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Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®
P.O. Box 45-9020, Sunrise,FL 33345-9020

Did you know...

Flood damage is a real threat. Most Florida homeowners insurance policies don't automatically cover it. Consider adding our Flood Endorsement to your current policy for higher coverage limits and lower rates than the National Flood Program.

Policy Number: SOID0989377-02-0000

Dear Policyholder:

Please find enclosed your Southern Oak Insurance Company renewal policy and Declaration Page.

001376

ANA GAZARIAN
175 SW 7TH ST STE 1718
MIAMI, FL 33130-2958

The following item(s) are enclosed with the Declaration Page:

SOI 2002 DP 0505
SOI 2016 DL 0316
SOI 04 59 0505
DL 24 16 1202
SOI 04 62 0307
SOI 04 66 0307
OIR-B1-1655 02 10
SOI 04 67 04 24
SOI DP LRC 04 24
SOI MPLED 01 16
SOI DL 24 11 05 19
SOI SDP LWD 03 20

Thank you for being part of the Southern Oak family.

Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®

A Exceptional
Financial Stability Rating®
Demotech, Inc.

Dear Policyholder:

Welcome to Southern Oak Insurance Company! We are pleased to offer the enclosed renewal policy for your rental property that was previously insured by Citizens Property Insurance Corporation.

Southern Oak is a Florida-based residential property insurer offering a more comprehensive insurance product than Citizens. Your Southern Oak policy provides expanded limits and optional coverages not available with Citizens, such as:

- Optional Hurricane Screened Enclosure coverage
- Optional Flood coverage
- Optional Roof Schedule

Please note the Southern Oak water coverage differs from Citizens in that we do not offer a managed repair program. Therefore, the water coverage moves to limited coverage when your home is 10 years or older. The water limit is 5% of your Coverage A or $10,000, whichever is greater.

Our company is committed to providing you with top rated customer service. As part of that commitment, you have access to your own ***My Southern Oak*** web page. Your personal web page allows you to:

- View/print policy documents
- Pay your policy premium online by credit or debit card
- Find agent and company contact information

Visit www.southernoak.com today to sign up for your ***My Southern Oak*** web page.

We encourage you to read your policy thoroughly to gain a full understanding of your insurance protection. Please note that in order to lower premiums, Southern Oak does not provide automatic coverage for hurricane damage to screen enclosures as most people do not have a need for this coverage. If you have a screen enclosure, you may purchase this coverage by requesting the endorsement be added to your policy.

Please contact your agent if you have any questions or would like to learn more about the availability of optional coverages. If you are unable to reach your agent, you may contact our customer service department toll-free at 877-900-3971.

Welcome to the Southern Oak Family!

Sincerely,

Tony Loughman

Tony A. Loughman
President

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P.O. Box 45 9020 • Sunrise, FL 33345-9020
Customer Service: 1.877.900.3971 • Claim Service 1.877.900.2280
www.southernoak.com

Southern Oak
INSURANCE COMPANY
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P.O. Box 45-9020
Sunrise, FL 33345-9020

Agent:
AAM INSURANCE CORP.
9880 SW 40 ST
MIAMI, FL 33165
(305) 228-8988

Policy Number: SOID0989377-02

Policy Effective Dates:
April 3, 2025 to April 3, 2026

Named Insured & Property Address:

ANA GAZARIAN
1030 NE 105TH ST
MIAMI SHORES, FL 33138

ANA GAZARIAN
175 SW 7TH ST STE 1718
MIAMI, FL 33130-2958

Date:	Description:	Due Date:	Amount:
02/10/2025	Renewal Policy Billing	04/03/2025	7,628.03

Payment must be received before 04/03/2025

Total Balance Due: $7,628.03

YOUR LIENHOLDER HAS BEEN BILLED. THIS IS FOR YOUR RECORDS ONLY.

However, if something has changed and you need to make a payment, you may choose from one of the following options:
1) Go to www.mysouthernoak.com to make a debit or credit card payment.
2) Contact your agent or call 877-900-3971 to make a debit or credit card payment.
3) Make check payable to Southern Oak Insurance Company and mail payment using the payment slip below.

www.southernoakins.com

Please detach this payment slip and submit this portion with your payment.

Policy Number: SOID0989377-02 **Named Insured: ANA GAZARIAN**

Payment must be received by 04/03/2025

Total Balance Due: **$7,628.03**

Mail Payment To:
Southern Oak Insurance
Post Office Box 459020
Sunrise, FL 33345-9020

Overnight Payment Address
Southern Oak Insurance
Attn: Underwriting Department
1560 Sawgrass Corp Pkwy,
4th Floor
Sunrise, FL 33323

Total Payment Enclosed:

Lienholder Billed
SELECT PORTFOLIO SERVICING INC ISAOA

Make check payable to Southern Oak Insurance Company

Policyholder Copy

SOID098937708438184000007628030

SOI NTC 04 13
Date Printed: 02/11/2025

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Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®

P.O. Box 45-9020, Sunrise, FL 33345-9020
POLICY NUMBER: SOID0989377-02-0000
Previous Policy Number: 06629883

Important Phone Numbers:
Your Agent: (305) 228-8988
Customer Service: (877)-900-3971
Claims Reporting: (877)-900-2280

DWELLING DP-3 POLICY DECLARATIONS

Renewal
Policy Effective Date: 04/03/2025 12:01 AM
Policy Expiration Date: 04/03/2026 12:01 AM

Insured Name and Mailing Address:

ANA GAZARIAN
175 SW 7TH ST STE 1718
MIAMI, FL 33130-2958

YOUR SOUTHERN OAK AGENT IS:
ALAIN DOMINGUEZ
AAM INSURANCE CORP.
9880 SW 40 ST
MIAMI, FL 33165
(305) 228-8988

Insured location covered by this policy:

1030 NE 105TH ST
MIAMI SHORES, FL 33138
County: MIAMI-DADE

TOTAL ANNUAL POLICY PREMIUM **$7,628.03**

The Hurricane portion of the Premium is: $5,015.39
The Non-Hurricane portion of the Premium is: $2,612.64

COVERAGE IS PROVIDED WHERE A PREMIUM OR LIMIT OF LIABILITY IS SHOWN FOR THE COVERAGE

PROPERTY COVERAGES	LIMIT	PREMIUM
Coverage - A - (Dwelling)	$299,000	**$15,587**
Coverage - B - (Other Structures)	$29,900	Included
Coverage - C - (Personal Property)	$500	**$22**
Coverage - D - (Fair Rental Value)	$29,900	Included

DEDUCTIBLES In case of a loss, we only cover that part of the loss over the deductible stated or as otherwise indicated in your policy:

All Other Perils Deductible - $2,500

Windstorm or Hail (Other than Hurricane) Deductible - $14,950 (5% of Coverage A)

Hurricane Deductible - $14,950 (5% of Coverage A)

LIABILITY COVERAGES		
Coverage - L - (Personal Liability)	$100,000	**$49**
Coverage - M - (Medical Payments)	$2,000	Included

CREDITS AND SURCHARGES	**-$7,926.35**
Age of Home (Non Wind Premium) Credit	-$255.49
Roof Age Credit	-$140.55
Windstorm Loss Mitigation Credit	-$7,409.45

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Print Date 02/10/2025

SOI DEC 051 09 21
Ren: 02, End: 0000

Southern Oak
INSURANCE COMPANY
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Important Phone Numbers:
Your Agent: (305) 228-8988
Customer Service: (877)-900-3971
Claims Reporting: (877)-900-2280

P.O. Box 45-9020, Sunrise, FL 33345-9020
POLICY NUMBER: SOID0989377-02-0000
Previous Policy Number: 06629883

Hurricane Deductible Credit	-$889.13
AOP Deductible Credit	-$377.20
Year Built (Wind Premium) Surcharge	$1,215.16
Windstorm or Hail Deductible Credit	-$69.69
POLICY FEES	**$104.32**
Managing General Agency Fee	$25.00
Emergency Management Preparedness and Assistance Trust Fund Fee	$2.00
Florida Insurance Guaranty Association 2023 Emergency Assessment Fee	$77.32
PREMIUM TAX DEDUCTION	**-$135.78**
STATE FIRE MARSHAL REGULATORY ASSESSMENT TAX DEDUCTION	**-$72.16**

OPTIONAL COVERAGES PREMIUM	**LIMIT**	
Water Coverage	$14,950 (5% of Coverage A)	Included

Premium Change Due to Coverage Change $0.00
Premium Change Due to Rate Change $0.00
Premium Change Due to Fee Change $0.00

Policy Forms and Endorsements:

SOI 2002 DP 0505	SOI 2016 DL 0316	SOI 04 59 0505	DL 24 16 1202
SOI 04 62 0307	SOI 04 66 0307	OIR-B1-1655 02 10	SOI 04 67 04 24
SOI DP LRC 04 24	SOI MPLED 01 16	SOI DL 24 11 05 19	SOI SDP LWD 03 20

Rating Information:

Construction:	Masonry	Year Built:	1963
Occupied By:	Tenant	Usage Type:	Rental
BCEG Grade:	99	Territory:	034-22
Protection Class:	02	Exclude Wind Coverage:	No
Number of Families:	1	Fire Alarm:	None
Automatic Sprinklers:	None	Opening Protection:	None
Roof Shape:	Gable	Roof Material:	Other
Roof Year:	2020	Roof Age:	5 years

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POLICY NUMBER: SOID0989377-02-0000
Previous Policy Number: 06629883

Important Phone Numbers:

Your Agent: (305) 228-8988
Customer Service: (877)-900-3971
Claims Reporting: (877)-900-2280

FIRST LIEN
Loan# 0031661929
SELECT PORTFOLIO SERVICING INC ISAOA
PO BOX 7277
SPRINGFIELD, OH 45501-7277

Authorized Countersignature:

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Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®

P.O. Box 45-9020, Sunrise, FL 33345-9020
POLICY NUMBER: SOID0989377-02-0000
Previous Policy Number: 06629883

Important Phone Numbers:
Your Agent: (305) 228-8988
Customer Service: (877)-900-3971
Claims Reporting: (877)-900-2280

NOTICES

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

YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.

YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.

IN CASE OF A LOSS TO COVERED PROPERTY, YOU MUST TAKE REASONABLE EMERGENCY MEASURES SOLELY TO PROTECT THE PROPERTY FROM FURTHER DAMAGE IN ACCORDANCE WITH THE POLICY PROVISIONS (MAY NOT EXCEED THE GREATER OF $3,000 OR 1% OF YOUR COVERAGE A LIMIT OF LIABILITY UNLESS YOU CALL US FIRST AND RECEIVE OUR APPROVAL). PROMPT NOTICE OF THE LOSS MUST BE GIVEN TO US OR YOUR INSURANCE AGENT. EXCEPT FOR REASONABLE EMERGENCY MEASURES, THERE IS NO COVERAGE FOR REPAIRS THAT BEGIN BEFORE THE EARLIER OF: (A) 72 HOURS AFTER WE ARE NOTIFIED OF THE LOSS, (B) THE TIME OF LOSS INSPECTION BY US, OR (C) THE TIME OF OTHER APPROVAL BY US. TO REPORT A LOSS OR CLAIM CALL 877.900.2280.

Ordinance or Law Coverage: 10% of the Coverage A Limit

For assignment agreement notices of presuit demands, send to: Claims Department, 830 A1A North, Suite 13-326, Ponte Vedra Beach, FL 32082 or claims@southernoakins.com.

Checklist of Coverage

Policy Type: **Dwelling**

(Indicate: Homeowner's, Condominium Unit Owner's, Tenant's, Dwelling, or Mobile Home Owner's)

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

Reviewing this checklist together with your policy can help you gain a better understanding of your policy's actual coverages and limitations, and may even generate questions. By addressing any questions now, you will be more prepared later in the event of a claim. Experience has shown that many questions tend to arise regarding the coverage of attached or detached screened pool enclosures, screened porches, and other types of enclosures. Likewise, if your policy insures a condominium unit, questions may arise regarding the coverage of certain items, such as individual heating and air conditioning units; individual water heaters; floor, wall, and ceiling coverings; built-in cabinets and counter tops; appliances; window treatments and hardware; and electrical fixtures. A clear understanding of your policy's coverages and limitations will reduce confusion that may arise during claims settlement.

Please refer to the policy for details and any exceptions to the coverages listed in this checklist. All coverages are subject to the provisions and conditions of the policy and any endorsements. If you have questions regarding your policy, please contact your agent or company. Consumer assistance is available from the Department of Financial Services, Division of Consumer Services' Helpline at (800) 342-2762 or www.fldfs.com.

This form was adopted by the Florida Financial Services Commission.

Dwelling Structure Coverage (Place of Residence)			
Limit of Insurance:	**$299,000**	Loss Settlement Basis:	Replacement Cost
			(i.e. Replacement Cost, Actual Cash Value, Stated Value, etc.)
Other Structures Coverage (Detached from Dwelling)			
Limit of Insurance:	**$29,900**	Loss Settlement Basis:	Replacement Cost
			(i.e. Replacement Cost, Actual Cash Value, Stated Value, etc.)
Personal Property Coverage			
Limit of Insurance:	**$500**	Loss Settlement Basis:	Actual Cash Value
			(i.e. Replacement Cost, Actual Cash Value, Stated Value, etc.)
Deductibles			
Annual Hurricane:	**$14,950**	Windstorm or Hail (Other Than Hurricane):	**$14,950**
		All Other Perils:	**$2,500**

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Checklist of Coverage (continued)

The above Limit of Insurance, Deductibles, and Loss Settlement Basis apply to the following perils insured against:
(Items below marked **Y (Yes)** indicate coverage IS included, those marked **N (No)** indicate coverage is NOT included)

Y	Fire or Lightning	
Y	Hurricane	
N	Flood (including storm surge)	EXCLUDED
Y	Windstorm or Hail (other than hurricane)	
Y	Explosion	
Y	Riot or Civil Commotion	
Y	Aircraft	
Y	Vehicles	
Y	Smoke	
Y	Vandalism and Malicious Mischief	
N	Theft	EXCLUDED
Y	Falling Objects	
Y	Weight of Ice, Snow or Sleet	
Y	Accidental Discharge or Overflow of Water or Steam	
Y	Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging	
Y	Freezing	
Y	Sudden and Accidental Damage from Artificially Generated Electrical Current	
Y	Volcanic Eruption	
N	Sinkhole	EXCLUDED
Y	Any Other Peril Not Specifically Excluded (dwelling and other structures only)	

Special limits and loss settlement exceptions may apply to certain items. Refer to your policy for details.

Loss of Use Coverage			
Coverage		**Limit of Insurance**	**Time Limit**
(Items below marked **Y (Yes)** indicate coverage IS included, those marked **N (No)** indicate coverage is NOT included)			
N	Additional Living Expense		
Y	Fair Rental Value	$29,900	Shortest time required to repair/replace
Y	Civil Authority Prohibits Use	$29,900	2 weeks maximum

Checklist of Coverage (continued)

Property - Additional/Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		**Limit of up to** **$299,000** **Unless Otherwise Noted**	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	**Additional**
Y	Debris Removal		Y	
Y	Reasonable Repairs		Y	
Y	Property Removed	$50	Y	
N	Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money			
N	Loss Assessment			
Y	Collapse		Y	
Y	Glass or Safety Glaze Material		Y	
N	Landlord's Furnishings			
Y	Law and Ordinance	$29,900		Y
N	Grave Markers			
Y	Mold/Fungi	$10,000	Y	

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Checklist of Coverage (continued)

Discounts		
(Items below marked Y (Yes) indicate discount IS applied, those marked N (No) indicate discount is NOT applied)		Dollar ($) Amount of Discount
N	Multiple Policy	
N	Fire Alarm / Smoke Alarm / Burglar Alarm	
N	Sprinkler	
Y	Windstorm Loss Reduction	$7,409.45
N	Building Code Effectiveness Grading Schedule	
N	Other	

Insurer May Insert Any Other Property Coverage Below			
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Loss Settlement Basis:(i.e.: Replacement Cost, Actual Cash Value, Stated Value, etc)
N	Flood Coverage A - Building		
N	Flood Coverage B - Contents		
Y	Limited Water Damage	$14,950	

Personal Liability Coverage

Limit of Insurance: **$100,000**

Medical Payments to Others Coverage

Limit of Insurance: **$2,000**

Liability - Additional / Other Coverages				
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance	Amount of insurance is an additional amount of coverage or is included within the policy limit.	
			Included	Additional
Y	Claim Expenses			Y
Y	First Aid Expenses			Y
Y	Damage to Property of Others	$1,000		Y
N	Loss Assessment			

Insurer May Insert Any Other Liability Coverage Below		
(Items below marked Y (Yes) indicate coverage IS included, those marked N (No) indicate coverage is NOT included)		Limit of Insurance
N		
N		
N		
N		

Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®

OUTLINE OF YOUR SOUTHERN OAK DWELLING FIRE POLICY

This Outline is being provided to help you more easily understand your Southern Oak Insurance Company Dwelling Fire Policy. It highlights the major coverages, exclusions, limitations and deductibles of your policy and provides information on discounts, cancellation and nonrenewal. However, this is just a guide and not a legal contract. **Please read your Dwelling Fire policy carefully for complete descriptions and details.**

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

SECTION I - PROPERTY COVERAGE

Coverage A - Dwelling

Protects against covered loss to the dwelling on the Described Location shown in the declarations and structures attached to the dwelling. It also protects against covered loss to building materials located on or next to the Described Location which are being used in connection with the dwelling or other structures on the Described Location.

Note: The standard policy does not provide coverage for screen enclosures that are damaged from the peril of hurricane. This coverage is available for additional premium.

Coverage B - Other Structures

Protects against covered loss to any structure on the Described Location not physically attached to the dwelling.

Coverage C - Personal Property

IF PURCHASED, protects against covered loss to personal property which is usual to the occupancy as a dwelling and owned or used by you or members of your family while on the Described Location. Additionally, there are some items not covered under Coverage "C". Some examples are animals, motorized vehicles and property of roomers or boarders and other tenants. Please review your policy for a complete list of items that have special limits or are excluded.

Coverage D – Fair Rental Value

Protects against loss if part of the Described Location is damaged by a covered peril and made unfit for its normal rental use. We covered the fair rental expense less any expenses that do not continue while that part of the Described Location is unfit to live in. Refer to the policy for specific time lines with regard to coverage.

Additional Coverage

- Debris Removal
- Reasonable Repairs
- Trees, Shrubs, and Other Plants
- Fire Department Service Charge
- Property Removed
- Collapse
- Glass or Safety Glazing Material
- Landlords Furnishings
- Fungi, Wet or Dry Rot, Yeast or Bacteria

PERILS INSURED AGAINST

This policy insures under Coverages "A" and "B", if applicable to your policy, against sudden and accidental direct physical losses except as limited or excluded by your policy. This policy insures under Coverage "C" for sudden and accidental direct physical losses except as limited or excluded by your policy for loss caused by:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Damage by Burglars
- Catastrophic Ground Cover Collapse
- Falling Objects
- Freezing of Plumbing or Household Appliances
- Accidental Discharge or Overflow of Water or Steam from an Appliance

Note: **(1)** If the dwelling is located in a "Wind Only" designated area, "Windstorm or Hail" coverage **must** be excluded from your policy. Be sure to obtain this important coverage if it has been excluded from your policy. **(2)** If the dwelling has been vacant for 60 consecutive days prior to the date of loss, there is no coverage for vandalism, sprinkler leakage, glass breakage, or damage by burglars.

PROPERTY EXCLUSIONS

This policy does not provide protection under Coverages "A", "B" and "C", if applicable to your policy for losses resulting from:

- Sinkhole Activity
- Ordinance or Law
- Flood, including wave wash
- Off Premises Power Failure
- Back-up of Sewers and Drains
- Existing Damages
- Earth Movement, other than a covered sinkhole loss or catastrophic ground cover collapse
- Inherent Vice, Decay, Defect & Mechanical Breakdown

There are other exclusions. Please read your policy for complete details regarding exclusions.

THIS OUTLINE IS FOR INFORMATIONAL PURPOSES ONLY. READ YOUR POLICY CAREFULLY. YOUR AGENT WILL ASSIST YOU WITH ANY QUESTIONS ABOUT YOUR POLICY.

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SECTION II – LIABILITY COVERAGE

Coverage E - Personal Liability

IF PURCHASED, generally provides coverage for bodily injury or property damage you or a person insured under your policy are legally obligated to pay. The bodily injury or property damage must arise from an occurrence covered under Section II of your policy. Coverage for Animal Liability and Home Day Care Operations are not covered.

Coverage F - Medical Payments To Others

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

OPTIONAL COVERAGES AVAILABLE

- Coverage "B" – Increased Limits
- Coverage "C" – Personal Property Coverage
- Coverage "L" - Personal Liability Coverage
- Coverage "M", Medical Payments to Others Coverage
- Sinkhole Loss Coverage
- Fungi, Wet or Dry Rot, Yeast or Bacteria – Increased Limits – Section I
- Earthquake Coverage
- Back-up of Sewers and Drains
- Screened Enclosures – Hurricane Coverage

PREMIUM CREDITS

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

Protective Devices - If the dwelling on the Described Location has a qualified central station fire alarm or an automatic fire sprinkler system, you are eligible for premium credits.

Deductible Credits - A hurricane deductible of 2% on a calendar year basis and an all other peril deductible of $1,000 apply to your policy. This is the amount of the loss you must incur before this policy pays. Deductible options higher than the standard deductibles may be available at a premium credit. Deductible options less than the standard deductibles may be available which will result in a premium increase.

Windstorm Loss Mitigation Devices – If the dwelling on the Described Location is equipped or built in accordance with the current Florida Building Code, it may be eligible for premium credits. Specific roof coverings, roof shapes, roof deck attachments, opening protection and secondary water resistive protection are examples of available credits.

NONRENEWAL AND CANCELLATION PROVISIONS

All cancellations are calculated on a pro -rata return of premium. Pro-rata means there is no penalty for early cancellation.

Your Right To Cancel

You may cancel the policy at any time, for any reason; by giving us advance written notice of the future cancellation effective date.

Our Right To Cancel

If your policy has been in effect for 90 days or less and the insurance is cancelled for other than nonpayment of premium we may cancel for any valid reason by giving you at least 20 days notice before the cancellation effective date, except where there has been a material misstatement, misrepresentation, or failure to comply with underwriting requirements established in the first 90 days, then we may cancel immediately.

If your policy has been in effect over 90 days, or if your policy is a renewal with us, we may cancel your policy for only a limited number of reasons by giving you at least 100 days advance written notice before the cancellation becomes effective. These reasons include but are not limited to material misstatement or a substantial change of risk.

For any cancellations that would be effective between June 1 and November 30 inclusive, we will mail written notice at least 100 days or by June 1, whichever is earlier, before the cancellation becomes effective.

Nonrenewal

If we do not intend to renew your policy we will mail notice of our intent to you at least 100 days before the expiration date of the policy. The renewal premium payment must be received no later than the renewal date or the policy will terminate.

For any nonrenewal that would be effective between June 1 and November 30 inclusive, we will mail written notice at least 100 days or by June 1, whichever is earlier, before the nonrenewal becomes effective.

THIS OUTLINE IS FOR INFORMATIONAL PURPOSES ONLY. READ YOUR POLICY CAREFULLY. YOUR AGENT WILL ASSIST YOU WITH ANY QUESTIONS ABOUT YOUR POLICY.

Southern Oak
INSURANCE COMPANY
Our Family Protecting Yours®

Southern Oak Insurance Company
Privacy Policy

Southern Oak Insurance Company ("Southern Oak") values you as a customer and we know how much privacy means to you. We will inform you of our policies for collecting, using, securing, and sharing customer information the first time we do business with you and every year you are a Southern Oak customer. This notice explains what we do to protect your rights.

Our Privacy Principles

- We do not sell customer information.
- We do not allow those who are doing business on our behalf to use our customer information for their own marketing purposes.
- We contractually require any person or organization providing products or services on our behalf to protect Southern Oak customer information.
- We afford prospective and former customers with the same protections as existing customers with respect to the use of personal information.

As providers of products and services that involve compiling personal, sometimes sensitive, information protecting the confidentiality of that information has been and will continue to be a top priority. We collect and use information we need to conduct our business, to advise you of our products and services, and to provide you with customer service.

Information We Collect

We collect information about you to quote and service your insurance policy. This information is called "non-public personal information" if it identifies you and is not available to the public. Depending on the products or services you request, we collect non-public personal information from some or all of the following sources:

- Information we receive from consumers and customers on applications and forms. You provide this on your application, through your agent or broker, by phone, or online. We may also obtain it from directories or other outside sources. Such information may include your name, street and email addresses, phone number, driver's license number, Social Security number, date of birth, gender, and marital status.
- Information about your transactions with us, our affiliates or others. This is information includes your insurance coverage, limits and rates, and payment and claims history. It also includes information that we require for billing and payment.
- Information we receive from you from consumer reporting agencies and other third-party reporting agencies which may include your driving record, claims history with other insurers, credit report information, and loss information reports.
- Information we receive from Internet transactions. This information may include the Web site that linked you to ours, your computer operating system, and the pages you viewed on our site. Some Web sites, including ours, may also store "cookies" on your computer. Cookies collect technical data, like your Internet protocol address, operating system and session ID. They also save certain information entered by you.

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Information We Disclose

We will not share non-public personal information with other companies for their marketing purposes without consent. There is no need to "opt out" or tell us not to do this.

Information about our customers will only be disclosed as permitted or required by law. Information about you that has been collected is maintained in your policy and/or claims records. We use this information to process and service your policy, to adjust claims, or as directed by you. We may also disclose it to persons or organizations as necessary to perform transactions you request or authorize. Information about our former customers and about individuals who have obtained quotes from us is safeguarded to the same extent as non-public personal information about our current customers.

Following are some examples of how we may disclose non-public personal information:

- We must exchange non-public personal information with our agents, investigators, appraisers, attorneys, and other persons who are or will become involved in processing your application and servicing your policy or any claims you may make.
- When you are involved in a claim, policy information is provided to adjusters and businesses that may repair your residence.
- We may share non-public personal information with persons or organizations that we have determined need such information to perform a business, professional, or insurance function for us. These include businesses that help us with administrative functions. If the law in your state permits, we may share non-public personal information with financial institutions with which we have a joint-marketing agreement. All of these entities are obligated to keep such information that we provide to them confidential and to use the non-public personal information only for the purpose for which the information was provided.
- Information may be provided to organizations conducting actuarial research or audits. In this case, you will not be individually identified in any research report. The organization must agree not to re-disclose the non-public personal information and the information will be returned to us or destroyed when it is no longer needed.

We may also share non-public personal information for other permitted purposes, including:

- with our reinsurers;
- with insurance-support organizations that detect and prevent fraud;
- with state insurance departments or other governmental or law enforcement authorities if required by law or to protect our legal interests or in cases of suspected fraud or illegal activities; or
- if ordered by a subpoena, search warrant or other court order.

Confidentiality and Security

We take our responsibility to protect the confidentiality and security of non-public personal information very seriously. We maintain physical, electronic and procedural safeguards that comply with federal and state standards to store and secure information about you from unauthorized access, alteration and destruction. Under our control policies, for example, access to customer information is restricted to individuals who need it in order to service your policy or provide products and services to you, and who are trained in the proper handling of such information. Employees who violate these confidentiality requirements are subject to disciplinary proceedings.

Accurate Information

It is important that the information we maintain about you is accurate and complete. If you see information in your policy, billing statements, or elsewhere, which suggests that our information is incomplete or inaccurate, please contact your local agent or write to us at the address shown below and we will update your information as needed. Please reference your policy number on any correspondence sent to our office.

Southern Oak Insurance Company
P.O. Box 45-9003
Sunrise, FL 33345-9003
Confidentiality and Security

Additional Information for Our Web Site Users

We are interested in how visitors use our web site, what they like and dislike, and where they have problems. We may gather data on how users navigate our web site so we can make southernoakins.com an easy place to do business. Our tools may gather data such as what browser a person uses or even what pages are most popular.

We use cookies to improve your experience while using southernoakins.com. Cookies are small files that are stored on your computer. They do not contain any personally identifiable information about you. They help us personalize your experience when you return to our web site, and they are required for certain portions of our web site. Most browsers let you determine whether or not you accept our cookies. If you don't use cookies, you won't be able to use certain southernoakins.com features, such as the "remember me" function for policyholders that lets you store your User ID so you don't have to input it every time you log in from the same computer.

Southernoakins.com may place small pieces of computer code (embedded objects) on our pages to help our advertising partners count how many customers they referred to our web site. We may use these objects to track how many referred customers actually get a rate quotation. We may also use objects placed on other sites to monitor your exposure to our advertising or other offers online. These objects don't collect any personally identifiable information about you.

We also provide some links to third-party web sites that are not owned by Southern Oak. Southern Oak has no control over their privacy practices and assumes no responsibility in connection with your use of their web sites. We recommend that you check the privacy policy of any web site before you provide any personally identifiable information.

Changes to This Privacy Policy

We may modify our privacy policy from time to time. The most recent version is always posted at southernoakins.com. Each of our policyholders receives a copy of our privacy policy at least once per year. In addition, in the event that we make a significant change to our privacy practices, we will send a revised copy of our privacy policy to each of our current policyholders.

No Insurance Afforded by this Policy

If your insurance policy has been canceled or non-renewed, this Privacy Policy Notice **DOES NOT REINSTATE** your policy with Southern Oak. This notice should not be accepted by anyone as evidence that insurance coverage is in force.

The Effective Date of this Privacy Policy is February 26, 2014.

DEDUCTIBLE OPTIONS NOTICE

Southern Oak Insurance Company, (the company), is required to notify all Policyholders of the availability of a $500 deductible for all perils covered by your policy except Hurricane.

The Company offers as standard, deductibles of 2% for hurricanes and $1,000 for all other perils. In addition, we offer the opportunity for you to buy lower deductibles for additional premium, or select higher deductibles for a premium credit.

- Hurricane deductible options are $500, 2% (minimum $500),5% and 10%. All Other Peril deductible options are $500, $1,000 and $2,500.
- Windstorm or Hail (Other than Hurricane) deductible options are $500, $1,000, $2,500, 2%, 5% and 10%.
- Optional Flood Coverage Endorsement deductible options are $500, $1,000, $2,500, $5,000, $7,500 and $10,000.
- Optional Sinkhole Loss Coverage has a mandatory deductible of 10% of the Coverage A limit

In the event you select a lower hurricane deductible and have suffered a hurricane loss under this policy or under one issued by a member of our company group during the calendar year, such lower selected deductible will not take effect until January 1 of the following calendar year.

If your policy does not exclude coverage for the peril of windstorm or hail, there are various combinations of All Other Peril and Hurricane deductibles available. All of these deductible options may not be available to you due to the value of your dwelling.

Your policy Declarations Page reflects your current Hurricane Deductible, Windstorm or Hail (Other than Hurricane) Deductible and All Other Covered Perils Deductible. If you wish to change your deductibles, please call your agent listed on the Declarations Page. Your current selected deductible(s) will continue unless you elect to make a change.

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Notice of Premium Discounts for Hurricane Loss Mitigation

*** Important Information ***

About Your Personal Residential Insurance Policy

Dear Homeowner,

Hurricanes have caused tens of billions of dollars in insured damages and predictions of more catastrophic hurricanes making landfall in Florida have triggered increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

What factors are considered in establishing my premium?

Your location: The closer a home is to the coast, the more vulnerable it is to damage caused by hurricane winds. This makes the hurricane-wind premium higher than for similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a $500, 2%, 5% or 10% deductible, depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium. However, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane –wind premium. These discounts apply only to the hurricane-wind portion of your policy.

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at www.myfloridalicense.com.

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of 70.0%.

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How can I take advantage of the discounts?

Homeowners will need a qualified inspector such as a general, building, or residential contractor licensed under Section 489.111, Florida Statutes, or a professional engineer licensed under Section 471.015, Florida Statutes, who has passed the appropriate equivalency test of the Building Code training program as required by Section 553.841, Florida Statutes, or a professional architect licensed under Section 481.213, Florida Statutes, or a building code inspector certified under Section 468.607, to inspect the home to identify potential mitigation measures and verify improvements. For a listing of individuals and/or inspection companies meeting these qualifications contact your insurance agent or insurance company.

The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium* of $5,015.39 which is part of your total annual premium of $7,731.65. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed below are not cumulative.

*** Wind mitigation credits apply to that portion of your premium that covers the peril of wind, whether or not a hurricane exists.**

Homes built prior to the 2001 building code

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium ($) is **Reduced** by:
Roof Covering (i.e., shingles or tiles) • Meets the Florida Building Code.	0.0%	$0
• Reinforced Concrete Roof Deck. (If this feature is installed on your home you most likely will not qualify for any other discount.)	50.0%	$2,508
How Your Roof is Attached • Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	- 75.0%	-$3,762
• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.	- 5.0%	-$251
• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.	0.0%	$0

<u>Roof-to-Wall Connection</u> • Using "Toe Nails" – defined as three nails driven at an angle through the rafter and into the top roof.	- 112.5%	-$5,642
• Using Clips - defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud.	- 35.0%	-$1,755
• Using Single Wraps – a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.	0.0%	$0
• Using Double Wraps - straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.	20.0%	$1,003
<u>Roof Shape</u> • Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).	30.0%	$1,505
• Other.	0.0%	$0
Secondary Water Resistance (SWR) • SWR – defined as a layer of protection between the shingles and the plywood underneath that protects the building if the shingles blow off.	7.5%	$376
• No SWR.	0.0%	$0
<u>Shutters</u> • None.	0.0%	$0
• Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards.	45.0%	$2,257
• Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards.	55.0%	$2,758

* Estimate is based on information currently on file and the actual amount may vary.

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Homes built under the 2001 building code or later

Description of Feature	Estimated* Premium Discount Percent	Estimated* Annual Premium ($) is **Reduced** by:
Homes built under the 2001 Florida Building Code or later edition (also including the 1994 South Florida Building Code for homes in Miami-Dade and Broward Counties) are eligible for a minimum 68% discount on the hurricane-wind portion of your premium. You may be eligible for greater discount if other mitigation features are installed on your home.	N/A	N/A
Shutters		
• None.	N/A	N/A
• Intermediate Type —shutters that are strong enough to meet half the old Miami-Dade building code standards.	N/A	N/A
• Hurricane Protection Type -- shutters that are strong enough to meet the current Miami-Dade building code standards.	N/A	N/A
Roof Shape		
• Hip Roof – defined as your roof sloping down to meet all your outside walls (like a pyramid).	N/A	N/A
• Other.	N/A	N/A

* Estimate is based on information currently on file and the actual amount may vary.

Alternately and regardless of the year of construction, if you meet the minimum fixture and construction requirements of the 2001 Florida Building Code you have the option to reduce your hurricane-wind deductible from 5% to 2%.

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your insurance agent or the insurance company at 877-900-3971.

DWELLING PROPERTY 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

"Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. Any other activity engaged in for money or other compensation, except the following:

(1) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

A. Coverage A – Dwelling

1. We cover:

a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling; and

b. Materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location.

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

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

2. We do not cover:

a. Land, including land on which the other structures are located;

b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;

c. Other structures from which any "business" is conducted; or

d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by a "named insured" or tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

e. Gravemarkers, including mausoleums.

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

C. Coverage C – Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

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a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold, goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, platinumware, securities, silver, silverware, tickets, stamps, trading cards, comic books, scrip, stored value cards and smart cards.

This exclusion applies to these categories regardless of the medium (such as paper or computer) on which the material exists and the cost to research, replace or restore the information from the lost or damaged material;

b. Animals, birds or fish;

c. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

e. Motor vehicles or all other motorized land conveyances.

(1) This includes:

(a) Their accessories, equipment and parts; or

(b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

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

(2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

(a) Used solely to service the Described Location; or

(b) Designed to assist the handicapped;

f. Watercraft of all types, other than rowboats and canoes;

g. "Business" data, including data stored in:

(1) Books of account, drawings or other paper records; or

(2) Computers and related equipment;

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

h. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;

i. Water or steam;

j. Gravemarkers, including mausoleums;

k. Any property while located away from the Described Location; or

l. Property of roomers, boarders and other tenants.

3. Property Removed To A Newly Acquired Principle Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage **C** limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

D. Coverage D – Fair Rental Value

1. If a loss to property described in Coverage **A, B** or **C** by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

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

2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

3. The periods of time referenced above are not limited by the expiration of this policy.

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

The most we will pay for Coverage **D** – Loss of Use, for all items described above, is the total coverage amount for Coverage **D** listed on the Declarations Page.

E. Other Coverages

1. Debris Removal

We will pay your reasonable expense for the removal of:

a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or

b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

2. Reasonable Repairs

a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:

(1) Increase the limit of liability that applies to the covered property; or

(2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition **D.2.**

3. Property Removed

We insure covered property against direct loss from any cause while being removed from the Described Location endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

4. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against:

a. Fire or lightning;

b. Explosion;

c. Riot or civil commotion;

d. Aircraft;

e. Vehicles not owned or operated by you or a resident of the Described Location;

f. Vandalism or malicious mischief, including damage during a burglary or attempted burglary; or.

g. Theft.

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

This coverage is additional insurance.

5. Fire Department Service Charge

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

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

6. Collapse

a. With respect to this Other Coverage:

(1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.

(2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.

(3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

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

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

(1) The Perils Insured Against named under Coverage **C**. These perils apply to covered building and personal property for loss insured by this Other Coverage;

(2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;

(3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;

(4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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

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

7. Glass Or Safety Glazing Material

a. We cover:

(1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

(2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

(1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or

(2) On the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

c. Loss to glass covered under this Other Coverage **7.** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

8. Ordinance Or Law

a. The Ordinance Or Law limit of liability determined in **b.** or **c.** below will apply with respect to the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

(1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;

(2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or

(3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. If you are an owner of a Described Location, and that location:

(1) Is insured for Coverage **A** or Unit-Owners Building Items, you may use up to 10% of the limit of liability that applies to Coverage **A** or Unit-Owners Building Items at each Described Location; or

(2) Is not insured for Coverage A or Unit-Owners Building Items, you may use up to 10% of the total limit of liability that applies to Coverage B at each Described Location.

c. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

d. We do not cover:

(1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

(2) The costs to comply with any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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

This coverage is additional insurance.

9. "Fungi", Wet Or Dry Rot, Or Bacteria

a. We will pay up to $10,000 for:

(1) The total of all loss payable under Cover ages caused by "fungi", wet or dry rot, or bacteria;

(2) The cost to remove "fungi", wet or dry rot, or bacteria from covered property covered under Coverages;

(3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, or bacteria; and

(4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, or bacteria.

b. The coverage described in **a.** only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

c. $10,000 is the most we will pay for the total of all loss or costs payable under this Other Coverage regardless of the:

(1) Number of locations insured; or

(2) Number of claims made.

d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Other Coverage.

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

PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages **A** and **B.**

2. We do not insure, however, for loss:

a. Excluded under General Exclusions;

b. Involving collapse, except as provided in Other Coverage **6.** Collapse; or

c. Caused by:

(1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:

(a) Maintain heat in the building; or

(b) Shut off the water supply and drain all systems and appliances of water;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

(2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

(a) Fence, pavement, patio or swimming pool;

(b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;

(c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

(d) Pier, wharf or dock;

(3) Theft of property not part of a covered building or structure;

(4) Theft in or to a dwelling or structure under construction;

(5) Wind, hail, ice, snow or sleet to:

(a) Outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or

(b) Trees, shrubs, plants or lawns;

(6) Vandalism and malicious mischief, theft or attempted theft, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

(7) Continuous or repeated seepage or leakage of water or steam from a:

(a) heating, air conditioning or automatic fire protective sprinkler system;

(b) household appliance; or

(c) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings and floors;

which occurs over a period of time. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which the water or steam escaped.

(8) Any of the following:

(a) Wear and tear, marring, deterioration;

(b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

(c) Smog, rust or other corrosion, or yeast;

(d) Smoke from agricultural smudging or industrial operations;

(e) Discharge, dispersal, seepage, migration release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage **C.**

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

(f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings; or

(g) Birds, vermin, rodents, insects or domestic animals.

Exception To c.(8)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A** or **B** resulting from an accidental discharge or overflow of water or steam from within a:

(i) Storm drain, or water, steam or sewer pipe, off the Described Location; or

(ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location. This includes the cost to tear out and replace any part of a building, or other structure, on the Described Location, but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the Described Location.

We do not cover loss to the system or appliance from which this water or steam escaped.

For the purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or roof drain, gutter, down spout or similar fixtures or equipment.

General Exclusion **A.3.** Water Damage, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of ground do not apply to loss by water covered under **c.(8)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not excluded or excepted in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage **C** caused by a peril listed below unless the loss is excluded in the General Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril does not include loss to:

a. Property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;

b. Canoes and rowboats; or

c. Trees, shrubs or plants.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism Or Malicious Mischief

This peril does not include loss by pilferage, theft, burglary or larceny.

9. Damage By Burglars

a. This peril means damage to covered property caused by burglars.

b. This peril does not include:

(1) Theft of property; or

(2) Damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 60 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing; or

(3) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;

(4) Caused by continuous or repeated seepage or leakage of water or steam from a:

(1) heating, air conditioning or automatic fire protective sprinkler system;

(2) household appliance; or

(3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings and floors;

which occurs over a period of time. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which the water or steam escaped; or

(5) While the dwelling is vacant or unoccupied for 60 days or more or being constructed unless you have used reasonable care to shut off the water supply and drain the system and appliances of water. Systems and appliances of water do not include outdoor swimming pools or spas or outdoor irrigation wells.

c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.

d. General Exclusion **A.3.** Water Damage, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

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

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

(1) Maintain heat in the building; or

(2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment; or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

17. Sinkhole Collapse

This peril means actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

General Exclusion **A.2.** Earth Movement does not apply to this peril.

GENERAL EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided under Other Coverage **8.** Ordinance Or Law;

b. The requirements of which result in a loss in value to property; or

c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means the sinking, rising, shifting, expanding or contracting of the earth, all whether combined with water or not. Earth movement includes but is not limited to earthquake, landslide, mudflow, mudslide, "sinkhole", subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow.

However, this exclusion does not apply to loss by "sinkhole" meaning the sudden settlement or collapse of the earth resulting from subterranean voids created by the action of water on limestone or similar rock formations. With regard to "sinkhole", we do not insure against loss caused by abandonment of the property covered.

We do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a loss incurred

3. **Water Damage**

Water Damage means:

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;

b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

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

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

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

4. **Power Failure**

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the Described Location, we will pay for the loss or damage caused by that Peril Insured Against.

5. **Neglect**

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. **War**

War includes the following and any consequence of any of the following:

a. Undeclared war, civil war, insurrection, rebellion or revolution;

b. Warlike act by a military force or military personnel;

c. Destruction or seizure or use for a military purpose.

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

7. **Nuclear Hazard**

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. **Intentional Loss**

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no other insured person or organization is entitled to coverage, even persons or organizations who did not commit or conspire to commit the act causing the loss.

9. **Governmental Action**

Governmental Action means the destruction, confiscation or seizure of property described in **A, B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

10. **"Fungi", Wet Or Dry Rot, Or Bacteria**

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.

This Exclusion does not apply:

a. When "fungi", wet or dry rot, or bacteria results from fire or lightning; or

b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Other Coverage with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against result ing from "fungi", wet or dry rot, or bacteria is covered.

11. **Existing Damage**

Existing Damage means any damage which occurred prior to policy inception regardless of whether such damages were apparent at the time of policy inception..

12. **Windstorm Exterior Paint or Waterproofing**

Exterior Paint or Waterproofing means loss solely to paint or waterproofing material applied to the exterior of the building or structure.

This Exclusion applies to coverage for any building or structure under this policy for loss caused by:

a. Windstorm or hail; or

b. Windstorm during a hurricane.

A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.

This exclusion does not apply to any policy located outside of the Citizens Wind eligible area.

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B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** above to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. 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 Described Location.

CONDITIONS

A. Policy Period

This policy applies only to loss which occurs during the policy period.

B. Insurable Interest And Limit Of Liability

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

C. Concealment Or Fraud

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy 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.

D. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

1. Give prompt notice to us or our agent;
2. 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 repair expenses;
3. Cooperate with us in the investigation of a claim;
4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. As often as we reasonably require:
   a. Show the damaged property;
   b. Provide us with records and documents we request and permit us to make copies; and
   c. Submit to examination under oath, while not in the presence of another named insured, and sign the same;
6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
   a. The time and cause of loss;
   b. Your interest and that of all others in the property involved and all liens on the property;
   c. Other insurance which may cover the loss;
   d. Changes in title or occupancy of the property during the term of the policy;
   e. Specifications of damaged buildings and detailed repair estimates;
   f. The inventory of damaged personal property described in **D.3.;**
   g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

E. Loss Settlement

In this Condition **E.,** the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law except to the extent that coverage for these increased costs is provided in Other Coverage **E.8.** Ordinance Or Law. Covered property losses are settled as follows:

1. Property of the following types:
   a. Personal property;

b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and

c. Structures that are not buildings;

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

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

   a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

      (1) The limit of liability under this policy that applies to the building;

      (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or

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

      If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

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

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

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

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

      (1) Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;

      (2) Those supports in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and

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

   d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

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

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

      (2) Less than $2,500;

      we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

   e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **E.** Loss Settlement, provided you notify us of your intent to do so within 180 days after the date of loss.

3. For loss covered by the peril of Sinkhole Collapse, we will pay for losses to the property covered as defined in this policy; however, we will only pay the full amount of loss once the home is stabilized in accordance with the recommended remedies outlined in the Geological Soil Analysis investigation which determined the sinkhole activity.

F. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

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

G. Mediation or Appraisal

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

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

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

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

Each party will:

a. Pay its own appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

H. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property; or

2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

I. Subrogation

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

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

J. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under this policy and the action is started within five years after the date of loss.

K. Our Option

We may, at our option, repair or replace any covered part or item of damaged property. If an identical replacement is not available, substitute replacement of equal or greater features and functions will be substituted.

L. Loss Payment

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

1. 20 days after we receive your proof of loss and reach written agreement with you; or.

2. 60 days after we receive your proof of loss and:

a. There is an entry of a final judgment; or

b. There is a filing of an appraisal award or a mediation settlement with us.

M. Abandonment Of Property

We need not accept any property abandoned by you.

N. Mortgage Clause

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

2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
   a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
   b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
   c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs **G.** Appraisal, **J.** Suit Against Us and **L.** Loss Payment also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
   a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
   b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

O. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

P. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. When this policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.
3. We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

   Proof of mailing will be sufficient proof of notice.
   a. 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.
   b. When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
      (1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
      (2) On the basis of filing claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
         (a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
         (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
      (3) On the basis of filing a single claim which is the result of water damage used as the sole reason for cancellation unless we can demonstrate you have failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.

      Except as provided in Paragraphs **P.2.** and **P.3.a**. above, we will let you know of our action at least 20 days before the date cancellation takes effect.
   c. When this policy has been in effect for more than 90 days, we may cancel:
      (1) If there has been a material misstatement;
      (2) If the risk has changed substantially since the policy was issued;
      (3) In the event of failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;

(4) If the cancellation is for all insureds under policies of this type for a given class of insureds;

(5) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(6) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim, if:

(a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

(b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

(7) On the basis of filing a single claim which is the result of water damage used as the sole reason for cancellation unless we can demonstrate you have failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.

This can be done by letting you know at least 90 days before the date cancellation takes effect.

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

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

Q.Nonrenewal

We may elect not to renew this policy. However, we will not nonrenew this policy:

1. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the insured has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

2. On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

a. The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

b. You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

3. On the basis of filing a single claim which is the result of water damage used as the sole reason for nonrenewal unless we can demonstrate you have failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.

We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal, at least 90 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

R. Liberalization Clause

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

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or

2. An amendatory endorsement.

S. Waiver Or Change Of Policy Provisions

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

T. Assignment

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

U. Death

If you die, we insure:

1. Your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
2. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

V. Nuclear Hazard Clause

1. "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.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

W. Recovered Property

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

X. Volcanic Eruption Period

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

Y. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

Z. Renewal Notification

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

1. Of our decision to renew this policy; and
2. The amount of renewal premium payable to us.

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

In WITNESS WHEREOF, Southern Oak Insurance Company has executed and attested these presents.

Chief Executive Officer

Southern Oak Insurance Company

PERSONAL LIABILITY

AGREEMENT

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

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:

a. liability for "bodily injury" or "property damage" arising out of the:

(1) ownership of such vehicle or craft by an "insured";

(2) maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;

(3) entrustment of such vehicle or craft by an "insured" to any person;

(4) failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or

(5) vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

(1) aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;

(2) hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

(3) watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and

(4) motor vehicle means a "motor vehicle" as defined in **7.** below.

2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

3. "Business" means:

a. a trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. any other activity engaged in for money or other compensation, except the following:

(1) one or more activities, not described in **b.(2)** through **b.(4)** below, for which no "insured" receives more than $2,000 in total compensation for the 12 months before the beginning of the policy period;

(2) volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) the rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

a. you and residents of your household who are:

(1) your relatives; or

(2) other persons under the age of 21 and in the care of any person named above.

b. A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

(1) 24 and your relative; or

(2) 21 and in your care or the care of a person described in **a.(1)** above.

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c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner.

d. with respect to a "motor vehicle" to which this policy applies:

(1) persons while engaged in your employ or that of any person included in **a.** or **b.** above; or

(2) other persons using the vehicle on an "insured location" with your consent.

Throughout this policy, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

a. the Described Location as indicated on the policy declarations page;

b. any premises used by you in connection with a premises described in **a.** above;

c. any part of a premises:

(1) not owned by an "insured"; and

(2) where an "insured" is temporarily residing;

d. vacant land, other than farm land, owned by or rented to an "insured";

e. land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";

f. individual or family cemetery plots or burial vaults of an "insured"; or

g. any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

a. a self-propelled land or amphibious vehicle; or

b. any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

a. "bodily injury"; or

b. "property damage".

9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

10. "Residence employee" means:

a. an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or

b. one who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

a. the one family dwelling where you reside;

b. the two, three or four family dwelling where you reside in at least one of the family units; or

c. that part of any other building where you reside;

"Residence premises" also includes other structures and grounds at that location.

12. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

This does not include any fungi that are, are on, or are contained in a good or product intended for consumption.

13. "Personal Watercraft” means watercraft designed to carry one to three people, propelled by a water jet pump powered by an internal combustion engine, and capable of speeds greater than 25 MPH. “Personal watercraft” includes but is not limited to watercraft often referred to as jet skis, wave runners and similar watercraft.

LIABILITY COVERAGES

A. Coverage L – Personal Liability

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

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

B. Coverage M – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury".

Medical expenses means reasonable charges for:

- medical,
- surgical,
- x-ray,
- dental,
- ambulance,
- hospital,
- professional nursing,
- prosthetic devices, and
- funeral services.

This coverage does not apply to you or regular residents of your household except "residence employees".

As to others, this coverage applies only:

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

EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **L** and **M** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
   - **a.** is registered for use on public roads or property;
   - **b.** is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
   - **c.** Is being:
     - **(1)** operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
     - **(2)** rented to others;
     - **(3)** used to carry persons or cargo for a charge; or
     - **(4)** used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
   - **a.** used solely to service the "insured location";
   - **b.** designed to assist the handicapped and, at the time of an "occurrence", it is:
     - **(1)** being used to assist a handicapped person; or
     - **(2)** parked on an "insured location".
   - **c.** designed for recreational use off public roads and:
     - **(1)** not owned by an "insured"; or
     - **(2)** owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B. 6.a., c., d.** or **g.**
   - **d.** a motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
     - **(1)** A golfing facility and is parked or stored there, or being used by an "insured" to:
       - **(a)** Play the game of golf or for other recreational or leisure activity allowed by the facility;
       - **(b)** Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or

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(c) Cross public roads at designated points to access other parts of the golfing facility.

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

e. In dead storage on an "insured location".

B. "Watercraft Liability"

1. Coverages **L** and **M** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:

a. operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;

b. rented to others;

c. used to carry persons or cargo for a charge;

d. used for any "business" purpose.

2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:

a. is stored;

b. is a sailing vessel, with or without auxiliary power, that is:

(1) Less than 26 feet in overall length; or

(2) 26 feet or more in overall length and not owned by or rented to an "insured".

c. is not a "personal watercraft" or sailing vessel and is powered by:

(1) an inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:

(a) 50 horsepower or less and not owned by an "insured"; or

(b) more than 50 horsepower and not owned by or rented to an "insured".

(2) one or more outboard engines or motors with:

(a) 25 total horsepower or less;

(b) more than 25 horsepower if the outboard engine or motor is not owned by an "insured";

(c) more than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

(d) more than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

(i) you declare them at policy inception; or

(ii) your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in **(c)** and **(d)** above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage L – Personal Liability And Coverage M – Medical Payments To Others

Coverages **L** and **M** do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

a. is of a different kind, quality or degree than initially expected or intended; or

b. is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property.

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

b. This Exclusion **E.2.** does not apply to:

(1) The rental or holding for rental of an "insured location";

(a) on an occasional basis if used only as a residence;

(b) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) in part, as an office, school, studio or private garage.

(2) an "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees.

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services.

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

a. owned by an "insured";
b. rented to an "insured"; or
c. rented to others by an "insured";

that is not an "insured location".

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

a. undeclared war, civil war, insurrection, rebellion or revolution;
b. warlike act by a military force or military personnel; or
c. destruction, seizure or use for a military purpose.

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

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured".

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse.

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law.

Controlled Substances include but are not limited to:

- cocaine,
- LSD,
- marijuana, and
- all narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed health care professional.

9. Animal Liability

"Bodily injury" or "property damage" caused directly or indirectly by animals owned by you, an "insured", tenant or are kept at the "insured location". Such loss is excluded for all activity or conduct of the insured when an animal owned or kept at the "insured location" is involved in any way with the loss either directly or indirectly. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

10. "Fungi", Wet Or Dry Rot, Yeast Or Bacteria

"Fungi", Wet Or Dry Rot, Yeast Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, yeast or bacteria.

11. Excessive Liability Exposure

"Bodily injury" or "property damage" caused directly or indirectly by the ownership, maintenance or use by anyone of any of the following equipment and/or accessories:

a. swimming pool slides,
b. diving boards,
c. trampolines,
d. skateboard, or
e. bike ramps.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss;

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

a. out of the ingestion of paint that has lead in it;
b. out of the ingestion of paint that has lead compounds in it;
c. out of the inhalation of paint that has lead in it;
d. out of the inhalation of paint that has lead compounds in it;
e. from radon, or any other substance that emits radiation;
f. in any manner (including liability imposed by law) from the discharge, disposal, release or escape of:
(1) vapors or fumes;
(2) gas or oil;
(3) toxic chemicals, liquid or gas;
(4) waste materials; and
(5) irritants, contaminants or pollutants.

All other conditions are the same.

13. Criminal Acts

"Bodily injury" or "property damage" arising out of criminal acts, meaning any and all criminal acts performed by any "insured" regardless of whether the consequences of those acts were intended or anticipated.

14. Assault and Battery

"Bodily injury" or "property damage" arising out of assault or battery committed by or at the direction of an "insured".

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage L – Personal Liability.

Coverage **L** does not apply to:

1. Liability:

a. for any loss assessment charged against you as a member of an association, corporation or community of property owners;

b. under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

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

(2) where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy.

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to:

a. repair,
b. replace,
c. enhance,
d. restore, or
e. maintain

such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location".

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

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

a. workers' compensation law;
b. non-occupational disability law; or
c. occupational disease law.

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

a. is also an insured under a nuclear energy liability policy issued by the:

(1) Nuclear Energy Liability Insurance Association;
(2) Mutual Atomic Energy Liability Underwriters;
(3) Nuclear Insurance Association of Canada;

or any of their successors.

b. would be an insured under such a policy but for the exhaustion of its limit of liability.

6. "Bodily injury" to you or an "insured" as defined under Definitions **5.a.** or **b.**

This exclusion also applies to any claim made or suit brought against you or an "insured":

a. to repay; or

b. share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage M – Medical Payments To Others

Coverage **M** does not apply to "bodily injury":

1. to a "residence employee" if the "bodily injury":

a. occurs off the "insured location"; and

b. does not arise out of or in the course of the "residence employee's" employment by an "insured".

2. to any person eligible to receive benefits voluntarily provided or required to be provided under any:

a. workers' compensation law;

b. non-occupational disability law; or

c. occupational disease law.

3. from any:

a. nuclear reaction;

b. nuclear radiation; or

c. radioactive contamination;

all whether controlled or uncontrolled or however caused; or

d. any consequence of any of these.

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

H. This insurance does not apply to **"Personal Injury":**

1. caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";

2. arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
3. arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
4. arising out of a criminal act committed by or at the direction of an "insured";
5. arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership maintenance or use of the premises;
6. sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";
7. arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured," whether or not the "business" is owned or operated by an "insured" or employs an "insured."

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the "business."

ADDITIONAL COVERAGES

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

A. Claim Expenses. We pay:

1. expenses we incur and costs taxed against an "insured" in any suit we defend;
2. premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage **L** limit of liability. We need not apply for or furnish any bond;
3. reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to $250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses. We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others.

1. We will pay, at replacement cost, up to $1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
   - **a.** caused intentionally by an "insured" who is 13 years of age or older;
   - **b.** to property owned by an "insured";
   - **c.** to property owned by or rented to a tenant of an "insured" or a resident in your household; or
   - **d.** arising out of:
     - **(1)** a "business" engaged in by an "insured";
     - **(2)** any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
     - **(3)** the ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

       This Exclusion **d.(3)** does not apply to a "motor vehicle" that:

       - **(a)** is designed for recreational use off public roads;
       - **(b)** is not owned by an "insured"; and
       - **(c)** at the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

CONDITIONS

A. Limit Of Liability.

1. Our total liability under Coverage **L** for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage **L** as shown in the Declarations.

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

2. **Sub-Limit Of Liability.**

   Subject to Paragraph **1.** above, our total liability under Coverage **L** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is $10,000. This Sub-Limit is within, but does not increase the Coverage **L** Limit of Liability.

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3. The Limit of Liability in **1.** above and Sub-Limit in **2.** above apply regardless of the number of "insureds", claims made or persons injured.
4. Our total liability under Coverage M for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Limit of Liability for Coverage M as shown in the Declarations.

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

C. Duties After "Occurrence". In case of an "occurrence", you or another "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

1. give written notice to us or our agent as soon as is practical, which sets forth:
   - **a.** the identity of the policy and the "named insured" shown in the Declarations;
   - **b.** reasonably available information on the time, place and circumstances of the "occurrence"; and
   - **c.** names and addresses of any claimants and witnesses;
2. cooperate with us in the investigation, settlement or defense of any claim or suit;
3. promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. at our request, help 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";
   - **c.** with the conduct of suits and attend hearings and trials; and
   - **d.** to secure and give evidence and obtain the attendance of witnesses;
5. with respect to **C.** Damage To Property Of Others under Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. no "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage M – Medical Payments To Others.

1. The injured person or someone acting for the injured person will:
   - **a.** give us written proof of claim, under oath if required, as soon as is practical; and
   - **b.** authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage M Medical Payments To Others. Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us.

1. No action can be brought against us unless there has been full compliance with all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an "insured".
3. No action with respect to Coverage **L** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured". Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

H. Other Insurance. This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

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

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

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

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

Subrogation does not apply to Coverage **M** or Paragraph **C.** Damage To Property Of Others under Additional Coverages.

K. Concealment Or Fraud. We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. intentionally concealed or misrepresented any material fact or circumstance;
2. engaged in fraudulent conduct; or

3. made material false statements;

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

In WITNESS WHEREOF, Southern Oak Insurance Company has executed and attested these presents.

Tony Loughman

Chief Executive Officer
Southern Oak Insurance Company

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALENDAR YEAR HURRICANE DEDUCTIBLE WITH SUPPLEMENTAL REPORTING REQUIREMENT – FLORIDA

SCHEDULE*

Calendar Year Hurricane Deductible Amount: Percentage: % Flat Dollar: $
*Entries may be left blank if shown elsewhere in this policy for this coverage.

A. Loss By Windstorm During A Hurricane

As respects Paragraph **C.** Hurricane Deductible, coverage for loss caused by the peril of windstorm during a hurricane which occurs anywhere in the state of Florida, includes loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, hail, sand or dust if the direct force of the windstorm damages the building, causing an opening in a roof or wall and the rain, snow, sleet, hail, sand or dust enters through this opening.

B. Hurricane Described

1. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
2. A hurricane occurrence:
   a. Begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
   b. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

C. Hurricane Deductible

1. In the event of a single hurricane loss, we will pay only that part of the total of all loss payable under Coverages for loss by windstorm during a hurricane that exceeds the hurricane percentage or flat dollar deductible stated in this endorsement or as indicated in the Declarations.

   If a percentage, the dollar amount of the hurricane percentage deductible is determined by multiplying the limit of liability of Coverage **A, B,** or **D** shown in the Declarations, whichever is greatest, by the percentage amount shown in the Schedule above or as indicated in the Declarations, but in no event shall be less than $500.
2. The hurricane deductible applies on an annual basis to all covered hurricane losses that occur during the same calendar year under this policy, under a policy(ies) issued by a member of our insurance group or by a policy assumed from Citizens Property Insurance Corporation . In the event of a subsequent hurricane occurring during the same calendar year and there was a loss from a prior hurricane, the hurricane deductible shall be the greater of any remaining amount of the hurricane deductible for that calendar year or the amount of the deductible that applies to perils other than a hurricane. (*)
3. If there are covered hurricane losses in a calendar year on more than one policy issued by us, by a member of our insurance group or by a policy assumed from Citizens Property Insurance Corporation, the hurricane deductible shall be the highest amount stated in any one of the policies. If you had a hurricane loss in the same calendar year under the prior policy, and we provide a lower hurricane deductible under the new or renewal policy, the lower deductible will not apply until January 1 of the following calendar year.

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4. In the event you should have any windstorm loss caused by a hurricane occurrence which is less than your hurricane deductible, you must promptly report the loss to us so that such losses may be applied to subsequent hurricane claims during the same calendar year.

5. Refer to the policy declarations for the deductible that applies to windstorm loss if the circumstances of the loss described above do not apply.

All other provisions of this policy apply.

(*) Multiple Hurricane Example:

If:

A policy is written effective July 1, 2005 and on August 1, 2005 a hurricane causes damage to covered property in excess of the hurricane deductible. The loss is paid, less the hurricane deductible.

A hurricane then occurs on September 1, 2005 and damages covered property. The loss is paid less the deductible that applies to perils other than a hurricane.

On June 1, 2006, a hurricane causes damage to covered property. A new 2006 hurricane deductible applies. Assume the damage is only one-quarter of the amount of the 2006 hurricane deductible and therefore the loss is not paid by us.

The policy is renewed effective July 1, 2006. A hurricane occurs on September 1, 2006. The loss is paid less an amount equal to the greater of the amount of the three-quarters of the 2006 hurricane deductible still remaining or the amount of the deductible that applies to perils other than a hurricane.

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

NO COVERAGE FOR HOME DAY CARE BUSINESS

A. "Business", as defined in the policy, means:

1. A trade, profession or occupation engaged in on a full time, part-time or occasional basis; or

2. Any other activity engaged in for money or other compensation, except the following:

a. One or more activities:

(1) Not described in **b.** through **d.** below,

(2) For which no "insured" receives more than $2,000 in total compensation for the 12 months before the beginning of the policy period;

b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

d. The rendering of home day care services to a relative of an "insured".

B. If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".

C. If home day care service is not a given "insured's" trade, profession or occupation but is an activity:

1. That an "insured" engages in for money or other compensation; and

2. From which an "insured" receives more than $2,000 in total/combined compensation from it for the 12 months before the beginning of the policy period,

the home day care service and other activity will be considered a "business".

D. With respect to **C.** above home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:

1. Described in **A.2.** above, and

2. Engaged in for money by a single "insured";

may be considered a "business" if the $2000 threshold is exceeded.

E. With respect to **A.** through **D.** above, coverage does not apply with respect to home day care service which is a "business". This policy does not provide coverage because a "business" of an "insured" is excluded under Exclusion **E.2.**

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THIS ENDORSEMENT CHANGES YOUR POLICY, PLEASE READ IT CAREFULLY.

HURRICANE EXCLUSION - SCREENED ENCLOSURE(S)

DEFINITION:

Screened Enclosure(s): means any structure, whether or not attached to the dwelling, enclosed by screens on more than one side, otherwise open to the weather, and not constructed and covered by the same or substantially the same materials as that of the dwelling.

DWELLING PROPERTY 3 – SPECIAL FORM
COVERAGES

Under Coverage A – Dwelling

The following paragraph is added:

3. We do not cover "Screened Enclosure(s)" as defined for the peril of windstorm during a hurricane unless specified on the declarations page and for which an additional premium is paid. If an amount of coverage is indicated for "Screened Enclosure(s)" on the declaration page, this amount is an additional amount of coverage. It does not reduce your Coverage A limit of liability.

Under Coverage B – Other Structures

The following paragraph is added:

2. f. We do not cover "Screened Enclosure(s)" as defined for the peril of windstorm during a hurricane unless specified on the declarations page and for which an additional premium is paid. If an amount of coverage is indicated for "Screened Enclosure(s)" on the declaration page, this amount is an additional amount of coverage. It does not reduce your Coverage B limit of liability.

For the purpose of this endorsement, a hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service. This exclusion is in effect beginning at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service, and ending 72 hours following the termination of the last hurricane watch or warning issued for any part of Florida.

Coverage for the peril of windstorm during a hurricane to screened enclosure(s) may be available for an additional premium.

All other terms and policy provisions of this policy apply.

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POLICY NUMBER:

DWELLING FIRE
SOI 04 66

IMPORTANT NOTICE REGARDING YOUR POLICY
Coverage Exclusion and Reduction

Southern Oak Insurance has implemented the following changes to your policy that may increase your out of pocket expenses in the event of a loss:

This policy contains form SOI 04 62 which excludes coverage for screened enclosures, including pool cages as defined in the form for the peril of windstorm during a hurricane. Please refer to the form for complete details. For an additional premium, you may purchase up to $50,000 of coverage for screened enclosures.

Please contact your insurance agent for coverage details or to endorse these coverages onto your policy.

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FLORIDA POLICY PROVISIONS

DEFINITIONS

The following definition is added:

"Catastrophic ground cover collapse" means the geological activity that results in all of the following:

a. The abrupt collapse of the ground cover;

b. A depression in the ground cover clearly visible to the naked eye;

c. Structural damage to the building, including the foundation; and

d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

"Marring" means to:

a. Disfigure;
b. Deface;
c. Scar; or
d. Blemish

COVERAGES

Under **B. Coverage B – Other Structures, 1.** is deleted and replaced with the following:

We cover:

1. Other structures on the Described Location set apart from the dwelling by a clear space.
2. Other structures connected to the dwelling by only a fence, utility line, or similar connection.
3. Fences whether attached or not attached to the dwelling.

Under **E. Other Coverages, 2. Reasonable Repairs** is deleted and replaced by the following:

2. Reasonable Emergency Measures

a. We will pay up to the greater of $3,000 or 1% of your Coverage **A** limit of liability for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.

b. We will not pay more than the amount in **a.** above, unless we provide you approval within 48 hours of your request to us to exceed the limit in **a.** above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Peril Insured Against, you may exceed the amount in **a.** above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

c. If however, form **SOI 04 59** is part of your Policy and a covered loss occurs during a hurricane as described in form **SOI 04 59**, the amount we pay under this other coverage is not limited to the amount is **a.** above.

d. A reasonable measure under this Other Coverage **2.** may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

e. This coverage does not:

(1) Increase the limit of liability that applies to the covered property;

(2) Relieve you of your duties, in case of a loss to covered property, as set forth in Conditions **D.**;

(3) Pay for property not covered, or for repairs resulting from a peril not covered, or for loss excluded in this Policy.

The following is added:

F. Special Limit of Liability

Matching of Undamaged Property. We will only initially pay the actual cash value of damage to covered property that is directly and physically damaged by the reported loss, less any applicable deductible. We will pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred. If, after work is performed and expenses are incurred, it is determined that the covered property that was directly and physically damaged by the reported loss cannot be repaired or replaced to match the adjoining undamaged property, then we will repair or replace adjoining undamaged property. In determining the extent of the repairs or replacement of adjoining undamaged property, we will consider, subject to the limit provided in this endorsement:

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a. The cost of repairing or replacing the undamaged portions of the property; and
b. The degree of uniformity that can be achieved without such cost; and
c. The remaining useful life of the undamaged portion; and
d. Other relevant factors.

The total limit of liability for **Coverages A** and **B** is 1% of the **Coverage A** limit of liability for repairs or replacements of any undamaged part of the building or its components solely to match repairs made to damage as a result of a covered loss.

This limitation does not increase the **Coverage A** or **Coverage B** limits of liability shown on the Declarations page, nor does it apply to damage otherwise limited or excluded.

PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**. **is deleted and replaced by the following:**

1. We insure against risk of direct physical loss, including the peril of "Catastrophic ground cover collapse" as defined in the Definitions section to property described in Coverages **A** and **B**.

2.c.(7) is deleted and replaced by the following:

(7) Accidental discharge or overflow of water or steam, unless loss to property covered under Coverage A or B results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

Loss to property covered under Coverage **A** or **B** that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location includes the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the Described Location, necessary to access the system or appliance.

(a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure coverage under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

(b) In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss:

(a) To the system or appliance from which this water or steam escaped;

(b) On the Described Location caused by accidental discharge or overflow which occurs off the Described Location;

(c) To a plumbing system, whether above or below the ground, caused by:
i. Age, collapse, obsolescence, wear, tear;
ii. Fading, oxidization, weathering;
iii. Deterioration, decay, marring, delamination, crumbling, settling, cracking;
iv. Shifting, bulging, racking, sagging, bowing, bending, leaning,
v. Shrinkage, expansion, contraction, bellying corrosion;
vi. The unavailability or discontinuation of a part or component of the system; or
vii. Any other age or maintenance related issue;

(d) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits its repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or

(e) Otherwise excluded or limited elsewhere in the Policy.

For purposes of this provision, a plumbing system or household appliance does not include:

(a) A sump, sump pump, irrigation system, or related equipment; or

(b) A roof drain, gutter, down spout, or similar fixtures or equipment.

2.c.(8)(g) is deleted and replaced by the following:

(g) Birds, vermin, rodents, marsupials, animals, reptiles, fish, insects, or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas; or

The following is added to **2.c.(8):**

(h) Nesting or infestation or discharge or release of waste products or secretions by any animals.

(i) Bodily fluid and matter substances including but not limited to blood, tissue, organic material, decomposition, generated waste and biomedical waste, saliva, mucus, urine and feces.

Exception to c.(8) is deleted and replaced by the following

If any of these cause water damage not otherwise excluded or limited elsewhere in the Policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water, including the cost to tear out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the Described Location, necessary to access the system or appliance.

(a) The cost that we will pay for the tear out and repair of the part or portion of the building or other structure coverage under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

(b) In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss to the system or appliance from which this water escaped.

For purposes of this provision, a plumbing system or household appliance does not include:

(a) A sump, sump pump, irrigation system, or related equipment; or

(b) A roof drain, gutter, down spout, or similar fixtures or equipment.

Under **2.b.** and **2.c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

The following is added to **2.c.**:

(9) Falling objects unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not covered.

(10) Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

B. Coverage C – Personal Property

17. Sinkhole Collapse is deleted and replaced by the following:

17. Catastrophic Ground Cover Collapse

a. We insure for direct physical loss to property described under **COVERAGES** caused by the peril of "catastrophic ground cover collapse".

b. Coverage **C** applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this policy.

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

GENERAL EXCLUSIONS

Under **A.,** Paragraph **2. Earth Movement** is deleted and replaced by the following:

2. Earth Movement and Settlement, meaning:

a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
b. Landslide;
c. Mine subsidence;
d. Mudflow;
e. Earth sinking, rising or shifting;
f. Clay shrinkage or other expansion or contraction of soils or organic materials;
g. Decay of buried or organic materials; or
h. Settling, cracking or expansion of foundation;

Whether caused by natural or man-made activities; unless direct loss by:

a. Fire; or
b. Explosion;

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

This exclusion does not apply in the event of a direct physical loss from theft or "catastrophic ground cover collapse".

Under **A.**, **3. Water Damage** is deleted and replaced by the following:

3. Water Damage

Water Damage means:

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

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

Under **A., 11. Existing Damage** is deleted and replaced by the following:

11. Existing Damage

Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or

This exclusion does not apply in the event of a total loss caused by a Peril Insured Against.

Under **A.**, the following Exclusions have been added:

13. Loss Caused By Sinkhole.

a. "Sinkhole" means a landform created by subsidence of soils, sediment, or rock as underlying strata are dissolved by ground water. A "sinkhole" forms by collapse into subterranean voids created by the dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

This exclusion does not apply in the event of a direct physical loss from "catastrophic ground cover collapse".

14. Constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor; which occurs over a period of weeks, months or years, whether hidden or not and results in damage such as wet or dry rot, "fungi," deterioration, rust, decay or other corrosion.

15. Assignee(s) or Third Parties.

We will not be responsible for payment under the policy for any assignee(s) or third parties when the loss is not covered under this policy.

16. Criminal Acts.

Criminal or Illegal Activity, meaning any and all criminal or illegal acts performed by any "insured" that result in damage to your structure or personal property.

17. Professional Services Exclusion.

This policy does not provide coverage for and expressly excludes any payment for expenses of engineering reports, professional services, or other expert opinions, reports, or estimates to establish and/or determine the cause of loss or the amount of loss rendered by professionals including, but not limited to appraisers, inspectors, contractors, plumbers, consultants, estimators, roofers, or engineers paid for or ordered by you or any "insured" or any representative acting on your or any insured's behalf, unless we first request or approve the report, service, or opinion.

CONDITIONS

C. Concealment Or Fraud is deleted and replaced with the following:

C. Concealment Or Fraud

We provide coverage to no "insured" under the policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made material false statements;

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

D.Duties After Loss is deleted and replaced with the following:

D. Duties After Loss

In case of a loss to covered property, you must see that the following are done. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or your insurance agent.

Except for Reasonable Emergency Measures taken under Other Coverage **E. 2.**, there is no coverage for repairs that begin before the earlier of:

(a) 72 hours after we are notified of the loss;
(b) The time of loss inspection by us; or
(c) The time of other approval by us;

2. **(a)** To the degree reasonably possible, retain the damaged property; and
(b) Allow us to inspect, subject to **2.(a)** above, all damaged property prior to its removal from the Described Location.

3. Protect the covered property from further damage. The following must be performed:

(a) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided in Other Coverage **E.2.**;

A reasonable emergency measure under **3.(a)** above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

(b) Keep an accurate record of repair expenses:

4. Cooperate with us in the investigation of a claim;

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

6. As often as we reasonably require:

(a) Show us the damaged property to the extent reasonably possible;
(b) Provide us with the records and documents we request and permit us to make copies;
(c) Any and all "insureds" must submit to recorded statements when requested by us;
(d) In the County where the "insured location" is located you, your agents, your representatives and any and all "insureds" must submit to examinations under oath and sign same when requested by us;

At our request, the examinations will be conducted separately and not in the presence of any other persons except legal representation;

(e) Permit us to take samples of damaged and undamaged property for inspection, testing and analysis to the extent reasonably possible;
(f) Any and all "insureds" must execute all authorizations for the release of information when requested by us; and

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

(a) The time and cause of loss;
(b) Your interest and that of all others in the property involved and all liens on the property;
(c) Other insurance which may cover the loss;
(d) Changes in title or occupancy of the property during the term of the policy;
(e) Specifications of damaged buildings and detailed repair estimates;
(f) The inventory of damage personal property described in **D.5.**;
(g) Receipts for additional living expenses incurred and records that support the fair rental value loss.

8. As often as is reasonably necessary to effectuate repairs:

(1) Provide access to the property;
(2) Execute any necessary city, county or municipal permits for repairs to be undertaken;
(3) Execute work authorizations to allow contractors entry to the property; and
(4) Otherwise cooperate with the repairs to the property;

9. A claim or reopened claim is barred unless notice of the claim is given to us in accordance with the terms of the Policy within 1 year after the date of loss. A reopened claim means a claim that we have previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim is given to us in accordance with the terms of the Policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant

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to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

Under **E. Loss Settlement**, paragraph **2.d.** and **2.e.** are deleted and replaced with the following:

d. We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **2.a.** and **2.b.** above.

If a total loss of the dwelling occurs, the provisions of **2.d** above does not apply and we will pay the replacement cost amount without deduction for depreciation.

Under **E. Loss Settlement,** Paragraph **3.** has been deleted and replaced with the following:

3. If the dwelling where loss or damage occurs has been vacant for more than sixty (60) consecutive days before the loss or damage, we will:

Not pay for any loss or damage caused by any of the following perils, even if they are Perils Insured Against:

1) Vandalism and malicious mischief, and any ensuring loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief;
2) Dwelling glass breakage; or
3) Water damage.

Dwellings under construction are not considered vacant.

G. Mediation Or Appraisal has been changed to **G. Mediation**.

Paragraph **2.** is deleted.

K. Our Option is deleted and replaced by the following:

K. Our Option

At our option, in lieu of issuing any loss payment, if we choose to exercise our option:

a. For losses settled on an actual cash value basis, we may repair or replace any part of the damaged property with material or property of like kind and quality;

b. For losses covered under Coverage **A** – Dwelling, insured for Replacement Cost Loss Settlement as outlined in SECTION **I** – CONDITIONS, Loss Settlement, we may repair the damaged property with material of like kind and quality without deduction for depreciation.

c. If we choose to exercise our option, we will provide written notice to you no later than thirty (30) days after our inspection of the reported loss.
We may invoke our option to repair within the stated time frame after either a supplemental claim or reopened claim regardless of whether we invoked our option during the adjustment of the initial claim or a prior supplemental claim.

d. You must comply with the duties described in SECTION **I** – CONDITIONS, paragraphs **D.6.** and **D.8.**

e. You must provide access to the property and execute any necessary municipal, county or other governmental documentation or permits for repairs to be undertaken.

f. You must execute all work authorizations to allow contractors and related parties entry to the property.

g. You must otherwise cooperate with repairs to the property.

h. You are responsible for payment of the deductible stated in your declaration page.

i. Our right to repair or replace, and our decision to do so, is a material part of this contract and under no circumstances relieves you or us of our mutual duties and obligations under this contract.

Under **L. Loss Payment**, the following item is added:

3. Within 60 days after we receive the notice of an initial, reopened, or supplemental property insurance claim from you, where for each initial, reopened, or supplemental claim, we shall pay or deny such a claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Our failure to comply with this paragraph shall not form the sole basis for an action against us for breach of contract under this policy or for benefits under this policy.

N. Mortgage Clause – the following item is added:

6. We provide coverage to no mortgagee or its representatives under this policy if, whether before or after a loss, a mortgagee or its representative has:

a. Intentionally concealed or misrepresented any material fact or circumstance;

b. Engaged in fraudulent conduct; or

c. Made material false statements;

relating to this insurance

P. Cancellation

Paragraph **3.** is deleted and replaced by the following:

3. We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

a. 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. If the lender, as a result of neglect fails to pay your premium we will reinstate your policy if payment is received within 90 days of the due date in compliance with F. S. Section 627.4133 (5).

b. When this policy has been in effect for 60 days or less, we may cancel for any reason, except we may not cancel:

(1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(2) On the basis of filing a single claim which is the result of water damage used as the sole reason for cancellation unless we can demonstrate the "insured" has failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.

(3) Solely on the basis of the age of the structure.

(4) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household.

Except as provided in Paragraph **P.2** and **P.3.a,** above, we will let you know of our action at least 20 days before the date cancellation takes effect.

c. When this policy has been in effect for more than 60 days, we may cancel:

(1) If there has been a material misstatement;

(2) If the risk has changed substantially since the policy was issued;

(3) In the event of failure to comply, within 60 days after the effectuation of coverage, with underwriting requirements established by us before the date of effectuation of coverage;

(4) If the cancellation is for all insureds under policies of this type for a given class of insureds;

(5) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(6) On the basis of filing a single claim which is the result of water damage used as the sole reason for cancellation if we can demonstrate the "insured" has failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.

Except as provided in Paragraph **P.3.a**, we will let you know of our actions at least 120 days prior to the effective date of the cancellation.

d. When this policy has been in effect for more than 60 days, we may not cancel:

(1) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household; or

(2) On the basis of credit information available in public records.

Under **P. Cancellation**, paragraph **5.** Is deleted and replaced by the following:

5. If the premium is not refunded with the notice of cancellation or when the policy is returned to us, we will refund it within 15 days after the cancellation is effective.

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Q. Nonrenewal is deleted and replaced by the following:

Q. Nonrenewal

We may elect not to renew this policy. However, we will not nonrenew this policy:

1. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
2. On the basis of filing a single claim which is the result of water damage used as the sole reason for nonrenewal unless we can demonstrate the "insured" has failed to take action reasonably requested by us to prevent future similar occurrences to the insured property.
3. On the basis of filing of claim(s) for "sinkhole loss", unless
   a. The total of such property claim payments for this policy equals or exceeds the policy limits of coverage for property damage to the covered building in effect on the date of loss; or
   b. You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
4. Solely on the basis of the age of the structure.
5. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household, or
6. On the basis of credit information available in public records.

We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal, at least 120 days prior to the effective date of the nonrenewal. Proof of mailing will be sufficient proof of notice.

The following is added:

AA. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.
3. This condition applies not only to us, but also to any rating, advisory, inspections service or similar organization which makes insurance inspections, surveys, reports or recommendations.

BB. Choice Of Laws

This policy and any performance thereunder shall be constructed with and governed by the laws of the State of Florida.

CC. Salvage

1. In the event we pay you and or your loss payee for a total loss under this policy, we will be entitled to any and all salvage rights associated with this loss. You agree that you will take all reasonable steps necessary to help us fulfill our salvage rights.
2. We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the policy by the value of the salvage.

DD. Notification Regarding Access

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

EE. Recordings

Recording of any inspection by audio, video, or any other means by the insured, claimant, or any third party representing the insured or claimant is strictly prohibited.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON ROOF COVERAGE

With respect to this endorsement, the following definitions are added or revised;

"Roof surfacing" means the:

a. Exterior shingles, panels or tiles;
b. Cladding, underlayment, or decking;
c. Felt, membrane, including self-adhered water and ice-dam protection membrane, tar, and tar paper;
d. Metal or synthetic sheeting or similar materials covering the roof;
e. Roof vents;
f. Roof flashing and drip edges;
g. Turbines;
h. Skylight and/or components; or
i. Any other roofing component comprising part of the overall roof surface

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

"Hurricane occurrence"

a. Begins at the time a hurricane warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
b. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

"Named Storm occurrence"

a. Begins at the time a tropical warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
b. Ends 72 hours following the termination of the last tropical storm watch or tropical storm warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

The following is added under **GENERAL EXCLUSIONS**:

Notwithstanding any other provisions within the policy, with regard to property described in **COVERAGE A** – Dwelling and **COVERAGE B** – Other Structures, unless loss is caused by a "Hurricane occurrence" or "Named Storm occurrence," we do not cover loss to "Roof surfacing" caused directly or indirectly by any of the following:

a. Wear and tear, marring, spatter marks, or deterioration;
b. Displacement or removal of roof surface granules that does not result in fracturing, bruising, puncturing, or other damage to the base material or underlying mat;
c. Inherent vice or latent defect;
d. Faulty, inadequate, or defective maintenance;
e. Faulty, inadequate, or defective materials used in repair, construction, renovation, or remodeling;
f. Faulty, inadequate, or defective design, specifications, workmanship, repair, construction, renovation, or remodeling; or
g. Settling, shrinking, bulging, or expansion, including resultant cracking.

This exclusion does not change coverage for ensuing loss to any property described in **Coverage A** – Dwelling and **Coverage B** – Other Structures which does not fall under the definition of "Roof Surfacing", caused directly or indirectly by **a.** through **g.** above, unless such ensuing loss is precluded by any other provision in this policy.

All other policy provisions not specifically modified by this endorsement apply.

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Southern Oak Insurance Company

Mandatory Policy Limitations and Exclusions

Please read carefully, this endorsement changes your policy.

NON-STRUCTURAL HAIL LOSS LIMITATION

Hail often dents the exterior surface of a home or other structure without causing structural damage.

Materials usually affected by this type of damage include but are not limited to:

1. metal;
2. fiberglass;
3. rigid plastic porches;
4. carports;
5. awnings; and
6. utility rooms.

When this type of loss or damage occurs, we will pay the lowest of the following amounts:

1. The cost of repairing or replacing the damaged portion of the property; or
2. 2% of the amount of insurance provided under Coverage A - Dwelling or Coverage B – Other Structures depending on which item was damaged.

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PREMISES LIABILITY

(Non-Owner Occupied Dwelling)

DEFINITIONS

Definition **6.** "Insured location" is extended to include the premises shown in the Declarations as "Insured location covered by this policy".

LIABILITY COVERAGES

Coverage **L** - Personal Liability and Coverage **M** - Medical Payments To Others are restricted to apply only with respect to "bodily injury" and "property damage" arising out of the:

1. Ownership;
2. Maintenance;
3. Occupancy; or
4. Use;

of the premises shown in the Declarations as "Insured location covered by this policy".

EXCLUSIONS

Exclusion **E.2.** "Business" does not apply to the premises shown in the Declarations as "Insured location covered by this policy".

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED WATER DAMAGE COVERAGE ENDORSEMENT

For a premium credit, your policy is changed as follows:

The following **SPECIAL LIMIT OF LIABILITY** is added under **SECTION I – PERILS INSURED AGAINST** for **Coverage A – Dwelling**, **Coverage B – Other Structures**, and **Coverage C – Personal Property**.

This limitation is added to:

2.c.(7) and **2.c.(8)** for **Coverages A** and **B** in **SOI 2002 DP (Dwelling Property 3 – Special Form) and SOI 04 67 (Florida Policy Provisions);**

12. for **Coverage C** in **SOI 2002 DP (Dwelling Property 3 – Special Form);**

The total limit of liability for water damage to covered property is **5% of Coverage A** or **$10,000,** whichever is greater. The limit is per occurrence and applies to all damaged covered property under Coverage **A**, **B** and **C** combined.

This limit applies to direct physical damage caused by sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the Described Location.

This limit includes the cost of tearing out and replacing any part or portion of the covered building or other structure necessary to provide access to the part or portion of the system or appliance that caused the covered loss.

The total limit of liability for water damage to covered property stated above applies to and is the most we will pay for:

a. The cost of tearing out and replacing any part or portion of the covered building or other structure necessary to provide access to the part or portion of the system or appliance that caused the covered loss;
b. The cost of all cosmetic and aesthetic damage, which occurs in the same loss including any repair or replacement of items to match quality, color, or size; and
c. The cost for Reasonable Emergency Measures under Section I – Property Coverage which occurs in the same loss.

We do not pay for the repair or replacement of the system or appliance that caused the covered loss.

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

All other provisions of your policy apply.