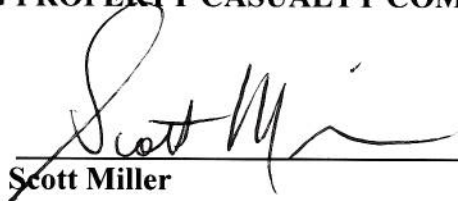


Exhibit B

CERTIFIED COPY

I, Scott Miller, an attorney for AIG Property Casualty Company, do hereby certify that to the best of my knowledge, information and belief, that the attached copy of California Homeowners Policy issued to 1500 Sorrento Drive, LLC, c/o Momentous Insurance and numbered PCG 0006004359 effective from 01/01/2014 to 01/01/2015 is a true copy.

AIG PROPERTY CASUALTY COMPANY



Scott Miller

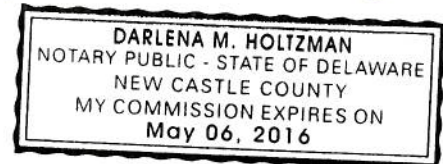
**STATE OF DELAWARE
COUNTY OF**

On this ^{17th} day of June, 2015 before me, a Notary Public in and for the said State, personally appeared Scott Miller, known to me personally to be an attorney for the AIG Property Casualty Company, and acknowledged that he signed the foregoing instrument as the voluntary act and deed of said Corporation.

Witness my hand and seal on the day and year first mentioned.

**Notary Public
Commission Expires:**

Darlena M. Holtzman





AIG Property Casualty Company
(Name of issuing company)

Renewal Declarations Page

California Homeowners Declarations Page

Your Declarations Page shows at a glance the coverage you have and your premium. Your Declarations Page is part of your policy. Please read your policy carefully, including your Declarations Page and any attached Endorsements, for a description of your coverage.

Policy Number:
PCG 0006004359

Policy Period: 01/01/2014 - 01/01/2015
At 12:01 A.M. standard time at your mailing address shown below

Name of Insured and Mailing Address:
1500 [REDACTED], LLC
c/o Momentous Insurance
5990 Sepulveda Blvd. #550
Van Nuys, CA 91411

Agency Name, Address, Phone # & Code:
Momentous Insurance Brokerage
5990 Sepulveda Blvd.
Suite #550
Van Nuys, CA 91411

(818) 933-2700 0051601

YOU WILL BE BILLED SEPARATELY FOR ANY PREMIUM DUE.

The kind of losses that are covered and any special limits or deductibles that apply are explained in detail in your policy. The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

Summary of Coverage by Location:

COVERAGE	PAYMENT BASIS	COVERAGE LIMIT
Dwelling	Extended Rebuilding Cost	\$4,299,946
Other Permanent Structures	Extended Rebuilding Cost	\$859,989
Contents	Replacement Cost	\$1,074,986
Loss of Use		Unlimited
Liability		\$1,000,000
Medical Payments		\$10,000

A deductible of \$50,000 applies to this location unless a special deductible applies. Location Premium: [REDACTED]

Forms and Endorsements Attached for Location: PCHO-CA (09/06), PCHO-BOR-CA (07/11), 78052 (01/11), PCG-CAU-CA (01/10), PCHO-EB (9/06), PCHO-FLD (09/06), PCHO-FUNGINOT (06/06), PCHO-IEF (12/05), PCHO-WCSC (7/01), PCHO-CALP (11/00), PCHO-DPNOT-CA (10/05), PCHO-RESDISC-CA (07/11), AEQ1 (05/99)

Mortgagee # 001 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



A special offer for our policyholders

Protect your home from water damage

Leaks are one of the most common causes of property damage, but with proper guidance you can virtually eliminate your home’s vulnerability. Through our relationship with Water Security Systems, LLC, Private Client Group policyholders can access **complimentary consultations and exclusive savings** on additional services.

Services at your disposal

Allow Water Security Systems to advise you on how best to protect your home from water damage by:

- Providing you with pre-approved system options and information on the total cost of a water security device
- Assisting with the pre-installation process by ensuring that the plumbing is configured correctly
- Recommending a qualified plumber or working closely with your plumber to educate them on proper installation that is customized to your property.
- Providing ongoing customer support post-installation

AIG Private Client Group policyholders can enjoy savings of \$300 – \$1,000 on a water security system.

Additional Benefits

Installing a water security system can provide value beyond simply reducing damage to your home from leaks. The following are among the added benefits you may receive:

- Discounts on your homeowners policy, which may lead to significant savings
- Reduced water bills
- Lower payouts toward your deductible due to less costly damage
- Enhanced protection for valuables inside your home

“Our hot water heater blew in spectacular fashion and Private Client Group recommended I promptly call Water Security Systems to prevent an incident like this from happening again. They helped me sort through the various device options, explained what was best for my home and were very patient throughout the process. They even worked directly with my plumber to ensure proper installation and automatically contacted Private Client Group so I could receive a discount on my homeowners policy for having a device installed.”

— Jennifer Baldwin, Policyholder

For more information, please visit www.WSSUS.com or contact Water Security Systems directly at 888 356 5644. Be sure to mention you’re insured with AIG.

AIG is the marketing name for the worldwide property-casualty and general insurance operations of American International Group, Inc. AIG Private Client Group is a division of American International Group, Inc. Insurance and services are provided by a member company of AIG Inc. Coverage and supplemental services may not be available in all jurisdictions and are subject to underwriting review and approval. Services provided by third parties are not part of the insurance policy, are not guaranteed by AIG Private Client Group and may be discontinued at any time.



NOTICE

To report a claim, please contact:

1-888-760-9195

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.



HOMEOWNERS COVERAGE

QUICK REFERENCE

Declarations Page

Your Name and Address

Transaction

Policy Period

Coverage Limits

Premium

Forms

Coverage is provided by the American International Group, Inc. member company named on the
Declarations Page.
Each is a stock company.

Policy Provisions

Beginning on Page

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A. Insuring Agreement	
B. Payment of a Loss	
C. Additional Coverages	
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PART III - Liability	10
A. Insuring Agreement	
B. Payment of a Loss	
C. Defense Coverage and Claim Expense	
D. Additional Coverages	
E. Exclusions	
PART IV - Conditions	14

The Contract together with the Declarations Page and Endorsements, if any, complete the policy.

THIS POLICY IS NOT COMPLETED WITHOUT A DECLARATIONS PAGE

HOMEOWNERS COVERAGE - POLICY PROVISIONS

The insurance company named on your Declarations Page will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART IV - CONDITIONS.

PART I - DEFINITIONS

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

In this policy, the words "you", "your" and "yours" refer to the person or persons named on the Declarations Page and his or her spouse who lives in the same household. The words "we", "us", "our" and "ours" mean the insurance company named on the Declarations Page.

As used herein, a Declarations Page includes any schedule that supplements it.

Also, in this policy the words:

Aircraft means any contrivance used or designed for flight, except model or hobby craft not used or designed to carry people or cargo.

Bodily Injury means bodily harm, including resulting sickness or disease, required care, loss of services or death.

Business means a part-time or full-time trade, occupation or profession, including farming or ranching, other than **incidental business**.

Contents means personal property owned by, or in the possession of, you or a **family member**.

For any **residence** listed on the Declarations Page that is a condominium or cooperative, or rental unit, **contents** includes additions, alterations, items of real property, installations or fixtures that you paid for or acquired at your expense along with the **residence**. The property must be your insurance responsibility under the governing rules of the Condominium or Cooperative Association.

Damages means the sum required to satisfy any claim covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.

Family Member means a person related to you by blood, marriage or adoption that lives in your household including a ward or foster child.

Fungi means any type or form of fungus, including but not limited to all forms of mold or mildew, and

any mycotoxins, spores, scents, vapors, gas or substance, including any by-products, produced or released by **fungi**.

House means the owned one, two, three or four family dwelling at which you reside, intend to reside, or any location named on the Declarations Page that is not a condominium or a cooperative.

Incidental Business means a **business** activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers' compensation or other similar disability laws, and conforms to federal, state and local laws. **Incidental business** includes the **business** of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture. **Incidental business** includes **residences** listed on the Declarations Page that you own and rent to others.

Insured person means:

- a. You or a **family member**;
- b. An Additional Insured named in the policy;
- c. Any person given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use; or
- d. **A spouse**. A **spouse** is a marriage partner. The term **spouse** also includes an individual registered under state law as a domestic partner of the **insured person** shown on the Declarations Page.

Landscaping means your trees, lawn, shrubs, and other plants, not including forestry or brush, on the grounds of your **residence**.

Medical Expenses means reasonable charges for medical, dental, hospital, surgical, X-ray, prosthetic devices, professional nursing, ambulance, and funeral services.

Occurrence means:

- a. A loss or an accident, to which this insurance applies, including continuous or repeated expos-

ure to substantially the same general harmful conditions, which occurs during the Policy Period and results in **personal injury or property damage**; or

- b. An offense, to which this insurance applies, including a series of related offenses, committed during the Policy Period that results in **personal injury or property damage**.

Other Permanent Structures means outdoor structures you own that are situated on the grounds of your **residence**.

Personal Injury means injury, including bodily or mental harm or resulting death rising out of any of the following acts:

- a. **Bodily injury**;
- b. Wrongful detention, false imprisonment or false arrest;
- c. Shock, emotional distress, mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

Property Damage means physical injury to, destruction of, or loss of use of tangible property and the resulting loss of its use.

Reconstruction Cost means the lesser of the amount at the time of the loss required to:

- a. Restore or repair a structure; or
- b. Replace or rebuild a structure at the same location;

with materials of like kind and quality. **Reconstruction cost** does not include any amount required for the excavation, replacement or stabilization of land under or around a structure.

Recreational Motor Vehicle means:

- a. A motorized land vehicle designed for use off public roads and not subject to motor vehicle registration or operator licensing;
- b. A motorized land vehicle in dead storage at your **residence**; or
- c. A motorized land vehicle used solely on and to service a location shown on the Declarations Page.

Residence means any of the following which is listed on the Declarations Page:

- a. Any **house, other permanent structures** and grounds that you own;
- b. Any condominium unit, cooperative, or apartment that you own or reside in; or

- c. Any other type of home you rent to live in.

Residence Employee means:

- a. Your employee 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 your **business**.

Watercraft means a boat or craft designed for use on, over or under water.

PART II - PROPERTY

A. Insuring Agreement

This policy covers you against all risks of direct physical loss or damage to your **house, contents** and **other permanent structures** unless an exclusion applies.

B. Payment of a Loss

1. Amount of Coverage for Your **House** and **Other Permanent Structures**

The amount of coverage for each **house** and for **other permanent structures** at each location shown on the Declarations Page is determined by the payment basis shown on the Declarations Page:

a. *Extended Rebuilding Cost Coverage*

We will pay Extended Rebuilding Cost when shown on the Declarations Page of this policy. Extended Rebuilding Cost Coverage means that for a covered loss we will pay the **reconstruction cost** of your **house** or **other permanent structures**, for each **occurrence**. If the **reconstruction cost** of your **house** exceeds the coverage limit for your **house** as shown on the Declarations Page, we will pay up to 100% more than this amount of coverage for the **reconstruction cost**. If the **reconstruction cost** of your **other permanent structures** exceeds the coverage limit for your **other permanent structures** as shown on the Declarations Page, we will pay up to 100% more than this amount of coverage for the **reconstruction cost**. However, you must begin to repair or rebuild your **house** or **other permanent structures** within two years from the date of loss at the same location. If not, the maximum payable is the coverage limit shown for that location on the Declarations Page.

b. *Replacement Cost Coverage*

We will pay Replacement Cost when shown on the Declarations Page of this policy. Replacement Cost Coverage means that for a covered loss we will pay

the **reconstruction cost** of your **house** or **other permanent structures**, up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**. For a covered total loss we will pay the **reconstruction cost** up to the coverage limit shown for that location on your Declarations Page, for each **occurrence**, whether or not you actually rebuild your **house** or **other permanent structures**. The amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **house** and **other permanent structures** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

Your payment basis is subject to the following restriction. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, the payment basis for your **house** or **other permanent structures** is the **reconstruction cost** less depreciation. This limitation will not apply if we otherwise give our prior written consent.

We may change the amount of coverage shown on the Declarations Page when the policy renews or when appraisals are conducted to reflect current costs and values.

2. Amount of Coverage For Your **Contents**

The coverage amount for your **contents** for each covered **residence** is listed on your Declarations Page. The amount we will pay for a covered loss will depend on where the covered loss occurs:

At a **Residence**;

- a. If a loss occurs to **contents** located at a **residence** with **contents** coverage:
 - i. Listed on the Declarations Page of this policy:

We will pay up to the coverage limit for **contents** for that location, for each **occurrence**; or
 - ii. Under another Homeowners policy in force with us:

We will not pay any amount under this policy.
- b. If a loss occurs to **contents** located at a **residence** that does not have **con-**

tents coverage or at a **house**, condominium, cooperative or rental unit owned or rented by the **insured person** not listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies:

We will pay up to 10% of the highest coverage limit for **contents** of any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

However, **contents** at a newly **acquired residence** are not subject to this limitation for sixty (60) days after you begin to move property there.

Away From a **Residence**;

- c. If a loss occurs to **contents** located away from any **residence** or location you own or live at:

We will pay up to the highest coverage limit for **contents** for any single location listed in this policy, for each **occurrence**. Payment will be made based on the single location and will not be made under more than one policy issued by us or one of our affiliated companies.

The most we will pay for a covered loss is the lesser of the amount required to repair the damage or the full cost to replace the **contents** without deduction for depreciation, up to the coverage limit.

However, the most we will pay for a covered loss is the cost to repair or replace the **contents** less depreciation, up to the coverage limit, if the **contents** are obsolete or unusable for the purpose for which they were originally intended because of their age or condition.

If, after a covered loss to both **house** and **contents**, we pay more than the coverage limit for **house** coverage because of Extended Rebuilding Cost, we will automatically increase the amount of **contents** coverage for that loss by the same percentage that we increased the amount of **house** coverage.

The amount of coverage for your **contents** will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your **contents** coverage will include any increase in the United States Consumer Price Index from the beginning of the Policy Period.

3. Deductible

The deductible shown on the Declarations Page is the amount of a covered loss you will pay for each **occurrence**.

Your deductible shown on the Declarations Page will be reduced by any other deductible in this policy unless the deductible is a special deductible such as hurricane, wind and hail, or named storm.

Construction deductible. If at any time during the Policy Period, you are newly constructing your **house** or **other permanent structures**; constructing additions; or undergoing renovations equal to or in excess of the lesser of 10% of the **house** coverage limit or \$500,000, and/or it results in your moving out of the **house** for any period of time, a 5% construction special deductible will apply to each **occurrence** in lieu of a base deductible. This deductible applies to your **house, other permanent structures, contents**, and additional coverages. The dollar amount of this deductible is based on the **house** coverage limit shown on the Declarations Page for that location at the time of the loss. This deductible does not eliminate any other special deductibles that may apply. If the deductible waiver for large losses endorsement was selected, that endorsement will not apply. The construction deductible will not apply to the loss if we otherwise give our prior written consent.

4. Mortgage Clause

The word mortgagee includes trustee. If a mortgagee is named in this policy, any covered loss will be paid to you and the mortgagee as interests appear. If there is more than one mortgagee named in this policy, the order of payment will be identical to the order of precedence.

If your claim is denied, the denial will not apply to a valid claim submitted by the mortgagee if they:

- a. Notify us of any change in ownership or substantial change in risk of which they are aware;
- b. Pay any premium due on this policy or on demand if you have neglected to pay the premium; and
- c. Submit a sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so.

If your policy is cancelled or not renewed by us, the mortgagee will be notified in writing at least ten (10) days before the cancellation or nonrenewal takes effect.

d. If we deny payment to you but pay the mortgagee:

- i. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- ii. At our option, we may pay the mortgagee the entire 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 under the mortgagee's claim.

5. Pairs, Sets and Parts

For a covered loss to a pair or set, we will pay whichever is less:

- a. The cost to replace any part to restore the pair or set to its value before the loss;
- b. The cost to repair any part to restore the pair or set to its value before the loss;
- c. The difference between the market value of the property before and after the loss; or
- d. The amount of coverage.

However, we will pay you the full replacement cost of the entire pair or set if you agree to surrender to us the undamaged item(s) of the pair or set.

6. Special Limits of Liability

- a. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of **contents**. These special limits do not increase the amount of coverage of your **contents**.
 - i. Money, bank notes, money orders, drafts, checks or gold, silver or platinum bullion or ingots \$2,500
 - ii. **Watercraft**, including their outboard motors, equipment and furnishings \$5,000
 - iii. Trailers \$5,000
 - iv. Grave markers and Mausoleums \$50,000

b. The limit shown for each of the following categories is the maximum we will pay for a covered loss to that type of **contents** unless they are stored in a bank vault or bank safe deposit box, in which case we will pay up to the total amount for **contents** coverage listed in the policy for each **occurrence**. These special limits do not increase the amount of coverage of your **contents**.

- i. Stamps, Coins & Medals \$5,000
- ii. Negotiable papers, securities, accounts, evidences of debt, letters of credit, notes (other than bank notes), manuscripts, passports, tickets \$5,000

c. We will pay up to the coverage limit for **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless they are lost, misplaced or stolen, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.

- i. Jewelry, watches, precious stones or semi-precious stones, whether set or unset \$5,000
- ii. Furs \$5,000
- iii. Guns \$5,000
- iv. Silverware, goldware, pewterware or trophies \$10,000

d. We will pay up to the total amount of **contents** coverage listed in the policy for each **occurrence** for **contents** in the following categories unless the loss is caused by breakage, in which case we will only pay up to the limit shown below. These special limits do not increase the amount of coverage of your **contents**.

- i. Crystal, china, porcelains, figurines, statues, sculptures, mirrors, wine bottles, glassware and similar items. \$50,000

C. Additional Coverages

These coverages are offered in addition to the amount of coverage shown on the Declarations Page unless stated otherwise. Your deductible applies to these coverages unless stated otherwise. Exclusions are described in section D. Exclusions and limits of liability are described in section B., 6. Special Limits of Liability apply to these coverages.

1. Additional Living Expense

If a covered loss makes your **residence** unin-

habitable, we cover any reasonable increase in living expenses incurred by you to maintain your household's usual standard of living. Payment will continue for the shortest reasonable amount of time necessary to restore your **residence** to a habitable condition or for your household to permanently locate elsewhere. If your **residence** is under construction and you are living in the **residence** at the time of loss, additional living expenses will cease once you are restored to the condition you were just prior to the loss. We will not pay any interests for loans or increased policy premiums associated with the rebuilding of your home. However, if prior to the loss you are not living in the **residence** or have moved out because of construction or renovations, then additional living expenses for this location will not apply.

We will also pay reasonable expenses associated with the kenneling of your domestic animals only.

2. Assessments

We will pay up to \$100,000 per **occurrence** for your share of an assessment charged during the Policy Period against all the members of a Homeowners, Condominium or Cooperative Association. The assessment must be as a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance. The resultant assessment must be a result of a covered loss to property or as a result of liability that would be covered under this policy. We will not pay assessments charged for loss resulting from earthquake; however, we will pay your share of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage unless another exclusion applies. Your deductible does not apply to this coverage.

3. Fair Rental Value

If you are not able to rent out your **residence**, or a part of your **residence**, that you usually rent to others because of a loss covered by this policy, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence**, or that part of your **residence**, to a habitable condition.

4. Forced Evacuation

If you are forced by civil authority to evacuate your **residence** as a direct result of a loss or a reasonable threat of a loss covered by this policy, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence** is rented to others.

5. Landscaping

We will pay up to the greater of 5% of the coverage limit for the **house** or 5% of the coverage limit for the **contents** (if **house** coverage is not available) at the **residence** at which the covered loss occurs, but no more than \$5,000 for any one tree, shrub or plant. **Landscaping** does not include forestry or brush.

We will pay only for losses caused by:

- a. **Aircraft**;
- b. Fire, lightning or explosion;
- c. Riot or civil commotion;
- d. A vehicle not owned or operated by someone who lives at the **residence**; or
- e. Theft, attempted theft, vandalism or malicious mischief.

This additional coverage applies only if you repair or replace the damaged landscaping within 180 days of the date of loss.

6. Land

In the event of a covered loss to your **house** or **other permanent structures** we will pay for required stabilization, excavation, or replacement of land under or around your **house** or **other permanent structures**. We will pay up to 10% of the amount of a covered loss to your **house** or **other permanent structures** for this coverage.

7. Construction Materials

We cover materials, supplies, machinery, equipment and fixtures owned by you at each location shown on the Declarations Page to be used in the construction, repair, alteration, installation, erection or completion of your **residence** unless stated otherwise or an exclusion applies. These payments do not increase the amount of your coverage.

8. Precautionary Repairs

After a loss covered by this policy, we will pay the reasonable expenses you incur for necessary repairs to protect your **residence**

against further loss. These payments do not increase the amount of your coverage.

9. Debris Removal

We will pay the reasonable expenses to remove debris of a covered loss and the property that caused that covered loss. We will also pay up to a total of \$1000 to remove trees from the **residence** if felled by the peril of windstorm, hail, weight of ice or snow or sleet when there is no damage to covered property.

10. Lock Replacement

We will pay for the cost of replacing the locks in a **residence** listed on the Declarations Page if the keys to that **residence** are lost or stolen. Your deductible does not apply to this coverage.

11. Rebuilding to Code

We will pay the extra expenses to obey any law or ordinance that regulates the repair, rebuilding or demolition of damaged property by a covered loss subject to the following:

- a. If the loss is to a **house**, we will pay up to 100% of the coverage limit shown on the Declarations Page for that **house**; this limit will be included in the 100% of additional coverage provided by Extended Rebuilding Cost, if that payment basis applies.
- b. If the loss is to an **other permanent structure**, we will pay up to 100% of the amount of the coverage shown on the Declarations Page for **other permanent structures** at that location; this limit will be included in the 100% of additional coverage provided in the Extended Rebuilding Cost, if that payment basis applies.
- c. If the loss is to the additions and alterations of your Condominium, Cooperative or apartment unit, we will pay up to 100% of the coverage limit for **contents** for that unit shown on the Declarations Page.

12. Property Removal for Safekeeping

We will pay for any reasonable expenses incurred for the moving and storing of **contents** from a **residence** because the **contents** are in danger as a result of a covered loss.

13. Data Replacement

We will reimburse you up to \$5,000 for expenses you incur as a result of a covered loss to replace lost personal data stored on a personal computer or portable computing device that you own or lease.

14. Business Property

We will pay up to \$25,000 for a covered loss to business property you own or lease.

15. Fire Department Charges

We will pay for the charges imposed by law or assumed by written agreement when a fire department answers a call to save or protect a **residence** listed on the Declarations Page. Your deductible does not apply to this coverage.

16. Back Up of Sewers and Drains

We will pay up to the coverage limits shown on the Declarations Page for physical loss or damage to property caused by:

- a. Water which backs up through sewers or drains on the **residence** premises. A sewer or drain is a pipe mechanically connected to the **residence** plumbing system, gutters or downspouts, or other drainage pipe located on the **residence** premises used to drain water and waste away from the **residence**. A backup is not due to the inability of a sewer or drain to handle the amount of rainwater, surface water or groundwater trying to enter the sewer or drain.
- b. Water which overflows from a sump pump pit if such overflow results from the mechanical breakdown of the sump pump. This additional coverage is intended to cover damage caused by water that overflows the sump pit due to mechanical breakdown of the sump pump, but not damage caused by surface or groundwater before it enters the sump pit. This coverage does not apply to direct physical loss or damage of the sump pump or related equipment, which is caused by mechanical breakdown.

These payments do not increase the amount of your coverage.

17. Property of Domestic Staff and Guests

We cover the personal property of your domestic staff and guests while it is on the premises of any **residence** listed on the Declarations Page. These payments do not increase the amount of your coverage.

18. Loss by Animals

We cover loss to your **house**, **other permanent structures**, and **contents** caused by domestic animals.

19. Arson Reward

We will pay up to \$5,000 for information leading to an arson conviction in connection

with a fire loss to property covered by this policy. The \$5,000 limit is the most we will pay, regardless of the number of persons providing information. This coverage is additional insurance.

20. Ensuing Fungi or Bacteria

We will pay up to \$10,000 in total for a loss caused by **fungi** or bacteria resulting from a covered loss, including:

- a. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;
- b. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi** or bacteria;
- c. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
- d. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims-made. We will not make any additional payments for Ensuing **Fungi** or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

21. Mine Subsidence

We cover direct loss to your **house** and **other permanent structures** caused by lateral or vertical movement of a man-made underground mine or mine-related excavations.

22. Food Spoilage

We cover food spoilage due to a temperature change in a refrigerator or freezer caused by an interruption of the power supply, originating either on or off-premises, or due to the mechanical breakdown of refrigeration equipment at any **residence** you live at or own. Wine or spirits are not considered food. These payments do not increase your amount of coverage. This coverage is subject to a \$250 deductible.

23. Loss Prevention Device

After a loss is covered by this policy, we will pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss prevention device to protect your **residence** against the same loss in the future. Approved loss prevention devices include fire alarms systems, fire suppression systems, security systems, sump pumps, automatic water shut-off devices, lightning suppression systems, back-up power systems and hail resistant roofing materials. These payments do not increase the amount of coverage.

This additional coverage only applies if the loss exceeds the location deductible.

D. Exclusions

The following exclusions apply to PART II - PROPERTY section of your policy:

1. Pollution or Contamination

We do not cover any loss, directly or indirectly, and regardless of any cause or event contributing concurrently or in any sequence to the loss, caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A "pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste". A "contaminant" means an impurity resulting from the mixture of or contact with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed.

2. Gradual or Sudden Loss

We do not cover any loss caused by gradual deterioration, wet or dry rot, warping, smog, rust, or other corrosion. In addition, we do not cover any loss caused by inherent vice, wear and tear, mechanical breakdown or latent defect. However, we do insure ensuing covered loss unless another exclusion applies.

3. Fungi or Bacteria

We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of **fungi** or bacteria, including the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **fungi** or bacteria.

This exclusion does not apply to:

- a. Coverage provided under PART II - PROP-

ERTY. Additional Coverage. Ensuing **Fungi** or Bacteria; or

- b. Ensuing covered loss unless another exclusion applies.

4. Loss by Rodents, Insects, Birds or Vermin

Rodents, insects, birds or vermin except loss to glass that is part of a building, storm door or window. However, we do insure ensuing covered loss unless another exclusion applies.

5. Structural Movement

We do not cover any loss caused by settling, shrinking, bulging or expansion including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings. However, we do insure ensuing covered loss unless another exclusion applies.

6. Surface and Ground Water Damage

We do not cover any loss caused by:

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

This exclusion does not apply to:

- a. **Contents** away from any **residence** or location you own or live at; or
- b. Ensuing covered loss unless another exclusion applies.

7. Water or Ice Damage to Certain **Other Permanent Structures**

We do not cover loss to certain **other permanent structures** caused by freezing, thawing, or the pressure or weight of water or ice, whether driven by wind or not. However, we do insure ensuing covered loss unless another exclusion applies. The **other permanent structures** to which this exclusion applies are swimming pools, fences, patios, pavements, foundations, retaining walls, wharves, docks, piers, bridges or bulkheads.

8. Faulty, Inadequate or Defective Planning

We do not cover any loss caused by faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction.

c. Materials used in repair, construction, renovation or remodeling; or

d. Maintenance;

of part or all of any property whether on or off the **residence**.

However, we do insure ensuing covered loss unless another exclusion applies.

9. Earthquake

We do not cover any loss caused by earthquake. However, we do insure ensuing covered loss due to theft, fire, glass breakage, explosion or water damage from a ruptured sprinkler system within a structure unless another exclusion applies.

10. Earth Movement

We do not cover any loss caused by earth movement including volcanic eruptions, landslides, mudflows, and the sinking, rising, or shifting of land. We do insure ensuing covered loss due to theft, fire, glass breakage, explosion or water damage from a ruptured sprinkler system within a structure unless another exclusion applies.

11. Business Property

We do not cover any loss to **business** property. This exclusion does not apply to coverage provided under PART II - PROPERTY, Additional Coverage, **Business** Property.

12. Motorized Land Vehicles

We do not cover any loss to motorized land vehicles including their equipment and accessories or any electronic devices designed to be operated solely by power from the electrical system of that vehicle. However, we do cover vehicles not subject to motor vehicle registration which are:

- a. Used to service any **residence** you own or live at;
- b. Designed to assist the handicapped; or
- c. Designed for recreational use off public roads.

13. Reparation and Restoration

We do not cover any loss to **contents** caused by or resulting from reparation or restoration. This exclusion does not apply to jewelry, watches, and furs.

14. Watercraft Accidents

We do not cover any loss caused by the stranding, swamping or sinking of a **watercraft** or its trailer, or outboard motor. We also do not cover any loss caused by collision of a **watercraft** other than collision with a

land vehicle unless another exclusion applies.

15. Tenant Property

We do not cover any loss to property of roomers, boarders, or other tenants.

16. Temperature or Dampness

We do not cover any loss caused by extremes of temperature or dampness, dryness of atmosphere or water vapor to your **house, other permanent structures** or **contents**.

This exclusion does not apply to:

- a. Loss caused directly by rain, sleet, snow or hail; or
- b. Coverage provided under PART II - PROPERTY, Additional Coverage, Food Spoilage.

17. Aircraft

We do not cover any loss to **aircraft** or **aircraft** parts.

18. Governmental Action

We do not cover any loss caused governmental action. Governmental action means the destruction, confiscation or seizure by any government or public authority. This exclusion does not apply to governmental action at the time of a fire involving covered property, to prevent its spread.

19. Acts of War

We do not cover any direct loss or ensuing loss to property caused by any kind of warlike action. War includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

20. Loss to Fish, Birds or Animals

We do not cover any loss to fish, birds or animals.

21. Intentional Acts

We do not cover any loss caused by any act, whose consequences could have been foreseen by a reasonable person, committed:

- a. By or at the direction of you, your spouse or a **family member**; and
- b. With the intent to cause loss or damage.

22. Dishonest Acts

We do not cover any loss caused by any dishonest or criminal act by, or at the direction of, you or any **family member**.

23. Nuclear Hazard

We do not cover any loss caused directly or indirectly by "nuclear hazard". 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. However, ensuing covered loss due to fire resulting from a nuclear hazard is covered unless another exclusion applies.

24. Back Up of Sewers or Drains

We do not cover any loss due to a back up or overflow of a sewer or drain including any loss that contributes to any event. This exclusion does not apply to coverage provided under PART II - PROPERTY, Additional Coverage, Back Up of Sewers and Drains.

25. Contents Under Another Policy

We do not cover any loss to **contents** that are insured under a private collections policy, valuable articles or similar policy not issued by us or one of our affiliated companies.

26. Uninsured Owned Location

We do not cover any loss caused directly or indirectly by wind to **contents** located at an owned **house**, condominium, or cooperative that does not have **contents** coverage listed on the Declarations Page of this policy or any other policy issued by us or one of our affiliated companies.

Contents at a newly acquired location are not subject to this exclusion for sixty (60) days after you begin to move **contents** there.

PART III - LIABILITY

A. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay for **personal injury** or **property damage** caused by an **occurrence** covered by this policy anywhere in the world, unless stated otherwise or an exclusion applies.

B. Payment of a Loss

The most we will pay for all claims for **personal injury** and **property damage** as a result of any one **occurrence** is the Liability coverage limit shown on the Declarations Page of this policy. This insurance applies separately to each **insured person** against whom a claim is made or suit is brought, but we will not pay more than the limit shown on the Declarations Page for any single **occurrence** regardless of the number of **insured persons**, claims made or

persons injured. There is no restriction to the number of **occurrences** during the Policy Period for which claims may be made.

C. Defense Coverage and Claim Expense

We will pay the costs to defend an **insured person** against any suit seeking covered **damages** for **personal injury** or **property damage**, even if the suit is false, fraudulent or groundless. You may choose counsel from a panel of firms selected by us. If a panel counsel is not established in the jurisdiction where the suit is brought, we reserve the right to select counsel.

We may investigate and settle any claim or suit at our discretion.

Additionally, we will pay:

1. All court costs and expenses on judgments assessed against any **insured person**;
2. Reasonable expenses incurred by an **insured person** at our request up to a total of \$10,000 for assisting us in the investigation or defense of a claim or suit;
3. The cost of bail bonds required of an **insured person** because of a covered loss;
4. All premiums on bonds required in a suit we defend, but not for bond amounts more than the coverage amount (we need not apply for or furnish any bond);
5. All expenses incurred by us;
6. 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 amount of coverage; and
7. All prejudgment interest awarded against an **insured person** on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of coverage.

In jurisdictions where we are prevented from defending an **insured person** for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior written consent for the **insured person's** defense.

Our duty to defend any claim or suit arising out of a single **occurrence** ends when the amount we have paid in **damages** for that **occurrence** equals the Liability coverage limit shown on the Declarations Page of this policy.

Payments under this provision **C.**, **Defense Coverage and Claim Expense**, except a settlement payment, are in addition to the Liability coverage limit shown on the Declarations Page.

D. Additional Coverages

1. Damaged Property

If an **insured person** destroys or damages other people's property we will pay the replacement cost for that property up to \$10,000 per **occurrence**.

2. Credit Cards, Forgery, and Counterfeiting

We will pay up to a total of \$10,000 for:

- a. Any amount an **insured person** is legally obligated to pay resulting from:
 - i. Theft or loss of a bankcard or credit card issued in the name of you or a **family member**; or
 - ii. Loss caused by forgery or alteration of any check or negotiable instrument.

A loss will not be covered unless all the terms for using the card, check or negotiable instrument, are complied with.

- b. Loss caused by accepting in good faith any counterfeit paper currency.

At our option we may defend a claim or suit against you or a **family member** for forgery or counterfeiting. We will defend a claim or suit against you or a **family member** for loss or theft of a bankcard or credit card.

3. Medical Payments to Others

Regardless of liability, we will pay the necessary **medical expenses** that are incurred or medically ascertained within three (3) years from the date of an accident causing **bodily injury** up to a total of \$10,000 for each person. This coverage does not apply to you or a **family member** and only applies to an accident that:

- a. Occurs to a person, at a **residence** with liability coverage listed on the Declarations Page, with permission from you or a **family member** to be there;
- b. Arises from a condition at a **residence**, or at the steps, driveways or sidewalks immediately adjoining a **residence**, listed on the Declarations Page with liability coverage.
- c. Is caused by an animal owned by or in the care of an **insured person**; or
- d. Is caused by an **insured person** or a **residence employee** in the course of his or her employment by an **insured person**.

4. Limited **Residence Premises Business** Liability

We cover **personal injury** or **property damage** arising out of the physical condition of a **residence** shown on the Declarations Page when **business** or professional activities are legally conducted by any **insured person** at that **residence**. The most we will pay for any covered loss is the Liability coverage limit shown on the Declarations Page. Coverage

is subject to the following:

- a. You do not have any employees conducting **business** activities at your **residence** who are subject to workers' compensation or other similar disability laws;
 - b. You are not a home day care provider; and
 - c. There is no other valid collectible insurance.
- ## 5. Workers Compensation - **Residence** Employees

Coverage I

We agree, with respect to **residence** employees, to pay when due all benefits required of an **insured person** by the California Workers' Compensation Law; and

Coverage II

To pay on behalf of an **insured person** all **damages** for which the **insured person** is legally liable because of **bodily injury** sustained by a **residence** employee. The **bodily injury** must be caused by accident or disease and arise out of and in the course of employment by the **insured person** while:

- a. In the United States of America, its territories or possessions, or Canada ; or
- b. Temporarily elsewhere if the **residence** employee is a citizen or resident of the United States or Canada.

This coverage does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada or to any action on such judgment.

Who is Covered

A **residence** employee is covered if during the ninety (90) calendar days immediately before the date of injury the employee has:

- a. Actually been engaged in such employment by the **insured person** for no less than fifty-two (52) hours; and
- b. Earned no less than one hundred dollars (\$100) in wages.

Application of Coverage

This insurance applies only to **bodily injury** occurring during the Policy Period. If the **bodily injury** is a disease, it must be caused or aggravated by the conditions of the **residence** employee's employment by the **insured person**.

Additional Provisions Applicable to Coverage I

- a. We shall be directly and primarily liable to any **residence** employee of an **insured**

person entitled to the benefits of the California Workers' Compensation Law.

- b. As between the **residence** employee and us, notice to or knowledge of the **occurrence** of the injury on the part of an **insured person** will be deemed notice or knowledge on our part.
- c. The jurisdiction of an **insured person** will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
- d. We will be subject to the orders, findings, decisions or awards rendered against an **insured person**, under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an **insured person** and us as to payments by either in discharge of an **insured person's** liability for compensation.
- e. The **residence** employee has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the **residence** employee, we will pay it directly to the **residence** employee. Your obligation to the **residence** employee will be discharged to the extent of such payment.

Limits of Liability - Coverage II

Our total limit of liability will not exceed \$100,000 for all **damages** because of **bodily injury**:

- a. Sustained by one or more **residence** employees in any one accident; or
- b. Caused by disease and sustained by a **residence** employee.

Our total limit of liability will not exceed \$500,000 for all **damages** arising out of **bodily injury** by disease regardless of the number of **residence** employees who sustain **bodily injury** by disease.

Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

Conformity to Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

Exclusions

This policy does not apply:

- a. To liability for additional compensation imposed on an **insured person** under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an **insured person**, or because of **bodily injury** to an employee under sixteen (16) years of age and illegally employed at the time of injury;
- b. To liability for **bodily injury** arising out of **business** pursuits of an **insured person**; or
- c. Under Coverage II:
 1. To liability assumed by the **insured person** under any contract or agreement;
 2. To **bodily injury** by disease unless a written claim is made or suit brought against the **insured person** within thirty-six (36) months after the end of the Policy Period; or
 3. To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.

E. Exclusions

This policy does not provide coverage for liability, defense costs or any other cost or expense for:

1. Motorized Land Vehicles

Personal injury or **property damage** arising out of the ownership, maintenance, use, loading or unloading of any motorized land vehicle. This exclusion does not apply to **recreational motor vehicles** except when they are used for participation in or practice for competitive racing.

2. Aircraft

Personal injury or **property damage** arising out of the ownership, maintenance, use, loading, unloading, or towing of any **aircraft**.

3. Watercraft

Personal injury or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of any **watercraft**:

- a. That is twenty-six (26) feet or more in length or fifty (50) or more horsepower and which is owned by an **insured person** or furnished or rented to an **insured person** for longer than thirty (30) days;
- b. Used for any **business** or commercial purpose; or

- c. Used for participation in or practice for competitive racing (except sailboats less than twenty-six (26) feet in length).
4. Workers' Compensation or Disability
- Any **damages** or benefits an **insured person** is legally obligated to provide under any workers' compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law except to the extent as may be provided under Additional Coverages, Workers' Compensation - **Residence Employees**.
5. Directors Errors or Omissions
- Personal injury** or **property damage** arising out of any **insured person's** acts, errors or omissions as an officer or member of the board of directors of any corporation or organization. This exclusion does not apply to an **insured person's** actions for a non-profit corporation or organization or for a Condominium or Cooperative Association unless another exclusion applies.
6. Care, Custody or Control
- Property Damage** to property owned by, rented to, occupied or used by, or in the care, custody or control of an **insured person** to the extent that the **insured person** is required by contract to provide insurance. This exclusion does not apply to **property damage** caused by fire, smoke, or explosion.
7. Insured Person
- Personal injury** to an **insured person** under this policy.
8. Discrimination
- Personal injury** arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, color, sex, creed, handicapped status, sexual preference or any other discrimination.
9. Sexual Molestation or Corporal Punishment
- Personal injury** arising out of any actual, alleged or threatened by any person:
- a. Sexual molestation, misconduct or harassment;
 - b. Corporal punishment; or
 - c. Sexual, physical or mental abuse.
10. Transmitted Diseases
- Personal injury** resulting directly or indirectly from any illness, sickness or disease transmitted intentionally or unintentionally by an **insured person** to anyone. We do not cover any **damages** for any threat of exposure or

any consequences resulting from that illness, sickness, or disease.

11. Business Pursuits
- Personal injury** or **property damage** arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended to realize a profit for either an **insured person** or others. However, this exclusion does not apply to:
- a. Volunteer work for an organized charitable, religious or community group;
 - b. **Incidental business** activity; or
 - c. Limited **Residence Premises Business Liability Coverage**.
12. Professional Services
- Personal injury** or **property damage** arising out of an **insured person's** performing or failure to perform professional services for which any **insured person** is legally responsible or licensed.
13. War
- Bodily injury** or **property damage** caused directly or indirectly by war, including the following and any consequence of the following:
- a. Undeclared war, civil war, insurrection, rebellion, or revolution;
 - b. Warlike acts by a military force or military personnel; or
 - c. The destruction, seizure or use of property for a military purpose.
- Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
14. Assessments
- Any assessment charged against an **insured person** as a member of an association, corporation or community of property owners.
15. Contractual
- Personal injury** or **property damage** arising from contracts or agreements, whether written or unwritten:
- a. Made in connection with any **insured person's business**; or
 - b. In which the liability of others is assumed after a covered loss.
16. Nuclear Hazard
- Personal injury** or **property damage** caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.
17. Intentional Acts

Personal injury or property damage resulting from any criminal, willful, intentional or malicious act or omission by any person. We also will not cover claims for acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause, **property damage** or **personal injury**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person, than expected or intended. This exclusion does not apply to **bodily injury** if the **insured person** acted with reasonable force to protect any person or property.

18. Wrongful Termination

Personal injury arising out of wrongful termination of employment.

19. Controlled Substance(s)

Personal injury or property damage arising out of the use, sale, manufacture, delivery or transfer or possession of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. This exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician.

PART IV - CONDITIONS

A. Your Duties

1. Your duty is to notify your agent or broker of a change in occupancy.
2. Your duty is to notify your agent or broker at the beginning of any renovation or construction work and throughout the work to maintain an appropriate amount of coverage and confirm that appropriate protective safeguards are in place as determined by us.

B. Your Duties After a Loss

In the event of an **occurrence** which is likely to involve this policy, or if you or any other **insured person** under this policy is sued in connection with an **occurrence** which may be covered under this policy, you or an **insured person** must:

1. Give prompt notice to us or your agent or broker.
2. Notify the police in case of loss by theft.
3. Notify the credit card or fund transfer card company in case of loss under credit card or fund transfer card coverage.
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to

protect the property; and

- b. Keep an accurate record of all repair expenses.
5. Provide us with bills, receipts and related documents.
6. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request; and
 - c. Submit to separate examination under oath.
7. Send to us within sixty (60) days of our request, your signed sworn proof of loss which sets forth, to the best of your knowledge:
 - a. The time and cause of loss;
 - b. The interest of all others in the property;
 - c. Other insurance which may cover the loss; and
 - d. The dollar amount being claimed as your loss.
8. Provide us with the names and addresses of any known persons injured and any available witnesses.
9. Provide us with any suit papers and other documents which will help us defend any **insured person**.
10. Assist and cooperate with us in the conduct of the defense by helping us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**;
 - c. To attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses.

C. Policy Period and Territory

The Policy Period is stated on the Declarations Page. This policy applies to an **occurrence** which takes place anywhere in the world unless otherwise limited by the policy.

D. Recovery

If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or transfer those rights to us and help us enforce them.

E. Assignment

No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.

F. Changes

This policy may only be changed by written endorsement issued by us.

G. Concealment or Fraud

The entire policy will be void if, whether before or after a loss, you or an **insured person** 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.

H. Reasonable Care

You must use reasonable care to maintain heat in your **residence** or shut off and drain the water system or appliances if the home is vacant, unoccupied or being constructed. We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system or household appliance if reasonable care has not been exercised.

I. Conformity to Statutes

Any provision of this policy, which is in conflict with state or local law, is amended to conform to the law.

J. Liberalization

If we broaden the coverages provided by your policy without an additional premium charge, the changes will automatically apply to your policy as of the effective date on which the changes are adopted in your state.

K. Bankruptcy or Death

The **insured person's** bankruptcy or insolvency shall not relieve us of any of our obligations. Further, if the **insured person** dies or becomes bankrupt or insolvent during the Policy Period, this policy, unless cancelled, will cover the **insured person's** legal representative for the remainder of the Policy Period.

L. Legal Action Against Us

No action shall be brought against us unless the **insured person** has complied with this policy's provisions and for Liability coverage, not until final judgment or agreement has set the amount of the **insured person's** legal obligation with us.

You also agree to bring any action against us within one year after a loss occurs, but not until thirty (30) days after proof of loss has been filed and the amount of loss has been determined.

For Liability coverage, no one has the right to join us in any action against any **insured person**.

M. Appraisals

If you and we fail to agree on the amount of loss, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within twenty (20) days. The independent appraisers will select an arbitrator within fifteen (15) days. If an arbitrator is not agreed upon within that time, either party may request the arbitrator be selected by a judge. The independent appraisers will then appraise the loss and submit any differences to the arbitrator. A decision in writing agreed to by the two appraisers or either appraiser and the arbitrator will be binding. Each appraiser will be paid by the party that has selected the appraiser. You and we will share the expenses of the arbitrator equally.

N. 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.

O. Cancellation

You may cancel this policy or any part of it at any time by notifying us in writing of the future date that the cancellation is to take effect .

To cancel this policy we must notify you in writing. This notice will be mailed to you at the last mailing address shown on the Declarations Page and we will obtain a U.S. Post Office certificate of mailing. This notice will include the date the cancellation is to take effect and the reason for the cancellation. It shall also state that any excess premium, if not returned, shall be refunded on demand. In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed *pro rata* for the unexpired term of the policy.

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.

When this policy has been in effect for less than sixty (60) days and is not a renewal with us, we may cancel for any reason, except as provided below, by letting you know at least ten (10) days before the date cancellation takes effect. We may not cancel this policy solely because:

1. You accepted an offer of earthquake coverage; or

2. You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

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

1. Conviction of a crime having as one of its necessary elements an act increasing the hazard insured against;
2. Discovery of fraud or material misrepresentation by:
 - a. Any **insured person** or his or her representative in obtaining this insurance; or
 - b. You or your representative in pursuing a claim under this policy; or
3. Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
4. Discovery of a material increase in, or a change to, the covered property that increases the hazard insured against; or
5. Acceptance of a new or renewal policy, issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

This can be done by notifying you at least thirty (30) days before the date cancellation takes effect.

When this policy is written for a period longer than one (1) year, we may cancel for any reason at anniversary by notifying you at least forty-five (45) days before the date cancellation takes effect.

If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within twenty-five (25) days after the date cancellation takes

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

P. Nonrenewal

We may elect not to renew this policy, subject to the provisions below. We may do so by delivering to you at your mailing address shown on the Declarations Page, written notice at least forty-five (45) days before the expiration date of this policy.

Proof of mailing will be sufficient proof of notice.

We will not refuse to renew this policy:

1. Solely because you accepted an offer of earthquake coverage;
2. Solely because you cancelled or did not renew an earthquake policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge;
3. Solely on the grounds that a claim is pending under the policy unless such claim is made under coverage for loss caused by an earthquake; or
4. Solely on the basis of an **insured person's** age.

If this policy is written for a period of less than one (1) year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

Q. Renewal Clause

We or our agent may offer to continue this policy for a renewal period, at the current or revised premium, under the policy provisions in effect at the expiration date of this policy.

We can do this by mailing you a bill for the premium to the address shown on the Declarations Page, along with any changes in the policy provisions or amounts of coverage.

You may accept our offer by paying the required premium on or prior to the effective date of each renewal period.

In witness whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.

AIG Property Casualty Company



Secretary



President

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CALIFORNIA RESIDENTIAL PROPERTY INSURANCE BILL OF RIGHTS

A consumer is entitled to receive information regarding homeowner's insurance. The following is a limited overview of information that your insurance company can provide:

- The insurance company's customer service telephone number for underwriting, rating, and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- An explanation of how your policy limits were established.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Settlement Practices Regulations.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

A consumer is also entitled to select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy.

The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

Chartis U.S.

Privacy and Data Security Notice

About This Notice

This Privacy and Data Security Notice applies only to your Personal Information (see definition below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with the products or services one of those companies provided primarily for your personal, family, or household purposes in connection with which you are receiving this notice.

Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of Personal Information that we collect in the course of conducting our business. This notice outlines how we collect, handle, and disclose Personal Information about you.

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a financial account or credit card number, a driver's license number, or information on your physical condition or health status.

I. Information Privacy

We may collect Personal Information from applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates. We may also collect Personal Information from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to your request for a product or service from us or otherwise.

Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

With our Affiliates: Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

We may share your Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

With Non-Affiliates:

We may share your Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

II. Data Security

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use your Personal Information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of your Personal Information in compliance with federal and state privacy and information security laws.

III. Maintaining Personal Information

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer
Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038
Fax: 212 458-7081
E-Mail: CIPrivacy@chartisinsurance.com**

Special Notice: You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we cannot grant your request to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

Our Customers Can Depend on Us

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority. We will continue to monitor our practices in order to protect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you, we will do so.

You may have received this notice in connection with products or services provided to you by one of the following Companies: American Home Assurance Company; AIG Assurance Company; AIG Property Casualty Company; Chartis Select Insurance Company; AIG Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

CONSUMER AFFAIRS UNIT NOTIFICATION - CALIFORNIA

IT IS REQUIRED BY THE CALIFORNIA INSURANCE CODE SECTION 510 THAT WE NOTIFY YOU OF THE FOLLOWING:

IF YOU HAVE A COMPLAINT AGAINST YOUR INSURANCE AGENT OR THE INSURANCE COMPANY WE ASK THAT YOU TRY TO WORK THE PROBLEM OUT WITH THE ABOVE PARTIES; HOWEVER, SHOULD YOU BE UNABLE TO DO SO PLEASE CONTACT:

**CALIFORNIA DEPARTMENT OF INSURANCE
CONSUMER SERVICES DIVISION
300 SOUTH SPRING STREET
LOS ANGELES, CA 90013**

1-800-927-HELP (4357)

EQUIPMENT BREAKDOWN COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:



The following additional coverage is added to the AIG Private Client Group Homeowners policy.

AGREEMENT

We will provide the insurance described in this endorsement in compliance with all applicable provisions of this policy. The most we will pay for loss, damage or expense under this endorsement arising from any **one accident** is \$250,000. Coverage provided under this endorsement does not increase any limit of liability under Part II, PROPERTY.

DEFINITIONS

The following definitions are added:

1. **Accident** means sudden and accidental:
 - a. mechanical or electrical breakdown; or
 - b. tearing apart, cracking, burning or bulging of a steam or hot water heating system, or an air conditioning system;that results in direct physical damage to **covered equipment**.

2. **Covered equipment**
 - a. **Covered equipment** means property, other than **contents**, covered under Part II -- PROPERTY:
 - (1) that generates, transmits or utilizes energy; or
 - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
 - b. None of the following is **covered equipment**:
 - (1) supporting structure, cabinet or compartment;
 - (2) insulating material;
 - (3) sewer piping, buried vessels or piping, or piping forming a part of a fire protective sprinkler system;
 - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer or clothes dryer; or
 - (6) electronic entertainment or computer equipment, including but not limited to:
 - (a) television equipment inclusive of plasma television equipment;
 - (b) stereo equipment; or
 - (c) any electronic component used with such electronic entertainment or computer equipment.

Covered equipment does, however, include permanently installed wiring associated with such electronic entertainment or computer equipment.

3. **One accident** means: If an initial **accident** causes other **accidents**, all will be considered **one accident**. All **accidents** that are the result of the same event will be considered **one accident**.
-

PROPERTY COVERAGES

1. We will pay for direct physical damage to **covered equipment** that is the result of an **accident** .
2. **Additional Living Expense**
Coverage for Additional Living Expense, as provided under C. Additional Coverages, is extended to the coverage provided by this endorsement. We will pay up to \$20,000 per **accident** under this coverage. We will not pay for any expense incurred by you beyond 30 days after the **accident** even if it takes more than 30 days to restore your residence to a habitable condition or for your household to permanently locate elsewhere.
-

EXCLUSIONS

The following exclusions are added:

1. We will not pay under this endorsement for loss, damage or expense caused by or resulting from electrical power surge or brownout.
2. We do not cover under this endorsement any property that is not **covered equipment**.
-

DEDUCTIBLE

The following deductible provision replaces any other deductible provision in the policy or on the Declarations Page with respect to loss covered under this endorsement.

In case of a loss under this endorsement, we will pay only for that part of the loss over \$2,500 . No other deductible applies to this coverage.

This deductible applies to the affected equipment regardless of any other deductible in this policy or any other policy. Your homeowner deductible will apply to any ensuing loss, but will be reduced by this deductible amount.

CONDITIONS

The following conditions are added:

1. **Environmental, Safety and Efficiency Improvements**
If **covered equipment** requires replacement due to an **accident**, we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.
However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits.
2. **Payment of a Loss**
Losses under this endorsement will be settled as follows:
- a. Our payment for damaged **covered equipment** will be the smallest of:
- (1) The coverage limit shown for Equipment Breakdown;
 - (2) The cost to repair the damaged **covered equipment**;
 - (3) The cost to replace the damaged **covered equipment** on the same premises;
or
 - (4) The necessary amount actually spent to repair or replace the damaged **covered equipment**.

- b. Except as described in Environmental, Safety and Efficiency Improvements above, you are responsible for the extra cost of replacing damaged **covered equipment** with property of a better kind or quality or of a different size or capacity.
- c. If you do not repair or replace the damaged **covered equipment** within 24 months, after the date of the **accident**, then we will pay only the smaller of the:
 - (1) Cost it would have taken to repair at the time of the **accident**; or
 - (2) Actual cash value at the time of the **accident**.

Flood Coverage

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location:



Flood Zone Assignment:

X	Flood zone B, C, or X
	Flood zone A or V
	Flood zone D

As respects **Flood** coverage provided by this endorsement, PART I - DEFINITIONS is amended to include the following:

Flood means:

1. A general and temporary condition of partial or complete inundation of normally dry land area from:
 - a. Overflow of inland or tidal waters;
 - b. Unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. **Mudflow**.
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a **flood** as defined in 1.a. above.

All flooding in a continuous or protracted event will constitute a single **flood**.

Landslide means the rapid movement of a mass of soil downslope along a curved or planar failure surface, without deformation of the soil structure.

Mudflow means a river of liquid and flowing mud occurring on level or near-level surfaces of normally dry land areas that have not been affected by **landslide**, as when earth is carried by a current of water. Other earth movements, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope, are not **mudflows**.

National Flood Insurance Program (NFIP) means the program of **flood** insurance coverage and flood-plain management administered under the Act and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.

Special Flood Hazard Area (SFHA) means an area having special **flood**, or **mudflow**, and/or **flood**-related erosion hazards, and shown on a **Flood Hazard Boundary Map** or **Flood Insurance Rate Map** as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.

PART II - PROPERTY, C. Additional Coverage is amended as follows:

The following Additional Coverage is added

Flood

We will pay for physical loss or damage to your **house, contents or other permanent structures** including debris removal caused directly by **flood** unless an exclusion applies.

The Flood Insurance Rate Map (FIRM) in place as of the effective date of the policy or renewal term determines the amount we will pay for a covered loss.

Payment of a Loss:

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP**:

1. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$250,000 for **property damage** to your **house** and **other permanent structures**. These payments do not increase the amount of your coverage.
2. We will pay up to the lesser of the coverage limit shown on your Declarations Page or \$100,000 for **property damage** to your **contents** located at the covered **residence**. These payments do not increase the amount of your coverage.
3. We will pay up to \$250,000 for Additional Living Expenses, which consist of:
 - a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your residence to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
 - b. Loss of fair rental value - if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your **residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
 - c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to **flood**, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$75,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house** or **other permanent structure** is safe to occupy; and, if required, the demolition of your **house** or **other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

- 6 We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of **flood**. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

For your listed **residence** located in a designated **Special Flood Hazard Area**, flood zone **D**, or a **B**, **C** or **X** flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

The coverage limits specified below will be reduced by any payments available through the **NFIP** policy insuring the **residence** or if the **residence** is ineligible for an **NFIP** policy or eligible to be written under an **NFIP** policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under the **NFIP** policy. If we provide broader coverage than the **NFIP** policy, we will pay the difference in conditions not to exceed the limits defined below whether or not you can collect on the **NFIP** policy.

The most we will pay for each **occurrence** is as follows:

1. We will pay up to the lesser of \$250,000; the "Coverage A - Building Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **house** and **other permanent structures**.
2. We will pay up to the lesser of \$100,000; the "Coverage B - Personal Property Limit" listed on the most recent **NFIP** Declarations Page; or the coverage limit shown on your Declarations Page for **property damage** to your **contents** located at the covered **residence**.
3. We will pay up to \$250,000 for Additional Living Expenses, which consist of:
 - a. Extra living expenses - the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest reasonable amount of time necessary to restore your **residence** to a habitable condition or for your household to relocate elsewhere. Extra living expense payment will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
 - b. Loss of fair rental value - if you are not able to rent out your **residence**, or part of your **residence**, that you usually rent to others, we will pay the fair rental value for the reasonable amount of time necessary to restore your **residence** or that part of your **residence** to a habitable condition. Fair rental value payments will be made up to a maximum of one (1) year from the date of a covered **flood** loss.
 - c. Forced evacuation - if you are forced to evacuate your **residence** as a direct result of loss or a reasonable threat of loss due to **flood**, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days.

These payments do not increase the amount of your coverage.

4. We will pay up to \$75,000 for the extra expense to obey any law or ordinance that regulates the repair, rebuilding or demolition of property damaged by **flood**. These payments do not increase the amount of your coverage.
5. We will pay up to \$25,000 for the expense you incur for a structural engineering inspection to determine whether your **house** or **other permanent structure** is safe to occupy; and, if required, the demolition of your **house** or **other permanent structures** when an order of structural condemnation is issued by a public entity. These payments do not increase the amount of your coverage.

6. We will pay up to \$10,000 for the expense you incur to protect your **residence** from a **flood** or imminent danger of flood. These payments do not increase the amount of your coverage. Your deductible does not apply to this coverage.

PART II - PROPERTY, D. Exclusions, is amended as follows:

- A. The following exclusion is deleted in its entirety and replaced as follows:

1. Surface and Ground Water Damage

We do not cover any loss caused by:

- a. **Flood**, surface water, waves, tidal water overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. 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.

This exclusion does not apply to:

- a. **Contents** away from any **residence** you own or live at;
- b. Ensuing covered loss unless another exclusion applies; or
- c. Coverage provided under PART II - PROPERTY. Additional Coverage. **Flood**.

- B. With respect to **Flood** coverage, the following exclusions are added:

1. We do not cover any loss or **property damage** caused by or resulting from any **flood** that is already in progress at the time and date:
 - a. the policy term begins; or
 - b. coverage is added at your request

If the **flood** is due to the overflow of inland or tidal waters, then the **flood** is considered to begin when the water first overflows its banks.

2. We will not pay that part of the loss that is attributable to any Deductible(s) in the **NFIP** policy.
3. We do not cover any loss or **property damage** caused by or resulting from earth movement, such as **landslide**, slope failure, or a saturated soil mass moving by liquidity down a slope whether caused directly or indirectly by **flood**.

PART IV - CONDITIONS, is amended as follows:

The Other Insurance provision is deleted and replaced by the following:

Other Insurance

For your listed **residence** located in a designated B, C or X flood zone eligible for the Preferred Risk Program of the **NFIP** or in flood zone D:

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.

For your listed **residence** located in a designated **Special Flood Hazard Area** or a B, C or X flood zone not eligible for coverage in the Preferred Risk Program of the **NFIP**:

Payments under this coverage are in excess over the payments made by the **NFIP** policy. This provision applies whether or not the maximum **NFIP** limit was obtained or maintained, and whether or not you can collect on the **NFIP** policy.

IMPORTANT

LIMITED FUNGI OR BACTERIA COVERAGE NOTICE

Please take notice that your Homeowners Policy includes a provision that limits the ensuing loss coverage for any loss or damage which results from the presence, growth, spread or activity of **Fungi** or **Bacteria**. This limited coverage applies to PART II - PROPERTY.

- The amount of property insurance available for ensuing loss to your property caused by **fungi** or bacteria is reduced. Coverage is only provided for loss caused by **fungi** or bacteria if such **fungi** or bacteria are the result of a covered peril. **Fungi** are defined in the policy language and include mold;
- Coverage is provided for the testing of air or property to confirm the absence, presence or level of **fungi** or bacteria.
- Coverage for wet or dry rot either as a proximate or ensuing loss is excluded.

PART II - PROPERTY

Ensuing **Fungi** or Bacteria

We will pay up to \$10,000 in total for a loss caused by **fungi** or bacteria resulting from a covered loss, including:

1. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;
2. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi** or bacteria;
3. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
4. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest amount of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims made. We will not make any additional payments for Ensuing **Fungi** or Bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Additional limits of coverage may be available.

Fungi means any type or form of fungus, including but not limited to all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas or substance, including any by-products, produced or released by **fungi**.

INCREASED ENSUING FUNGI OR BACTERIA COVERAGE

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

As respects the following location(s):

[REDACTED]
[REDACTED]

It is agreed and understood that:

PART II - PROPERTY C. Additional Coverages Ensuing **Fungi** or Bacteria, is deleted and replaced with the following:

Ensuing **Fungi** or Bacteria

We will pay up to \$1,075,000 in total for loss to your **house, contents** and **other permanent structures** caused by **fungi** or bacteria resulting from a covered loss, including:

1. The cost to remove, clean-up, remediate, contain, treat, detoxify, neutralize, **fungi** or bacteria;
2. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi** or bacteria;
3. The cost of testing or monitoring of air or property to confirm the absence, presence or level of **fungi** 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** or bacteria; and
4. Up to \$5,000 for the reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your **residence** is uninhabitable. Payment will continue for the shortest period of time necessary to restore your **residence** to a habitable condition.

This is the most we will pay regardless of the number of occurrences, the number of locations insured, or the number of claims made. We will not make any additional payments for ensuing **fungi** or bacteria under any other Additional Coverage.

These payments do not increase the amount of coverage.

Endorsement to Policy #: PCG 0006004359
Policy Period: 01/01/2014 - 01/01/2015

Endorsement Effective Date: 01/01/2014

WORKERS' COMPENSATION SCHEDULE OF EMPLOYEES

Class Code	Description	Number of Employee	Rate Per Employee	Premium
0912	Full time Outside Residence Employee working 10 or more hours per week		\$315	
0913	Full time Inside Residence Employee working 20 or more hours per week	1	\$510	████████
TOTAL				████████

LENDERS LOSS PAYABLE ENDORSEMENT

1. Loss or damage, if any, under this policy shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interest may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance or as to the named insured, excluding herefrom, however, any acts of omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under the policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured had received a reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all Lender's rights of contribution under said other insurance.
6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance

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CALIFORNIA DOMESTIC PARTNER NOTICE

Throughout this policy, the term spouse includes an individual registered under California law as a domestic partner of the **insured person** shown on the Declarations Page.

NOTICE TO CONSUMERS — CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

As respects the following location:

████████████████████

████████████████████

You have purchased the coverage(s) checked below. NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

 ACTUAL CASH VALUE COVERAGE pays the costs to repair the damaged dwelling minus a deduction for physical depreciation. If the dwelling is completely destroyed, this coverage pays the fair market value of the dwelling at time of loss. In either case, coverage only pays for costs up to the limits specified in your policy.

 REPLACEMENT COST COVERAGE is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.

EXTENDED REPLACEMENT COST COVERAGE is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.

 GUARANTEED REPLACEMENT COST COVERAGE covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.

BUILDING CODE UPGRADE COVERAGE, also called Ordinance and Law coverage, is an important option that covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

READ YOUR POLICY AND POLICY DECLARATIONS PAGE CAREFULLY: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE: This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

CONSUMER ASSISTANCE: If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance

NOTIFICATION REGARDING THIS OFFER OF HOMEOWNERS COVERAGE

AIG Property Casualty Company will not bind coverage on any property that has any unrepaired Earthquake damage.

IF YOU INDICATE ON THE APPLICATION THAT NO UNREPAIRED EARTHQUAKE DAMAGE IS PRESENT, AND UPON INSPECTION UNREPAIRED EARTHQUAKE DAMAGE IS DISCOVERED, THE POLICY WILL BE IMMEDIATELY CANCELLED IN ACCORDANCE WITH CALIFORNIA REGULATIONS.