such damage is known to you prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items (2), (3), (4), (5) and (6) unless the loss is a direct result of the collapse of a building or any part of a building.

This coverage does not increase the limit of liability applying to the damaged covered property.

c. If Endorsement **HO 00 15** is attached to the policy, Section I - Additional Coverages 8. **Collapse** in that endorsement is deleted in its entirety and Paragraph b.(1) above is deleted and replaced by the following:

**b.(1) Perils Insured Against in Coverages A and B.**

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage C - Personal Property.

- d. If Endorsement **HO 17 31** is attached to the policy, Section I - Additional Coverages **8. Collapse** in that Endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:

**b.(1)** Perils Insured Against in Coverage **A**.

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage C - Personal Property.

- 9. **Glass or Safety Glazing Material** is deleted and replaced by the following:

**9. Glass Or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this Additional Coverage **9**. Will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For Form **HO 00 08**, we will pay up to \$100 for loss under this coverage.

This coverage does not increase the limit of liability that applies to the damaged property.

(This is Additional Coverage **8**. In form **HO 00 08**.)

The following **Additional Coverage** is added to all Forms except **HO 00 08**. With respect to Form **HO 00 04**, the words "covered building" used below, refers to property covered under Additional Coverage **10**. Building Additions and Alterations.

**SECTION I - EXCLUSIONS**

**Ordinance or Law**, Exclusion **1.a.** in Form **HO 00 03** and Exclusion **1.** In Form **HO 00 04** and **HO 00 06** is deleted and replaced by the following:

a. **Ordinance Or Law**, meaning any ordinance or law:

- (1) Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass Or Safety Glazing Material or Ordinance Or Law;
- (2) The requirements of which result in a loss in value to property; or
- (3) Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminate, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

**Earth Movement**, Exclusion **1.b.** in Form **HO 00 03** and Exclusion **2.** in Form **HO 00 04** and **HO 00 06** is deleted and replaced by the following:

b. **Earth Movement**, meaning earthquake, including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- (1) Fire; or

0240390000 9000252710

## (2) Explosion;

ensues and then we will pay only for the ensuing loss.

**Water Damage**, Exclusion 1.c. in Form HO 00 03 and Exclusion 3. in Form HO 00 04 and HO 00 06 is deleted and replaced by the following:

c. **Water Damage**, meaning:

- (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not caused or driven by wind, hurricane, tropical storm or tornado;
- (2) Water, water-borne material or sewage which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump, or related equipment; or
- (3) Water, water-borne material or sewage below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

**Power Failure**, Exclusion 1.d. in Form HO 00 03 and Exclusion 4. in Form HO 00 04 and HO 00 06 is deleted and replaced by the following:

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

**Intentional Loss**, Exclusion 1.h. in Form HO 00 03 and Exclusion 8. in Form HO 00 04 and HO 00 06 is deleted and replaced by the following:

- h. **Intentional Loss**, meaning any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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

## SECTION I - CONDITIONS

2. **Your Duties After Loss** is deleted and replaced by the following:

2. **Duties After Loss**

In case of a loss to covered property, you must see that the following are done:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft;
- c. Notify the credit card or electronic fund transfer card or access device company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. Protect the property from further damage. If repairs to the property are required, you must:
  - (1) Make reasonable and necessary repairs to protect the property; and
  - (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. Prepare an inventory of damaged personal property showing the quantity, description, "actual cash value" and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- g. As often as we reasonably require:
  - (1) Show the damaged property;
  - (2) Provide us with records and documents we request and permit us to make copies; and
  - (3) You, an "insured" seeking coverage, must submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

Also, your representative, including any public adjuster engaged on your behalf, must each submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

The legal representative of the insured may always be present under the circumstances described in this condition.

- h. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interests of the "insureds" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.f. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

### 3. Loss Settlement

Items b.(4) and b.(5) in Form HO 00 03 are deleted.

Items b.(1) and b.(2) in Form HO 00 06 are deleted and replaced by the following:

b.(1) We will pay replacement cost, subject to the limit of liability shown on the Declarations.

6. **Appraisal** is deleted and replaced by the following:

### 6. Mediation

If you and we fail to agree on the amount of loss, either may:

- a. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching

settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

8. **Suit Against Us** is deleted and replaced by the following:

### 8. Suit Against Us

No action can be brought unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.

10. **Loss Payment** is deleted and replaced by the following:

### 10. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss and:
  - (1) There is an entry of a final judgment; or
  - (2) There is a filing of an appraisal award or a mediation settlement with us.
- c. Within 90 days of receiving notice of a property insurance claim. We will pay or deny such claims, or portions thereof, unless there are factors beyond our control that would reasonably prevent payments.

## SECTION II - EXCLUSIONS

Under 1. **Coverage E - Personal Liability** and **Coverage F - Medical Payments To Others**, Items a., f. and i. are deleted in all forms and replaced by the following:

- a. Which is expected or intended by one or more "insureds" even if the "bodily injury" or "property damage":
  - (1) Is of a different kind, quality or degree than initially expected or intended; or

- (2) Is sustained by a different person, entity, real or personal property than initially expected or intended

f. Arising out of the:

- (1) Ownership of "motor vehicle(s)" by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of "motor vehicle(s)" by any person;
- (3) Entrustment of "motor vehicle(s)" by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving "motor vehicle(s)" by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving "motor vehicle(s)".

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.
- (2) A motorized land conveyance, not including a golf cart, designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a) Not owned by an "insured"; or
  - (b) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions 4.a., b., d., e. or h.; or
- (3) A motorized golf cart that is either owned or not owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
  - (a) A golfing facility and is parked or stored there, or being used by an "insured" to:
    - (i) Play the game of golf or for other recreational or leisure activity allowed by the facility;
    - (ii) Travel to or from an area where golf carts are parked or stored; or
    - (iii) Cross public roads at designated points to access other parts of the golfing facility; or

- (b) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

- (4) A vehicle or conveyance not subject to motor vehicle registration which is:

- (a) Used to service an "insured's" residence;
- (b) Designed for assisting the handicapped and, at the time of an "occurrence", it is:
  - (i) Being used to assist a handicapped person; or
  - (ii) Parked on an "insured location";
- (c) In dead storage on an "insured location";

- I. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

## SECTION II - CONDITIONS

1. **Limit of Liability** is deleted and replaced by the following:

1. **Limit of Liability**

- a. Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

b. **Sub-limit Of Liability**

Subject to Paragraph a. above, our total liability under Coverage E for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sub-limit is within, but does not increase the Coverage E limit of liability.

- c. The limit of liability in a. above and sub-limit in b. above apply regardless of the number of "insureds", claims made or persons injured.
- d. Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage F as shown in the Declarations.

### 3. Duties After Loss

Paragraph e. is deleted and replaced by the following and Paragraphs f. and g. are added:

- e. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury";
- f. Cooperate with us in the investigation, settlement or defense of any claim or suit.
- g. As often as we reasonably require, the "insured" must submit to examination under oath and recorded statements, while not in the presence of another insured, and sign the same.

The following condition is added:

### 9. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

## SECTIONS I AND II - CONDITIONS

2. **Concealment or Fraud** is deleted and replaced by the following;

### 2. Concealment or Fraud

a. Under Section I - Property Coverages, with respect to all "insureds" covered under this policy, we provide no coverage for loss under Section I - Property Coverages if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
  - (2) Engaged in fraudulent conduct; or
  - (3) Made false statements;
- relating to this insurance.

b. Under Section II - Liability Coverages, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
  - (2) Engaged in fraudulent conduct; or
  - (3) Made false statements;
- relating to this insurance.

### 5. Cancellation

Paragraphs b., c., and d. are deleted and replaced by the following and Paragraphs e. and f. are added:

- b. When this policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.
- c. We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
  - (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
  - (b) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:

- (i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
  - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- (c) On the basis of filing a single claim which was the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future occurrence of damage to the insured property.

Except as provided in items 5.b. and 5.c.(1) above, we will let you know of our action at least 20 days before the date cancellation takes effect.

However, except as provided in item 5.c.(1) above, we shall give you at least 180 days written notice of cancellation if you have been insured by us or an affiliate for at least a 5-year period immediately prior to the date of the written notice.

- (3) When this policy has been in effect for more than 90 days, we may cancel:
- (a) If there has been a material misrepresentation or misstatement;
  - (b) If the risk has changed substantially since the policy was issued;
  - (c) In the event of failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
  - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
  - (e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
  - (f) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated

with the occurrence of such a claim, if:

- i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
  - ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- (g) On the basis of filing a single claim which was the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future occurrence of damage to the insured property.

This can be done by providing written notice at least 100 days prior to the effective date of cancellation. However, we will give at least 100 days written notice or written notice by June 1, whichever is earlier, for any cancellation that would be effective between June 1 and November 30;

However, except as provided in item 5.c.(1) above, we shall give you at least 180 days written notice if you have been insured by us or an affiliate for at least a 5-year period immediately prior to the date of the written notice;

- d. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
  - e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it no later than 15 working days after the cancellation effective date.
  - f. An insurer that cancels a property insurance policy on property secured by a mortgage due to the failure of the lender to timely pay the premium when due shall reinstate the policy as required by Florida Statute 501.137.
6. **Nonrenewal** is deleted and replaced by the following:
6. **Nonrenewal**  
We may elect not to renew this policy for any reason or at any time permitted by law. However, we will not nonrenew this policy:

- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- b. On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:
- (1) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
  - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- c. On the basis of filing a single claim which was the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future occurrence of damage to the insured property.

We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with specific reasons for nonrenewal, at least 100 days prior to the expiration date of the policy. However, we will give at least 100 days written notice or written notice by June 1, whichever is earlier, for any nonrenewal that would be effective between June 1 and November 30.

However, we shall give you at least 180 days written notice together with specific reasons for non-renewal if you have been insured by us or an affiliate for at least a 5-year period immediately prior to the date of the written notice.

Proof of mailing will be sufficient proof of notice.

#### 8. Subrogation

The following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the "residence premises" is located.

The following condition is added:

#### 10. Renewal Notification

If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy; and
- b. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALENDAR YEAR HURRICANE DEDUCTIBLE (PERCENTAGE)  
WITH REPORTING REQUIREMENT**

**SCHEDULE\***

**Calendar Year Hurricane Deductible:**

\* Entries may be left blank if shown elsewhere in this policy for this coverage.

**A. Loss By Windstorm During A Hurricane**

As respects Paragraph C. and D., coverage for loss or damage caused by the peril of windstorm during a hurricane which occurs anywhere in the state of Florida, includes loss or damage to:

1. The inside of a building; or
2. The property contained in a building caused by rain, snow, sleet, hail, sand or dust;

If the direct force of the windstorm first damages the building, causing an opening through which rain, snow, sleet, hail, sand, or dust enters and causes damage.

**B. Hurricane Described**

1. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
2. A hurricane occurrence:
  - a. Begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
  - b. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

**C. Calendar Year Hurricane Deductible Described**

A hurricane deductible issued by us or another insurer in our insurer group:

1. Can be exhausted only once during each calendar year; and
2. Applies to loss to Covered Property caused by one or more hurricanes during each calendar year.

The dollar amount of a percentage calendar year hurricane deductible is determined by multiplying the Coverage A limit of liability shown in the Declarations by the percentage amount shown in the Schedule above.

A minimum deductible of \$500 applies.

**D. Application of Calendar Year Hurricane Deductible**

1. In the event of the first windstorm loss caused by a single hurricane occurrence during a calendar year, we will pay only that part of the total of all loss or damage payable under Section I – Property Coverages that exceeds the calendar year hurricane deductible stated in the Schedule.
2. With respect to a windstorm loss caused by the second, and each subsequent, hurricane occurrence during the same calendar year, we will pay only that part of the total of all loss payable under Section I – Property Coverages that exceeds the greater of:
  - a. The remaining dollar amount of the calendar year hurricane deductible; or
  - b. The deductible that applies to fire that is in effect at the time of loss.

The remaining dollar amount of the calendar year hurricane deductible is determined by subtracting all previous windstorm losses caused by hurricanes during the calendar year from the calendar year hurricane deductible.

3. If;
  - a. Covered property is insured under more than one policy issued by us or another insurer in our insurer group; and
  - b. Different hurricane deductibles apply to the same property under such policies;

POLICY NUMBER:

**PROPERTY COVERAGES**  
**HP-0351-00 (05/05)**

Then the hurricane deductible applicable under all such policies, used to determine the total of all loss payable under **Section I – Property Coverages**, shall be the highest amount stated in any one of the policies.

4. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces one issued by us or another insurer in our insurer group, and the renewal or replacement policy takes effect on a date other than January 1<sup>st</sup> of a calendar year, the following provisions apply:

- a. If the renewal or replacement policy provides a lower hurricane deductible than the prior policy, and you incurred loss from a hurricane under the prior policy in that same calendar year, the lower hurricane deductible will not take effect until January 1<sup>st</sup> of the following calendar year.
- b. If the renewal or replacement policy provides a lower hurricane deductible than the prior policy and you have not incurred a hurricane loss in that same calendar year, the lower hurricane deductible will take effect on the effective date of the renewal or replacement policy.

c. If the renewal or replacement policy provides a higher hurricane deductible than the prior policy, the higher hurricane deductible:

- (1) Will take effect on the effective date of the renewal or replacement policy; and
- (2) Shall be used to calculate the remaining dollar amount of the hurricane deductible described in Paragraph 2.

5. We require that you promptly report any windstorm loss caused by a hurricane occurrence that is below the hurricane deductible so that we may consider the amount of such loss when adjusting claims for subsequent hurricane occurrences that occur during the calendar year.

**E. Loss By Windstorm That Is Not A Declared Hurricane**

Refer to the policy declarations for the deductible that applies to windstorm loss if the circumstances of the loss described above do not apply.

**F. Optional Hurricane Deductibles**

Per Florida Statute 627.701, your policy may qualify for optional hurricane deductibles equal to \$500 or 2%. To inquire about selecting an optional deductible, contact your agent.

All other provisions of this policy apply.

02803900000 9000252710

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH FORM HO 00 03

### SCHEDULE\*

1.	Section I - Property Coverage Limit of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$ Each Covered Loss 10,000 \$ Policy Aggregate 20,000
2.	Section II - Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$ 50,000

\* Entries may be left blank if shown elsewhere in this policy for this coverage.

### DEFINITIONS

The following definition is added:

#### "Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I - PROPERTY COVERAGES

#### ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 12. "Fungi", Wet Or Dry Rot, Or Bacteria

- a. The amount shown in the Schedule above is the most we will pay for:
  - (1) The total of all loss payable under Section I - Property Coverages caused by "fungi", wet or dry rot, or bacteria;
  - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I - Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, or bacteria; and

- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, or bacteria.

- b. The coverage described in 12.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

- c. The **Each Covered Loss** amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss; and

The **Policy Aggregate** amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

This coverage does not increase the limit of liability applying to the damaged covered property.

## SECTION I - PERILS INSURED AGAINST

### Coverage A - Dwelling and Coverage B - Other Structures

Paragraph 2.e.(3) is deleted and replaced by the following:

- (3) Smog, rust or other corrosion;

Paragraph 2.e.(9) is added:

- (9) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

## SECTION I - EXCLUSIONS

Exclusion 1.i. is added.

### i. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.

This Exclusion does not apply:

- (1) When "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I - Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

## SECTION II - CONDITIONS

Condition 1. Limit Of Liability is deleted and replaced by the following:

### 1. Limit Of Liability

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section II Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria. That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

- Number of locations insured under the policy to which this endorsement is attached;
- Number of persons injured;
- Number of persons whose property is damaged;
- Number of "insureds"; or
- Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the Coverage E limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in 1. Limit Of Liability of this endorsement, Condition 2. Severability Of Insurance is deleted and replaced by the following:

### 2. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section II Conditions 1. Limit Of Liability. This condition will not increase the limit of liability for this coverage.

## SECTIONS I AND II CONDITIONS

Condition 1. Policy Period is deleted and replaced with the following:

### 1. Policy Period

This policy applies only to loss or costs in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ORDINANCE OR LAW – AMOUNT OF COVERAGE

### SECTION I – PROPERTY COVERAGES ADDITIONAL COVERAGES

11. Ordinance Or Law is deleted and replaced by the following:

- a. You may use up to the percentage shown on the Declarations that applies to Coverage A (or for Form HO 00 04, you may use up to the percentage shown on the Declarations that applies to Building Additions And Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
  - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
  - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
  - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

(This is Additional Coverage 10. In Form HO 00 06.)

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PERSONAL PROPERTY REPLACEMENT COST

### SECTION I

For an additional premium, covered losses to the following property are settled at replacement cost at the time of loss:

- a. Coverage C – Personal Property;
- b. If covered in this policy, awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings.

Personal Property Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost coverage will not apply to other classes of property separately described and specifically insured.

### 1. PROPERTY NOT ELIGIBLE

Property listed below is not eligible for replacement cost settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

- a. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.

- b. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
- c. Articles not maintained in good or workable condition.
- d. Articles that are outdated or obsolete and are stored or not being used.

### 2. REPLACEMENT COST

The following loss settlement procedure applies to all property insured under this endorsement:

- a. We will pay no more than the least of the following amounts:
  - (1) Replacement cost at the time of loss without deduction for depreciation;
  - (2) The full cost of repair or replacement at the time of loss;
  - (3) The limit of liability that applies to Coverage C, if applicable;
  - (4) Any applicable special limits of liability stated in this policy; or
  - (5) For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

**All other provisions of this policy apply.**

## **IMPORTANT NOTICE**

**THIS NOTICE FORMS A PART OF YOUR POLICY PLEASE READ IT CAREFULLY**

The enclosed renewal will become effective on the effective date provided the premium is paid.

If your premium is to be paid by your mortgagee, they have been billed; otherwise you will receive a Premium Renewal Notice under separate cover.

**NOTE: This renewal will not become effective unless the premium is paid on or before the effective date.**

**POLICYHOLDER NOTICE**

Dear Policyholder:

Florida Statute 627.4131 requires that insurance companies provide their customers a telephone number to use for inquiries, obtain information or resolve complaints. Should you have such a need, please call our Customer Service Unit at 1-800-342-3407, Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Time. This telephone number is also shown on the Declarations page of your policy. To report a claim, please call our Claims Unit at 1-800-216-3711. Our claims line is available 24 hours a day, 7 days a week.

0310390000 9000252710

**IMPORTANT NOTICE REGARDING YOUR INSURANCE COVERAGE**  
**ORDINANCE OR LAW SELECTION / REJECTION OF**  
**COVERAGE: 0%, 25% AND 50%**

Ordinance or Law coverage provides payment for the increased costs you incur to repair or replace the damage to your covered structure in compliance with any local, state or federal law, ordinance or regulation affecting repair or construction of such structures. Refer to the Ordinance or Law provisions in the policy for complete details and limitations.

You have the option to select Ordinance or Law coverage limits of 25% or 50% of the Coverage A limit of liability that displays on your Declarations, or you may reject Ordinance or Law Coverage from your policy.

In the event that you don't make an affirmative selection of coverage, your Ordinance or Law Coverage limit will equal what is already included in your policy.

**PLEASE SIGN FOR ONE OF THE FOLLOWING OPTIONS**

**Option One: 0% Ordinance or Law Coverage**  
I wish to reject the Ordinance or Law coverage, and I do not wish to select the higher limits of 25% or 50%.

\_\_\_\_\_ \_\_\_\_\_  
Signature of Named Insured Date Signed

----- OR -----

**Option Two: 25% Ordinance or Law Coverage**  
I wish to select the 25% Ordinance or Law coverage limit, and I do not wish to select the higher limit of 50%.

\_\_\_\_\_ \_\_\_\_\_  
Signature of Named Insured Date Signed

----- OR -----

**Option Three: 50% Ordinance or Law Coverage**  
I wish to select the 50% Ordinance or Law coverage limit, and I do not wish to select the lower limit of 25%.

\_\_\_\_\_ \_\_\_\_\_  
Signature of Named Insured Date Signed

**For Agent Use Only:**

For requests to increase Ordinance or Law coverage to 25% or 50%, you must first complete the replacement cost estimator tool through the Rating and Policy Management system, and complete the following information:

Estimated Replacement Cost \_\_\_\_\_

Date Completed \_\_\_\_\_

When processing an increase in Ordinance or Law coverage, you may need to adjust the Coverage A limit of liability to match the estimated replacement cost, as necessary.

**Retain this page for your records.**

**IMPORTANT NOTICE REGARDING YOUR INSURANCE COVERAGE****DEDUCTIBLE OPTIONS NOTICE**

The deductibles that apply to your policy are displayed on your Declarations Page. There are other deductible options available to you. Selecting a higher deductible will result in a premium credit. However, in the event of a covered loss, you may be responsible for higher out-of-pocket expenses. Conversely, selecting a lower deductible will result in a higher premium, though you may be responsible for lower out-of-pocket expenses in the event of a covered loss.

**A. If your policy *includes* coverage for the peril of Windstorm or Hail, there are various combinations of Hurricane and All Other Perils deductibles available.**

- For losses caused by hurricanes, we offer deductible options of \$500, 2%, 5% or 10%.
- For losses caused by perils other than hurricane, we offer a deductible option of \$500.

Some hurricane deductibles may not be available due to your policy's coverage limits. If you select a lower hurricane deductible when a hurricane loss has already occurred under our policy, or under one issued by another insurer in our insurer group during that calendar year, the lower deductible will not take effect until January 1 of the following calendar year.

**B. If your policy *does not include* coverage for the peril of Windstorm or Hail, we offer a \$500 deductible option, applicable to losses caused by perils other than hurricane.**

If you wish to discuss or change your deductible options, please contact your insurance agent. In the event that affirmative deductible selections are not made, we will continue to apply the deductibles that are displayed on your Declarations Page.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SINKHOLE LOSS COVERAGE

### A. DEFINITIONS

The following definitions are added:

**"Sinkhole"** means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A **sinkhole** may form by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

**"Sinkhole Activity"** means settlement or systematic weakening of the earth supporting such property only when such settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

**"Sinkhole Loss"** means structural damage to the building, including the foundation, caused by **Sinkhole Activity**. Personal property coverage shall apply only if there is structural damage to the building caused by **Sinkhole Activity**.

### B. COVERAGE

We insure for direct physical loss to property covered under Section I caused by a **Sinkhole Loss**, including the costs incurred to:

1. Stabilize the land and building; and
2. Repair the foundation;

In accordance with the recommendations of the professional engineer who verifies the presence of a **Sinkhole Loss** in compliance with Florida sinkhole testing standards and in consultation with you.

Contents Coverage applies if there is a loss resulting from a **Sinkhole Loss** subject to the limit of liability on the declarations page.

### C. LOSS SETTLEMENT

We may limit any payment for **Sinkhole Loss** to the actual cash value, not including any repairs below the foundation, until you enter into a contract for building stabilization or foundation repairs. After you enter into a contract, we shall pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred, without requiring you to advance payment for such repairs. If building stabilization or foundation repair has begun and the professional engineer selected or approved by us determines that the repair cannot be completed within the policy limits, we shall either complete the professional engineer's recommended repair or tender the policy limits to you without a reduction for the repair expenses incurred.

#### Neutral Evaluation:

Following receipt of a sinkhole report or denial of a sinkhole loss claim, "you" may participate in the alternative dispute resolution or neutral evaluation for disputed sinkhole insurance claims provided by F.S. 627.7074. We will provide to "you" the consumer information pamphlet prepared by the department that clearly describes the neutral evaluation process and includes the forms necessary to request a neutral evaluation. Filing a request for neutral evaluation tolls the applicable time requirements for filing suit for a period of 60 days following the conclusion of the neutral evaluation process or 5 years, whichever is later. The neutral evaluation will supercede the appraisal / mediation process as the appraisal / mediation process does not apply to Sinkhole disputes.

### D. EXCLUSIONS

**Sinkhole Loss** coverage does not increase the limit of liability that applies to the damaged property.

The Section I - Earth Movement Exclusion does not apply to **Sinkhole Loss** coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# CATASTROPHIC GROUND COVER COLLAPSE COVERAGE

## A. DEFINITIONS

The following definitions are added:

**"Catastrophic Ground Cover Collapse"** means geological activity that results in all of the following:

1. the abrupt collapse of the ground cover;
2. a depression in the ground cover clearly visible to the naked eye;
3. structural damage to the building, including the foundation; and
4. the insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

## B. COVERAGE

We insure for direct physical loss to property covered under Section I caused by a **Catastrophic Ground Cover Collapse**.

Contents coverage applies if there is a loss resulting from a **Catastrophic Ground Cover Collapse**, subject to the limit of liability on the declarations page.

## C. EXCLUSIONS

**Catastrophic Ground Cover Collapse** coverage does not include structural damage consisting merely of the settling or cracking of a foundation, structure, or building.

**Catastrophic Ground Cover Collapse** coverage does not increase the limit of Liability that applies to the damaged property.

The Section I – Earth Movement Exclusion does not apply to this peril.

All other provisions of this policy apply.

# Checklist of Coverage

Policy Type: Homeowner's

(Indicate: Homeowner's, Condominium Unit Owner's, Tenant's, Dwelling, or Mobile Home Owner's)

The following checklist is for informational purposes only. Florida law prohibits this checklist from changing any of the provisions of the insurance contract which is the subject of this checklist. Any endorsement regarding changes in types of coverage, exclusions, limitations, reductions, deductibles, coinsurance, renewal provisions, cancellation provisions, surcharges, or credits will be sent separately.

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even generate questions. By addressing any questions now, you will be more prepared later in the event of a claim. Experience has shown that many questions tend to arise regarding the coverage of attached or detached screened pool enclosures, screened porches, and other types of enclosures. Likewise, if your policy insures a condominium unit, questions may arise regarding the coverage of certain items, such as individual heating and air conditioning units; individual water heaters; floor, wall, and ceiling coverings; built-in cabinets and counter tops; appliances; window treatments and hardware; and electrical fixtures. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

Please refer to the policy for details and any exceptions to the coverages listed in this checklist. All coverages are subject to the provisions and conditions of the policy and any endorsements. If you have questions regarding your policy, please contact your agent or company. Consumer assistance is available from the Department of Financial Services, Division of Consumer Services' Helpline at (800) 342-2762 or [www.fdfs.com](http://www.fdfs.com).

This form was adopted by the Florida Financial Services Commission.

<b>Dwelling Structure Coverage (Place of Residence)</b>	
Limit of Insurance: \$ <u>208,000</u>	Loss Settlement Basis: <b>Replacement Cost</b> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Other Structures Coverage (Detached from Dwelling)</b>	
Limit of Insurance: \$ <u>20,800</u>	Loss Settlement Basis: <b>Replacement Cost</b> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Personal Property Coverage</b>	
Limit of Insurance: \$ <u>104,000</u>	Loss Settlement Basis: <b>Replacement Cost</b> (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)
<b>Deductibles</b>	
Calendar Year Hurricane: <u>\$4,160 / 2% of Coverage A</u>	All Perils (Other Than Hurricane): <u>\$1,000</u>

### Checklist of Coverage (continued)

The above Limit of Insurance, Deductibles, and Loss Settlement Basis apply to the following perils insured against:  
 (Items below marked **Y (Yes)** indicate coverage IS included, those marked **N (No)** indicate coverage is NOT included)

<b>Y</b>	Fire or Lightning
<b>Y</b>	Hurricane
<b>N</b>	Flood (Including storm surge)
<b>Y</b>	Windstorm or Hail (other than hurricane)
<b>Y</b>	Explosion
<b>Y</b>	Riot or Civil Commotion
<b>Y</b>	Aircraft
<b>Y</b>	Vehicles
<b>Y</b>	Smoke
<b>Y</b>	Vandalism or Malicious Mischief
<b>Y</b>	Theft
<b>Y</b>	Falling Objects
<b>Y</b>	Weight of Ice, Snow or Sleet
<b>Y</b>	Accidental Discharge or Overflow of Water or Steam
<b>Y</b>	Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
<b>Y</b>	Freezing
<b>Y</b>	Sudden and Accidental Damage from Artificially Generated Electrical Current
<b>Y</b>	Volcanic Eruption
<b>Y</b>	Catastrophic Ground Cover Collapse
<b>Y</b>	Sinkhole
<b>Y</b>	Any Other Peril Not Specifically Excluded (dwelling and other structures only)

**Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.**

Loss of Use Coverage			
Coverage		Limit of Insurance	Time Limit
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)			
<b>Y</b>	Additional Living Expense	\$41,600	See Note Below
<b>Y</b>	Fair Rental Value	\$41,600	See Note Below
<b>Y</b>	Civil Authority Prohibits Use	\$41,600	See Note Below

**Note:** Payment will be for the shortest time required to repair the damage.

Property - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
<b>Y</b>	Debris Removal	5% of the Coverage Limit		<b>X</b>
<b>Y</b>	Reasonable Repairs	Coverage Limits	<b>X</b>	
<b>Y</b>	Property Removed	Coverage Limits	<b>X</b>	
<b>Y</b>	Credit Card, Electronic Fund Transfer Card, or Access Device, Forgery and Counterfeit Money	\$500		<b>X</b>
<b>Y</b>	Loss Assessment	\$1,000		<b>X</b>
<b>Y</b>	Collapse	Coverage Limits	<b>X</b>	
<b>Y</b>	Glass or Safety Glazing Material	Coverage Limits	<b>X</b>	
<b>Y</b>	Landlord's Furnishings	\$2,500		<b>X</b>
<b>Y</b>	Law and Ordinance	25%		<b>X</b>
<b>Y</b>	Grave Markers	Coverage Limits	<b>X</b>	
<b>Y</b>	Mold / Fungi	\$10000 per loss / \$20000 aggregate	<b>X</b>	

03403900000 9000252710

### Checklist of Coverage (continued)

Discounts		Dollar (\$) Amount of Discount
(Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied)		
N	Multiple Policy	<b>\$0.00</b>
N	Fire Alarm / Smoke Alarm / Burglar Alarm Sprinkler	<b>\$0.00</b>
Y	Windstorm Loss Reduction	<b>\$-492.00</b>
Y	Building Code Effectiveness Grading Schedule	<b>\$-27.00</b>
	Other	

Insurer May Insert Any Other Property Coverage Below		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)	Limit of Insurance	Loss Settlement Basis: (i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc.)

Personal Liability Coverage
Limit of Insurance: \$ <u>300,000</u>
Medical Payments to Others Coverage
Limit of Insurance: \$ <u>1,000</u>

Liability - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Claim Expenses	<b>\$50 per day</b>		<b>X</b>
Y	First Aid Expenses	<b>Incurred Costs</b>		<b>X</b>
Y	Damage to Property of Others	<b>\$500</b>		<b>X</b>
Y	Loss Assessment	<b>\$1000</b>		<b>X</b>

Insurer May Insert Any Other Liability Coverage Below		Limit of Insurance
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		
Y	<b>Animal Liability</b>	<b>\$25,000</b>
Y	<b>Diving Board &amp; Pool Slide Liability</b>	<b>\$25,000</b>
Y	<b>Limited Fungi, Wet or Dry Rot, or Bacteria Coverage</b>	<b>\$50,000</b>
N	<b>Home Day Care Business</b>	<b>\$0</b>
Y	<b>Off-Road, Recreational or Service Vehicle Liability</b>	<b>\$25,000</b>
Y	<b>Personal Watercraft Liability</b>	<b>\$25,000</b>
Y	<b>Trampoline Liability</b>	<b>\$25,000</b>

**IMPORTANT NOTICE ABOUT THE CPIC RECOUPMENT FEE (2005)**



Your policy declarations page may reflect a new charge, titled CPIC Recoupment Fee (2005). This charge is based on assessments that the Company paid to Citizens Property Insurance Corporation (CPIC).

THE \$ 0.38 SURCHARGE IN YOUR PREMIUM FOR THE 2005 ASSESSMENT BY CITIZENS PROPERTY INSURANCE CORPORATION HAS BEEN REDUCED BY \$ 0.00\* DUE TO AN APPROPRIATION BY THE FLORIDA LEGISLATURE.

\* There was no reduction in premium because your Florida-based company is unaffected by the appropriation as it was already assessed on a limited basis.

03503900000 9000252710

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

# Notice of Premium Discounts for Hurricane Loss Mitigation

## \*\*\* Important Information \*\*\* About Your Homeowners Insurance Policy

12/28/2009

Dear Homeowner,

Two unprecedented back-to-back hurricane seasons – with eight hurricanes and four tropical storms – have caused tens of billions of dollars in insured damages. Predictions of more catastrophic hurricanes making landfall in the U.S. have triggered significant increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane-wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

Sincerely,

TOWER HILL PREFERRED INSURANCE COMPANY

### What factors are considered in establishing my premium?

Your location: The closer you are to the coast, the more vulnerable you are to damage caused by hurricane winds and this makes your hurricane-wind premium higher than similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a \$500, 2%, 5% or 10% deductible depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium, however, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane –wind premium. Discounts apply only to the hurricane-wind portion of your policy.

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of 86.00%.

### **How can I take advantage of the discounts?**

Most homeowners will need a licensed or certified professional (general, residential or building contractor, building inspector, a registered architect, engineer or certified building code official) to inspect the home to identify potential mitigation measures and legally verify improvements. There may be other inspection professionals available, for a listing of Individuals and/or Inspection Companies meeting these qualifications contact your Insurance Agent.

### **How much do these improvements cost?**

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Business Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at [www.myfloridalicense.com](http://www.myfloridalicense.com).

The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium of \$630.00 which is part of your total annual premium of \$1007.18. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed above are not cumulative.

Current hurricane loss mitigation features provide your policy with a discount of 78.00 %, or \$ 492.00.

**Existing Construction Discounts (Homes built prior to 2002)**

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<u>Roof Covering (i.e., shingles or tiles)</u> <ul style="list-style-type: none"> <li>• Meets the Florida Building Code</li> <li>• Reinforced Concrete Roof Deck<sup>^</sup></li> </ul> <p><sup>^</sup>If this feature is installed on your home you most likely will not qualify for any other discount.</p>	N/A	N/A
	N/A	N/A
<u>How Your Roof is Attached</u> <ul style="list-style-type: none"> <li>• Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood</li> </ul>	N/A	N/A
	N/A	N/A
	N/A	N/A
<u>Roof-to-Wall Connection</u> <ul style="list-style-type: none"> <li>• Using "Toe Nails" – defined as 3 nails are driven at an angle through the rafter and into the top roof.</li> <li>• Using Clips - defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud</li> <li>• Using Single Wraps – a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss</li> <li>• Using Double Wraps - straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss</li> </ul>	N/A	N/A
	N/A	N/A
	N/A	N/A
	N/A	N/A

03703900000 9000252710

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <u>Reduced</u> by:
<u>Roof Shape</u> <ul style="list-style-type: none"> <li>• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>• Other</li> </ul>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>
<u>Secondary Water Resistance (SWR)</u> <ul style="list-style-type: none"> <li>• SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off</li> <li>• No SWR</li> </ul>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>
<u>Shutters</u> <ul style="list-style-type: none"> <li>• None</li> <li>• Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards</li> <li>• Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards</li> </ul>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>

\* Estimate is based on information currently on file and the actual amount may vary.

\*\* Shown as not applicable because policy already reflects either the feature noted or a feature providing a larger discount.

**New Construction Discounts (Homes built in 2002 or newer)**

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium (\$) is <b>Reduced</b> by:
In addition to the two credits below, all homes built in 2002 or newer will receive a 72% new home discount on the hurricane-wind portion of your premium.		
<u>Shutters</u> <ul style="list-style-type: none"> <li>• None</li> <li>• Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards</li> <li>• Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards</li> </ul>	<p>78%</p> <p>82%</p> <p>82%</p>	<p>\$0.00</p> <p>\$25.00</p> <p>\$25.00</p>
<u>Roof Shape</u> <ul style="list-style-type: none"> <li>• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>• Other</li> </ul>	<p>78%</p> <p>**</p>	<p>\$0.00</p> <p>**</p>

\* Estimate is based on information currently on file and the actual amount may vary.

\*\* Shown as not applicable because policy already reflects either the feature noted or a feature providing a larger discount.

Alternately and regardless of the year of construction if you meet the minimum fixtures and constructions requirements of the Florida Building Code you have the option to reduce your hurricane-wind deductible from  N/A  to  N/A .

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your agent or the company at  (813) 973-0441 .

03803900000 9000252710

**TOWER HILL INSURANCE GROUP, LLC**  
**P.O. Box 147018**  
**Gainesville, FL 32614-7018**

**As General Agent or Policy Administrator for and on behalf of its sponsoring insurance companies:**

**Hillcrest Insurance Company**  
**Lloyd's Syndicates**  
**Omega Insurance Company**  
**Praetorian Financial Group, Inc.**  
**Praetorian Specialty Insurance Company**  
**Protective Insurance Company**  
**Protective Specialty Insurance Company**  
**QBE Specialty Insurance Company**  
**Rockhill Insurance Company**  
**Royal Palm Insurance Company**  
**Sagamore Insurance Company**  
**Tower Hill Preferred Insurance Company**  
**Tower Hill Prime Insurance Company**  
**Tower Hill Select Insurance Company**

**PRIVACY NOTICE**

We value you as a customer and respect your right to privacy. This Notice describes the privacy practices of each insurance company listed above and its affiliates ("companies") regarding the collection, use, security, and sharing of non-public personal information ("customer information") by Tower Hill Insurance Group, LLC and its affiliates ("Tower Hill").

Tower Hill is an appointed general agent or policy administrator for the companies (referred to as "we", "us", or "our" in this Notice). As such, Tower Hill solicits, underwrites, issues, and processes property and casualty insurance policies and claims for the companies. Each company is a separate insurer and may be affiliated with other insurance companies.

On behalf of itself, its affiliates and the companies, Tower Hill is providing the following Privacy Notice, as required by federal and state laws. If you have any questions after reading this Privacy Notice, please contact Tower Hill at the address noted above.

**How We Protect Customer Information**

We maintain physical, electronic and procedural safeguards that comply with applicable regulatory standards to protect your customer information. We also restrict access to your customer information to only those individuals who need to know that information to provide products or services to you. All employees, agents, affiliates, and third parties are required to adhere to our privacy standards and use customer information only for legitimate business purposes.

**Information We Collect**

We collect customer information about you and the members of your household from the following sources:

- **Application Forms:** Information we receive from you on applications and other forms, such as your name, address, date of birth, social security number, family member information, property location and value.
- **Prior Transaction History:** Information about your transactions and experiences with us, our affiliates, or others, such as your policy coverage, premiums, payments, and claims history.
- **Reporting Agencies:** Information we receive from consumer reporting agencies, other insurers, medical providers, and insurance support organizations, such as motor vehicle records, and credit report information.

Information We Disclose and To Whom

We do not disclose any customer information about our customers or former customers to anyone, except as permitted by law.

We may disclose all of the customer information we collect about you, as described above in "Information We Collect," to our affiliates and other entities that perform marketing or administrative services on our behalf, or to other financial institutions with whom we have joint marketing agreements, or as permitted by law. Affiliated companies may include insurers and reinsurers, insurance agencies and brokers, claims adjusters, and information technology companies. Other entities are not affiliated companies and may include other insurance and reinsurance companies, service vendors, insurance agencies and other persons as permitted by law. These affiliated and other entities provide services necessary to carry out our normal business activities, such as evaluating requests for insurance products, processing policies and transactions to renew, replace or service your policy of insurance, evaluating claims, marketing our products and services, and administering policies. Any joint marketing agreements we have with other entities prohibit the disclosure of any shared non-public personal information other than to carry out the purposes for which we or such other entities disclose information pursuant to those marketing agreements.

We share with our affiliates customer information permitted by law including information arising from transactions and experiences with you. We do not share other credit-related information with our affiliates, except as permitted or required by law.

We will not use or share any personally identifiable health information for any purpose except to underwrite insurance, administer your policy, account or claim, as required or permitted by law, or as otherwise authorized by you.

Notice of Information Practices

You have the right to understand how we use the customer information we collect. Please contact us if you have any questions. If your insured property is in the states of AZ, CA, CT, GA, HI, IL, KS, MA, ME, MN, MT, NV, NJ, NC, OH, OR, VA, you have the right to access information we have collected about you and correct information that is not accurate. You may request a more detailed notice of our access and correction practices from the address noted above.

This Privacy Notice describes our practices for current and former customers. If there is more than one person insured under this policy, only the named insured on the policy will receive this Notice, though additional insureds may request a copy of this Notice. Please share this information with everyone covered by the policy.

We reserve the right to modify this policy at anytime. If we make material changes, we will provide a revised Notice.

Thank you for choosing Tower Hill and its companies. Our Privacy Notice applies to the following affiliates in the Tower Hill family of companies:

- |   |                                       |  |
|---|---------------------------------------|--|
| Alachua Capital Corporation             | Tower Hill Claims Management II, Inc. | Tower Hill Insurance Group II, Inc.    |
| ICS Software Acquisition, Inc.          | Tower Hill Claims Service, LLC        | Tower Hill Insurance Services, LLC     |
| Omega Insurance Company                 | Tower Hill Claims Service II, Inc.    | Tower Hill Partners, Inc.              |
| Tomoka Re Holdings, Inc.                | Tower Hill Commercial Insurance, Inc. | Tower Hill Preferred Insurance Company |
| Tomoka Reinsurance Co., Ltd             | Tower Hill Holdings, Inc.             | Tower Hill Prime Insurance Company     |
| Tomoka Reinsurance Intermediaries, Inc. | Tower Hill Insurance Group, LLC.      | Tower Hill Select Insurance Company    |
| Tower Hill Capital Holdings, LLC.       |                                       |  |

03903900000 9000252710