

State Farm Fire and Casualty Company
 A Stock Company With Home Offices in Bloomington, Illinois
 Po Box 2356
 Bloomington IL 61702-2356



AT4 H-26-2559-FB29 F H W
320:
 GANN JOHNNY
 13924 GRAE RIDGE RD
 YUKON OK 73099-4465

DECLARATIONS

AMOUNT DUE: None
Payment is due by: TO BE PAID BY MORTGAGEE

Policy Number: 36-EA-W787-1

Policy Period: 12 Months
Effective Dates: APR 1 2023 to APR 1 2024
 The policy period begins and ends at 12:01 am standard time at the residence premises.

Your State Farm Agent
 KYLE DACE
 17320 N MAY AVE STE B
 EDMOND OK 73012-9119

Phone: (405) 531-4700

Roof Material: Composition Shingle
Roof Installation Year: 2018

HOMEOWNERS POLICY

Location of Residence Premises
 13924 GRAE RIDGE RD
 YUKON OK 73099-4465

Construction: Masonry Veneer
Year Built: 2018

Automatic Renewal

If the **POLICY PERIOD** is shown as **12 MONTHS**, this policy will be renewed automatically subject to the premiums, rules, and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lender written notice in compliance with the policy provisions or as required by law.

PREMIUM

Annual Premium \$ 3,151.00
Your premium has already been adjusted by the following:
 Home Alert
 Home/Auto
 Utility Rating Cr
 Claim Record

Total Premium \$ 3,151.00



NAMED INSURED

MORTGAGEE AND ADDITIONAL INTERESTS

GANN, JOHNNY

Mortgagee
RIGHTPATH SERVICING
PO BOX 7729
SPRINGFIELD OH 45501-7729

Loan Number:
695489047

SECTION I - PROPERTY COVERAGES AND LIMITS

Coverage	Limit of Liability
A Dwelling	\$ 550,000
Other Structures	\$ 100,000
B Personal Property	\$ 450,000
C Loss of Use	\$ 165,000
Additional Coverages	
Arson Reward	\$1,000
Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money	\$1,000
Debris Removal	Additional 5% available \$1,000 tree debris
Fire Department Service Charge	\$500 per occurrence
Fuel Oil Release	\$10,000
Locks and Remote Devices	\$1,000
Trees, Shrubs, and Landscaping	5% of Coverage A amount \$750 per item

SECTION II - LIABILITY COVERAGES AND LIMITS

Coverage	Limit of Liability
L Personal Liability (Each Occurrence)	\$ 1,000,000
Damage to the Property of Others	\$ 1,000
M Medical Payments to Others (Each Person)	\$ 5,000

INFLATION

Inflation Coverage Index: 325.5

DEDUCTIBLES

Section I Deductible	Deductible Amount
All Losses - 1 %	\$ 5,500

LOSS SETTLEMENT PROVISIONS

A1 Replacement Cost - Similar Construction
B1 Limited Replacement Cost - Coverage B

APR 13 2023

FORMS, OPTIONS, AND ENDORSEMENTS

HW-2136	Homeowners Policy
HO-2609	Cyber/D Restoration/Fraud Cov
HO-2441.2	Home Systems Protection
HO-2310.1	Amendatory Endorsement
HO-2442.2	Service Line Coverage
HO-2444.2	Back-Up Of Sewer Or Drain - 10% of Coverage A/\$ 55,000
Option JF	Jewelry and Furs \$1,500 Each Article \$2,500 Aggregate
Option ID	Increase Dwig Up to \$ 110,000
Option OL	Ordinance/Law 10%/\$ 55,000

ADDITIONAL MESSAGES

State Farm® works hard to offer you the best combination of price, service, and protection. The amount you pay for homeowners insurance is determined by many factors such as the coverages you have, the type of construction, the likelihood of future claims, and information from consumers reports.

You have the right to request, no more than once annually, that your policy be re-rated using a current credit-based insurance score. Re-rating could result in a lower rate, no change in rate, or a higher rate.

Other terms and exclusions may apply - refer to your policy

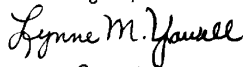
Your policy consists of these Declarations, the Homeowners Policy shown above, and any other forms and endorsements that apply, including those shown above as well as those issued subsequent to the issuance of this policy.

This policy is issued by the State Farm Fire and Casualty Company.

Participating Policy

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.


Secretary


President

Note: For your protection, the law of your state requires the following to appear on this form: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

HO-2609 CYBER EVENT, IDENTITY RESTORATION, AND FRAUD LOSS COVERAGE

This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY, CONDOMINIUM UNITOWNERS POLICY, and RENTERS POLICY.

DEFINITIONS

The following definitions apply only to this endorsement.

1. **bank card** means a card, a card number, or an account number associated with:
 - a. an automated teller card;
 - b. a credit card; or
 - c. a debit card.
2. **computing device** means a desktop, laptop, tablet computer, Wi-Fi router, modem, cellular phone, or smart phone. Such device must be owned or leased by an **insured** as well as operated under an **insured's** control.
3. **credit monitoring service** means a service monitoring transactions affecting an individual's credit records.
4. **cyber attack** means one of the following involving a **computing device**:
 - a. unauthorized access or use, meaning the gaining of access to an **insured's** device or system by an unauthorized person or persons or by an authorized person or persons for unauthorized purposes; or
 - b. malware attack, meaning damage to an **insured's** device, system, or data arising from malicious code, including viruses, worms, Trojans, spyware, and key loggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on an **insured's** computer system during the manufacturing process or through a software update provided by the manufacturer.
5. **cyber extortion event** means one of the following involving a **computing device**:
 - a. a demand for money or other consideration based on a credible threat to damage, disable, deny access to, or disseminate content from an **insured's** device, system, or data; or
 - b. a demand for money or other consideration based on an offer to restore access or functionality in connection with an attack on an **insured's** device, system, or data.
6. **cyber extortion response costs** means any payment as directed by the extortion threat, but only when that payment is:
 - a. incurred as a direct result of a **cyber extortion event** directed against an **insured**; and
 - b. approved in advance by us. However, we may pay for **cyber extortion response costs** that were not approved in advance by us if we determine the following:
 - (1) it was not practical for an **insured** to obtain our prior approval; and
 - (2) if consulted at the time, we would have approved the payment.
7. **data recovery costs**
 - a. **data recovery costs** means the costs of a professional firm hired by an **insured** to replace electronic data that has been lost or corrupted.
 - b. **data recovery costs** does not mean costs to research, re-create, or replace any of the following:
 - (1) software programs or operating systems that are not commercially available;
 - (2) data that cannot reasonably be replaced without extraordinary expense. This includes, but is not limited to, personal photos, movies, or recordings for which no electronic back-up is available; or
 - (3) data that is obsolete, unnecessary, or no longer of use.
8. **fraud event**
 - a. **fraud event** means any of the following, when such event results in direct financial loss to an **insured**:
 - (1) **identity fraud**;
 - (2) the unauthorized use of a **bank card** issued to or registered in an **insured's** name, when the **insured** is legally liable for such use;
 - (3) the forgery or alteration of any check or negotiable instrument;
 - (4) acceptance in good faith of counterfeit currency; or
 - (5) an intentional and criminal deception of an **insured** to induce the **insured** to part voluntarily with something of value;
 - b. **fraud event** does not mean or include any occurrence:
 - (1) in which the **insured** is threatened or coerced to part with something of value;
 - (2) between an **insured** and any of the following:
 - (a) the **insured's** current or former spouse, common law spouse, or domestic partner;

- (b) the **insured's** grandparent, parent, sibling, child, or grandchild; or
 - (c) any resident of the **insured's** household;
 - (3) involving use of a **bank card**:
 - (a) by a person who has been authorized by an **insured** to use such **bank card**, unless such authorization was obtained through an intentional and criminal deception of the **insured**; or
 - (b) if an **insured** has not complied with all terms and conditions under which the **bank card** was issued; or
 - (4) arising from any of the following:
 - (a) the business or professional service of an **insured**;
 - (b) a dispute or a disagreement over the completeness, authenticity, or value of a product, a service, or a financial instrument;
 - (c) a charitable contribution, a donation, or a gift by an **insured**;
 - (d) an online auction or the use of an online auction site;
 - (e) a lottery, gambling, or a game of chance; or
 - (f) an advance fee fraud or other fraud in which an **insured** provides money based on an expectation of receiving at some future time a larger amount of money or something with a greater value than the money provided.
9. **identity fraud** means the fraudulent use of an **insured's** identifying information to:
- a. commit crimes;
 - b. unlawfully establish credit accounts;
 - c. secure loans; or
 - d. enter into contracts.
- Identity fraud** does not include the fraudulent use of a business name or any other method of identifying a business activity.
10. **identity fraud expenses** means the following reasonable and necessary expenses incurred as a direct result of an **identity fraud**:
- a. costs for re-filing applications for loans, grants, or other credit instruments;
 - b. costs for notarizing affidavits or other similar documents, long distance telephone calls, and postage;
 - c. costs for credit reports from established credit bureaus;
 - d. fees and expenses for an attorney approved by us for the following:
 - (1) the defense of any civil suit brought against an **insured**;
 - (2) the removal of any civil judgment wrongfully entered against an **insured**;
 - (3) legal assistance for an **insured** at an audit or hearing by a governmental agency;
 - (4) legal assistance in challenging the accuracy of the consumer credit report of the **insured**;
 - (5) legal assistance in challenging any charge or transaction wrongfully entered by a financial institution against an **insured**; or
 - (6) the defense of any criminal charges brought against an **insured** arising from the actions of a third party using the personal identity of the **insured**;
- e. actual lost wages of the **insured** for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays, and paid personal days. Actual lost wages do not include time lost for illness. Necessary time off does not include time off to do tasks that could reasonably have been done during non-work hours;
- f. actual costs for supervision of children or elderly or infirm relatives of the **insured** during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the **insured**; or
- g. any other reasonable costs necessarily incurred by an **insured** as a direct result of the **identity fraud**. Such costs include:
- (1) costs by the **insured** to recover control over his or her personal identity or the personal identity of a **person for whom the insured is responsible**; and
 - (2) deductibles or service fees from financial institutions.
- Such costs do not include:
- (1) costs to avoid, prevent, or detect **identity fraud** or other loss;
 - (2) monies lost or stolen;
 - (3) costs that are restricted or excluded elsewhere in this endorsement or policy; or
 - (4) balances resulting from the unauthorized use of valid credit card, credit account, or bank account.
11. **identity restoration case manager** means a person assigned by us to help an **insured** to counteract the effects

of **identity fraud**. This help may include, with the permission and cooperation of the **insured**, contacting authorities, credit bureaus, creditors, and businesses.

12. **increased risk event** means loss or theft of any of the following from an **insured**, if they contain the personally identifying information of the **insured**:

- a. a purse, billfold, or wallet;
- b. a personal computer, telephone, or data storage device; or
- c. paper records.

As used in this definition, personally identifying information means information that could be used to commit fraud or other illegal activity involving the credit or identity of an **insured**. This includes, but is not limited to, a Social Security or financial account number. Personally identifying information does not mean information that is otherwise available to the public, such as name, address, and telephone number.

Increased risk event does not include actual or apparent cases of **identity fraud**.

13. **insured**

- a. **insured**, when used in this endorsement with respect to Identity Restoration Coverage, Contingent Credit Monitoring, and Fraud Loss Coverage, means the person or persons shown as "Named Insured" in the Declarations and:

- (1) if residents of the Named Insured's household, that person's relatives;
- (2) if residents of the Named Insured's household, any other person under the age of 21 who is in the care of a person described above; and
- (3) any person for whom the insured is responsible.

- b. **insured**, when used in this endorsement with respect to Cyber Attack Coverage and Cyber Extortion Coverage, means the person or persons shown as "Named Insured" in the Declarations and if residents of the Named Insured's household:

- (1) that person's relatives; and
- (2) any other person under the age of 21 who is in the care of a person described above.

14. **one cyber occurrence** means all **cyber attacks** or **cyber extortion events** that:

- a. take place at the same time; or
- b. arise during the same policy period from the same source, cause, or vulnerability.

15. **person for whom the insured is responsible** means a living person or the estate of a deceased person for

whom the **insured** is legally empowered to act as a guardian, executor, or trustee.

However, with respect to any **insured** who in the ordinary course of his or her business or employment is called upon to serve as a guardian, executor, or trustee, the **person for whom the insured is responsible** must be a family member of the **insured**.

16. **system restoration costs**

- a. **system restoration costs** means the costs of a professional firm hired by an **insured** to do the following in order to restore an **insured's computing device** to the level of functionality it had before the **cyber attack**:

- (1) replace or reinstall computer software programs;
- (2) remove any malicious code; and
- (3) configure or correct the configuration of an **insured's device** or system.

- b. **system restoration costs** does not mean any of the following:

- (1) costs to repair or replace hardware. However, we will pay to repair or replace hardware if doing so reduces the amount of loss payable under this endorsement;
- (2) costs to increase the speed, capacity, or utility of an **insured's device** or system;
- (3) an **insured's time** or labor; or
- (4) any costs in excess of the replacement value of an **insured's system**, including applicable hardware and software.

CYBER ATTACK COVERAGE

If any **insured** has experienced a **cyber attack** covered by this endorsement, the following coverages are provided:

Data Recovery Costs

Reimbursement of necessary and reasonable **data recovery costs** incurred as a direct result of the **cyber attack**.

System Restoration Costs

Reimbursement of necessary and reasonable **system restoration costs** incurred as a direct result of the **cyber attack**.

This coverage only applies if:

1. there has been a **cyber attack**;
2. such **cyber attack** is first discovered by any **insured** while this endorsement is in force; and
3. reported to us within 60 days after it is first discovered by any **insured**.

CYBER EXTORTION COVERAGE

If any **insured** has experienced a **cyber extortion event** covered by this endorsement, the following coverages are provided:

Professional Assistance

Professional assistance from a subject matter expert provided by us for advice and consultation regarding how best to respond to the threat.

Cyber Extortion Response Costs

Reimbursement of necessary and reasonable **cyber extortion response costs** incurred as a direct result of the **cyber extortion event**.

This coverage only applies if:

1. there has been a **cyber extortion event**; and
2. such **cyber extortion event** is first discovered by any **insured** while this endorsement is in force; and
3. reported to us within 60 days after it is first discovered by any **insured**.

IDENTITY RESTORATION COVERAGE

If the **insured** has been a victim of **identity fraud** covered by this endorsement, the following coverages are provided:

Case Management Service

Services of an **identity restoration case manager** as needed to respond to the **identity fraud**.

Expense Reimbursement

Reimbursement of necessary and reasonable **identity fraud expenses** incurred as a direct result of the **identity fraud**.

These coverages only apply if the **identity fraud** is:

1. first discovered by any **insured** while this endorsement is in force; and
2. reported to us within 60 days after it is first discovered by any **insured**.

CONTINGENT CREDIT MONITORING

If the **insured** has experienced an **increased risk event** covered by this endorsement, 12 months of **credit monitoring service** is provided.

This coverage only applies if the **increased risk event** is:

1. first discovered by any **insured** while this endorsement is in force; and
2. reported to us within 60 days after it is first discovered by any **insured**.

FRAUD LOSS COVERAGE

If the **insured** has been a victim of a **fraud event** covered by this endorsement, the following coverage is provided:

Fraud Loss

Payment of the amount fraudulently taken from the **insured**. This is the direct financial loss only.

Fraud Loss does not include any of the following:

1. other expenses that arise from the **fraud event**, including, but not limited to, **identity fraud expenses**;
2. indirect loss, such as bodily injury, lost time, or damaged reputation;
3. any interest, time value, or potential investment gain on the amount of financial loss; or
4. any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

This coverage only applies if the **fraud event** is:

1. first discovered by any **insured** while this endorsement is in force; and
2. reported to us within 60 days after it is first discovered by any **insured**.

LIMITS

The coverage provided by this endorsement is in addition to any other coverage which applies in this policy.

Cyber Attack and Cyber Extortion Coverages:

1. Cyber Attack coverage and Cyber Extortion coverage are jointly subject to a Cyber Attack and Cyber Extortion limit of \$15,000 annual aggregate limit. This limit is the most we will pay for all loss, damage, or expenses arising out of all **cyber attacks** or **cyber extortion events** during any one policy period.
2. Our costs to provide you with professional assistance from a subject matter expert in response to a **cyber extortion event** shall not count towards the loss, damage, or expense included within your coverage limit.
3. If **one cyber occurrence** causes loss, damage, or expense in more than one policy period, all such loss, damage, and expense will be subject to the Cyber Attack and Cyber Extortion limit of the first such policy period.

Identity Restoration and Fraud Loss Coverages:

1. Case Management Service is available as needed for any one **identity fraud** for up to 12 months from the initial assignment of an **identity restoration case manager**. Expenses we incur to provide Case Management Service do not reduce the limit available for Expense Reimbursement coverage and Fraud Loss coverage.
2. Expense Reimbursement coverage and Fraud Loss coverage are jointly subject to an Expense Reimbursement and Fraud Loss limit of \$50,000 annual aggregate per **insured**. This limit is the most we will pay for the total of all loss or expense arising out of all **identity frauds** and

fraud events to any one **insured** which are first discovered by any **insured** during the current policy period. This limit applies regardless of the number of claims during that period.

3. An **identity fraud** or **fraud event** may be first discovered by any **insured** in one policy period and continue into other policy periods. If so, all loss and expense arising from the **identity fraud** or **fraud event** will be subject to the annual aggregate limit which applies to the policy period when the **identity fraud** or **fraud event** was first discovered by any **insured**.
4. **Identity fraud expenses** are part of, and not in addition to, payment under the Expense Reimbursement and Fraud Loss limit.
5. **Identity fraud expenses** are limited to costs incurred within 12 months of the first discovery of the **identity fraud** by any **insured**.
6. Items 10.e. and 10.f. of the definition of **identity fraud expenses** are jointly subject to a limit of \$5,000. This limit is part of, and not in addition to, payment under the Expense Reimbursement and Fraud Loss limit.
7. Item 10.g. of the definition of **identity fraud expenses** is subject to a limit of \$1,000. This limit is part of, and not in addition to, payment under the Expense Reimbursement and Fraud Loss limit.

Contingent Credit Monitoring:

Credit monitoring service is available for any one **increased risk event** for 12 months from the date of initial enrollment in the service. Expenses we incur to provide **credit monitoring service** do not reduce the Expense Reimbursement and Fraud Loss limit.

DEDUCTIBLE

The Cyber Attack and Cyber Extortion coverage is subject to a per occurrence deductible of \$500. We will not pay for loss, damage, or expense arising from any **one cyber occurrence** until the amount of the covered loss, damage, or expense exceeds the deductible. We will then pay the amount of loss, damage, or expense in excess of the deductible amount, subject to the Cyber Attack and Cyber Extortion limit.

Identity Restoration Coverage, Contingent Credit Monitoring Coverage, and Fraud Loss Coverage under this endorsement are not subject to a deductible.

EXCLUSIONS

We do not cover loss or expense arising from any of the following:

1. **identity fraud, cyber attack, or cyber extortion event** against or incurred by a professional or business entity, including but not limited to any business owned or operated by any **insured** or any business employing any **insured**;

2. any fraudulent, dishonest, or criminal act by the **insured**. This includes:
 - a. any act by a person aiding or abetting the **insured**; or
 - b. any act by an authorized representative of the **insured**;

whether or not the person is acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an **insured** who has no knowledge of or involvement in such fraud, dishonesty, or criminal act;
3. an **identity fraud** or **fraud event** that is not reported in writing to the police. You may make a claim for an **identity fraud** under this coverage prior to making such a report and we may refer the **insured** to **case management service** if all other coverage requirements are met. However, we will not pay any **identity fraud expenses** until the **identity fraud** has been reported in writing to the police and we reserve our right to terminate the services of the **identity restoration case manager** if the **insured** does not make such a written report to the police within a reasonable period of time;
4. war, including any undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;
5. nuclear hazard, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of these. Loss caused by nuclear hazard shall not be considered loss caused by fire, explosion, or smoke;
6. any criminal investigations or proceedings, except as explicitly covered under the Identity Restoration coverage;
7. any physical damage;
8. any damage to a motor vehicle, watercraft, aircraft, or other vehicle;
9. any third party liability or legal defense costs;
10. any fines or penalties;
11. loss to the internet, an internet service provider, or any device or system that is not owned or leased by an **insured** as well as operated under an **insured's** control;
12. costs to research or correct any deficiency, except as specifically provided under the system restoration portion of Cyber Attack coverage;
13. any **cyber attack, cyber extortion event, identity fraud, increased risk event, or fraud event** first discovered by any **insured** prior to the inception of an **insured's** coverage under this endorsement; or

14. any **cyber attack, cyber extortion event, or fraud event** first occurring more than 60 days prior to the inception of an **insured's** coverage under this endorsement.

CONDITIONS

The following **Conditions** apply to this coverage.

1. **Advice**

We are not your advisor. Our determination of what is or is not insured under this endorsement does not represent advice or counsel from us.

2. **Assistance and Claims**

In some cases, we may provide the services of an **identity restoration case manager** at our expense to an **insured** prior to a determination that a covered **identity fraud** has occurred. Our provision of services is not an admission of liability under this endorsement. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered **identity fraud** has not occurred.

For Expense Reimbursement coverage and Fraud Loss coverage, an **insured** must send to us receipts, bills, or other records that support the claim. These must be sent to us within 60 days after our request.

There is a two-step process to receive **credit monitoring service**. We must first enroll the **insured** for the service. Secondly, the **insured** must provide authorization for the service to begin.

The service is available for 12 months from the date we enroll the individual, but that individual will not receive the service until he or she completes the authorization.

3. **Confidentiality**

As respects Cyber Extortion, **insureds** must make every reasonable effort not to divulge the existence of this coverage.

4. **Cooperation and Permission**

As respects to any coverage provided by us or any services provided by service providers referred by us to any **insured** under this endorsement, that **insured** must provide cooperation, permission, and assistance.

5. **Due Diligence**

The **insured** agrees to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and widely-practiced steps for:

- a. providing and maintaining appropriate system and data security; and
- b. maintaining and updating at appropriate intervals backups of electronic data.

6. **Help Line**

For **identity fraud** assistance, the **insured** should call the **Identity Recovery Help Line** at 1-800-796-6290.

The **Identity Recovery Help Line** can provide the **insured** with:

- a. information and advice for how to respond to a possible **identity fraud**; and
- b. instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

7. **No Warranty**

We do not warrant that our services will:

- a. end or solve all problems associated with an **identity fraud, increased risk event, fraud event, cyber extortion event, or cyber attack**; or
- b. prevent future **identity frauds, increased risk events, fraud events, cyber extortion events, or cyber attacks**.

All services may not be applicable or available for us or our designees to provide.

8. **Other Insurance or Benefits**

The insurance provided by this endorsement is excess over any other valid and collectible insurance or non-insurance benefit available to the **insured** from any source for the same **identity fraud, increased risk event, fraud event, cyber extortion event, or cyber attack** covered by this endorsement.

9. **Service Providers**

- a. We will only pay under this endorsement for services that are provided by service providers approved by us. The **insured** must obtain our prior approval for any service provider whose expenses the **insured** wants covered under this endorsement. We will not unreasonably withhold such approval.
- b. The **insured** will have a direct relationship with the service providers paid for in whole or in part under this endorsement. Those firms work for the **insured**.
- c. As respects any services provided by any service providers paid for in whole or in part under this endorsement:
 - (1) The effectiveness of such services depends on the **insured's** cooperation and assistance; and
 - (2) We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

APPLICABLE POLICY PROVISIONS

The following policy provisions apply to this coverage except as modified by endorsement:

DECLARATIONS

SECTION I – CONDITIONS

SECTION I AND SECTION II – CONDITIONS

HO-2441.2 HOME SYSTEMS PROTECTION

This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY, CONDOMINIUM UNITOWNERS POLICY

AGREEMENT

We agree to provide the insurance described in this endorsement in compliance with all applicable provisions (including but not limited to **DEFINITIONS**, **LOSSES NOT INSURED**, and **CONDITIONS**) of this policy. Coverage provided under this endorsement does not increase any limit of liability under **SECTION I**.

DEFINITIONS

For the purposes of this endorsement, the following definitions are added:

1. **"computer equipment"** means electronic data processing hardware and related peripheral equipment. This includes, but is not limited to, monitors and display screens, *media*, keyboards, printers, modems, and permanently installed wiring associated with such equipment.
2. **Covered Home Equipment**
 - a. **"covered home equipment"** means property covered under **COVERAGE A – DWELLING** that:
 - (1) generates, transmits, or utilizes energy; or
 - (2) during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Covered home equipment may utilize conventional design and technology or new or newly commercialized design and technology.
 - b. None of the following is **covered home equipment**:
 - (1) supporting structure, cabinet, or compartment;
 - (2) insulating material associated with **covered home equipment**;
 - (3) water piping other than boiler feedwater piping, boiler condensate return piping, or water piping connected to a heating or air conditioning system;
 - (4) wastewater piping or piping forming a part of a fire protective sprinkler or irrigation system;
 - (5) buried or encased piping or buried vessels; however, interior buried or encased piping connected to a heating or air conditioning system is **covered home equipment**;
 - (6) software or electronic data;
 - (7) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer, or clothes dryer;
- (8) **computer equipment** or any electronic component used with such **computer equipment**, unless it is permanently installed as part of the *dwelling*; or
- (9) electronic entertainment equipment, including but not limited to, television or stereo equipment, or any electronic component used with such electronic entertainment equipment.
3. **"cyber event"** means cyber activity including but not limited to:
 - a. The introduction of malicious code including viruses, worms, Trojans, spyware and keyloggers within **covered home equipment**; or
 - b. Unauthorized electronic access to **covered home equipment** or to electronic data or software within or used with **covered home equipment**.
4. **"electronic circuitry"** means microelectronic components, including but not limited to, circuit boards, integrated circuits, computer chips, and disk drives.
5. **"electronic circuitry impairment"** means an accidental event involving **electronic circuitry** within **covered home equipment** that causes **covered home equipment** to suddenly lose its ability to function as it had been functioning immediately before such event. An **electronic circuitry impairment** must also meet each of the following conditions:
 - a. *We* determine that the reasonable and appropriate remedy to restore such **covered home equipment's** ability to function is the replacement of one or more **electronic circuitry** components of the **covered home equipment**.
 - b. The **covered home equipment** must be owned or used by an **insured**.
 - c. None of the following is an **electronic circuitry impairment**:
 - (1) Any condition that can be reasonably remedied by:
 - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries, or cleaning;
 - (b) Rebooting, reloading, or updating software or firmware; or
 - (c) Providing necessary power or supply.
 - (2) Any condition caused by or relating to:

- (a) Incompatibility of the **covered home equipment** with any software or equipment installed, introduced, or networked within the prior 30 days; or
- (b) Insufficient size, capability, or capacity of the **covered home equipment**.
- (3) Exposure to adverse environmental conditions, including but not limited to, change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.

6. Equipment Breakdown

- a. **"equipment breakdown"** means an abrupt and accidental:

- (1) mechanical breakdown;
- (2) electrical breakdown; or
- (3) bursting, cracking, or splitting;

of **covered home equipment** that results in direct physical damage and requires repair or replacement of all or part of the damaged **covered home equipment**.

- b. None of the following is an **equipment breakdown**:

- (1) rust, corrosion, (including pinhole leaks), erosion, deterioration, or gradual loss of efficiency or functionality of **covered home equipment**;
- (2) leakage or seepage at or from any connection, valve, fitting, shaft, or seal;
- (3) complete or partial interruption of electrical power, fuel, or water supply, whether deliberate or accidental;
- (4) any condition which can be corrected by resetting, recalibrating, or by the performance of maintenance; or
- (5) cosmetic or other damage that does not impair functionality.

7. Home System Breakdown

- a. **"home system breakdown"** means an **equipment breakdown** or **electronic circuitry impairment**.

- b. None of the following is a **home system breakdown**:

- (1) any programming error, programming limitation, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving data or **media** of any kind; or
- (2) a **cyber event**.

However, an ensuing **equipment breakdown** or **electronic circuitry impairment** will be considered a **home system breakdown**.

- 8. **"media"** means material on which data is recorded. This includes, but is not limited to, magnetic tapes, hard drives, optical storage drives, or CD/DVD drives.
- 9. **"one home system breakdown"** means: If an initial **home system breakdown** causes other **home system breakdowns**, all will be considered **one home system breakdown**. All **home system breakdowns** that are the result of the same event will be considered **one home system breakdown**.

SECTION I – LOSSES INSURED

For the purposes of this endorsement, the following is added, subject to the limit provided under the **CONDITIONS** section of this endorsement unless otherwise specified below. These coverages do not increase the limit of liability under Home Systems Protection.

1. Loss to Covered Home Equipment

We will pay for direct physical loss or damage to **covered home equipment** caused by a **home system breakdown** and that occurs on the **residence premises**. **We** will consider **electronic circuitry impairment** to be physical damage to **covered home equipment**.

We will not pay for any property that is not **covered home equipment** except for refrigerated property to the extent it is covered under **Spoilage**.

2. Spoilage

With respect to **your** refrigerated products, **we** will pay:

- a. for physical damage due to spoilage caused by a **home system breakdown**;
- b. any necessary expenses **you** incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

We will pay up to \$500 for **Spoilage**. Any loss payable under both this endorsement and **SECTION I – ADDITIONAL COVERAGES, Refrigerated Products** under **your** policy, will be paid first in accordance with **SECTION I – ADDITIONAL COVERAGES, Refrigerated Products**. Any payment under this endorsement will be excess over such coverage but no payments will be duplicated.

3. Loss of Use

Coverage for **Additional Living Expense and Fair Rental Value**, as defined under **COVERAGE C – LOSS OF USE**, is extended to the coverage provided by this endorsement.

4. **Expediting Expenses**

With respect to **your covered home equipment** that is damaged as the result of a **home system breakdown**, we will pay the reasonable extra cost to:

- a. make temporary repairs; and
- b. expedite permanent repairs or permanent replacement.

SECTION I – LOSSES NOT INSURED

For the purposes of this endorsement, **SECTION I – LOSSES NOT INSURED**, the following is added:

4. **We** will not pay for loss, under any part of this coverage, that consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through g. below, regardless of whether the loss occurs abruptly or gradually, involves isolated or widespread damage, arises from natural or external forces, occurs on or off the **residence premises**, or occurs as a result of any combination of these:
 - a. electrical power surge or brown out, whether or not caused by lightning;
 - b. fire (including fire resulting from a **home system breakdown**) or water or other means used to extinguish a fire;
 - c. explosion;
 - d. lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; breakage of glass; falling objects; weight of snow, ice, or sleet; freezing (caused by cold weather); collapse;
 - e. vandalism, meaning a malicious act that causes damage or destruction. However, this exclusion does not apply to a **cyber event**.
 - f. theft; or
 - g. water or sewage resulting from a **home system breakdown**.

For purposes of this endorsement, **SECTION I – LOSSES NOT INSURED**, items 2.b., 2.c., and 2.f. are replaced with the following:

- b. **Earth Movement**, meaning the sinking, rising, shifting, expanding, or contracting of earth, all regardless of whether combined with water, sewage, or any material carried by, or otherwise moved by the earth. Earth movement includes but is not limited to:
 - (1) earthquake;
 - (2) landslide, mudslide, or mudflow;
 - (3) sinkhole or subsidence;
 - (4) movement resulting from:
 - (a) improper compaction;

- (b) site selection;
 - (c) natural resource extraction activities; or
 - (d) excavation
- (5) erosion;
 - (6) pressure by surface or subsurface earth or fill; or
 - (7) any volcanic activity, except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Volcanic Action**.

c. **Water**, meaning:

- (1) flood;
- (2) surface water. However, surface water does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
- (3) waves (including tidal wave, tsunami, and seiche);
- (4) tides or tidal water;
- (5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);
- (6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;
- (7) water or sewage from outside the **residence premises** plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;
- (8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a **building structure**, sidewalk, driveway, swimming pool, or other structure; or
- (9) material carried or otherwise moved by any of the water or sewage, as described in paragraphs c.(1) through c.(8) above.

- f. **Nuclear Hazard**, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke.

SECTION I – DEDUCTIBLE

Subject to the limit provided under the **CONDITIONS** section of this endorsement, **we** will pay only that part of the loss that exceeds \$500. No other deductible applies to this coverage.

SECTION I – LOSS SETTLEMENT

For the purposes of this endorsement, **SECTION I – LOSS SETTLEMENT** is replaced by:

1. **Our** payment for damaged covered property will be the smallest of:
 - a. the applicable limit of liability;
 - b. the cost to repair the damaged property;
 - c. the cost to replace the damaged property with like kind, quality, and capacity on the same **residence premises**; or
 - d. the necessary amount actually spent to repair or replace the damaged property.
2. Except as described in **Environmental, Safety and Efficiency Improvements** below, **you** are responsible for the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
3. If **you** do not repair or replace the damaged property within 24 months after the date of the **home system breakdown**, then **we** will pay only the smaller of:
 - a. the cost it would have taken to repair or replace at the time of the **home system breakdown**; or
 - b. the **actual cash value** at the time of the **home system breakdown**.

SECTION I – CONDITIONS

For the purposes of this endorsement, the following conditions are added:

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Limit of Liability

The limit of liability under this endorsement is dependent upon the age of **your covered home equipment**. The most **we** will pay for loss, damage and expense arising from any **one home system breakdown to covered home equipment**.

- a. manufactured less than 15 years prior to the **home system breakdown** is \$50,000; or
- b. manufactured 15 years or more prior to the **home system breakdown** is \$2,000. However, if the damaged **covered home equipment** was installed as new, unused equipment within 15 years prior to the **home systems breakdown**, the limit shown in a. above will apply.

Environmental, Safety and Efficiency Improvements

If **covered home equipment** requires replacement due to a **home system breakdown**, **we** will pay **your** additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, **we** will not pay to increase the size or capacity of the equipment and **we** will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which **actual cash value** applies and does not increase any of the applicable limits.

Application of Coverage

Any loss payable under both this endorsement and under **your** policy without considering the terms of this endorsement, will be paid first in accordance with the terms of **your** policy without consideration of the terms of this endorsement. Any payment under this endorsement will then be excess but no payments will be duplicated.

All other policy provisions apply.

(CONTINUED)

HOMEOWNERS AMENDATORY ENDORSEMENT (Oklahoma)

This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY

DEFINITIONS

Under the definition of "**business**", item d. is replaced by the following:

Business does not include:

- d. the ownership, maintenance, or use of systems and equipment used to generate electrical power, if:
 - (1) the power generated is intended primarily for consumption on the **residence premises**; and
 - (2) any resulting income is incidental, including but not limited to:
 - (a) utility bill credits; or
 - (b) incidental income;
 - derived from sending excess power back to the electricity grid; or

The definition of "**occurrence**" is replaced by the following:

"**occurrence**", when used in Section II of this policy, means an accident, including accidental exposure to conditions, which first results in:

- a. **bodily injury**; or
- b. **property damage**;

during the policy period. All **bodily injury** and **property damage** resulting from one accident, series of related accidents, or from continuous or repeated exposure to the same general conditions is considered to be one **occurrence**.

SECTION I – PROPERTY COVERAGES**COVERAGE A – DWELLING**

Item 3.c. is replaced by the following:

- c. systems and equipment used to generate electrical power, unless:
 - (1) the power generated is intended primarily for consumption on the **residence premises**; and
 - (2) any resulting income is incidental, including but not limited to:
 - (a) utility bill credits; or
 - (b) incidental income;
 - derived from sending excess power back to the electricity grid.

SECTION I – ADDITIONAL COVERAGES

The following is added to **Volcanic Action**:

When applicable, the following coverages apply to a loss covered by **Volcanic Action**:

- a. **COVERAGE C – LOSS OF USE**;
- b. **SECTION I – ADDITIONAL COVERAGES**; and
- c. **Option OL – Building Ordinance or Law**, only if this option is shown in the **Declarations**.

The following is added to **Collapse**:

When applicable, the following coverages apply to a loss covered by **Collapse**:

- a. **COVERAGE C – LOSS OF USE**;
- b. **SECTION I – ADDITIONAL COVERAGES**; and
- c. **Option OL – Building Ordinance or Law**, only if this option is shown in the **Declarations**.

The following is added to **Fuel Oil Release**:

When applicable, the following coverages apply to a loss covered by **Fuel Oil Release**:

- a. **COVERAGE C – LOSS OF USE**;
- b. **SECTION I – ADDITIONAL COVERAGES**; and
- c. **Option OL – Building Ordinance or Law**, only if this option is shown in the **Declarations**.

Any payments made for these coverages are included in, and not in addition to, the \$10,000 limit of insurance for **Fuel Oil Release**.

SECTION I – CONDITIONS

Under **Mortgagee Clause**, paragraph 10.c. is replaced by the following:

- c. If **we** cancel this policy, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

SECTION II – LIABILITY COVERAGES**SECTION II – ADDITIONAL COVERAGES**

The following is added to **Damage to Property of Others**:

- d. Under **SECTION II – EXCLUSIONS**, exclusion 2.c. does not apply to the coverage provided by **Damage to Property of Others**.

SECTION II – EXCLUSIONS

Under **SECTION II – EXCLUSIONS**, 1.p. is replaced by the following:

- 1. Coverage L and Coverage M do not apply to:
 - p. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of systems and equipment used to generate electrical power, unless:

- (1) the power generated is intended primarily for consumption on the **residence premises**; and
- (2) any resulting income is incidental, including but not limited to:
 - (a) utility bill credits; or
 - (b) incidental income;

derived from sending excess power back to the electricity grid.

Under **SECTION II – EXCLUSIONS**, 2.a. and 2.c. are replaced by the following:

2. Coverage L does not apply to:
 - a. liability:
 - (1) for **your** share of any loss assessment charged against all members of any type of association of property owners; or
 - (2) imposed on or assumed by any **insured** through any unwritten or written contract or agreement. This exclusion does not apply to:
 - (a) liability for damages that the **insured** would have in absence of the contract or agreement; or
 - (b) written contracts:
 - (i) that directly relate to the ownership, maintenance, or use of any **insured location**; or
 - (ii) when the liability of others is assumed by **you** prior to the **occurrence**;

unless excluded elsewhere in the policy;
 - c. **property damage** to property rented to, used or occupied by, or in the care, custody, or control of any **insured** at the time of the **occurrence**. This exclusion does not apply to **property damage** caused by:
 - (1) fire;
 - (2) smoke;
 - (3) explosion;
 - (4) abrupt and accidental damage from water; or
 - (5) household pets, up to \$500 in excess of **your** security deposit;

SECTION I AND SECTION II – CONDITIONS

Under **Cancellation**, 5.b. is replaced by the following:

- b. **We** may cancel this policy by providing notice to a named insured shown on the **Declarations**. The notice will provide the date cancellation is effective.

- (1) When **you** have not paid the premium, **we** may cancel at any time by providing notice at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to **us** or **our** agent or under any finance or credit plan.
- (2) When this policy has been in effect for less than 45 business days and is not a renewal with **us**, **we** may cancel for any reason. **We** may cancel by providing notice at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 45 business days or more, or at any time if it is a renewal with **us**, **we** may cancel for the following reasons:
 - (a) discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted thereunder;
 - (b) discovery of willful or reckless acts or omissions on the part of the named insured which increase any hazard insured against;
 - (c) a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
 - (d) violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
 - (e) a determination by the Insurance Commissioner that the continuation of the policy would place the insurer in violation of the insurance laws of this state; or
 - (f) conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against.

We may cancel this policy by providing notice at least 30 days before the date cancellation takes effect.

- (4) When this policy is written for a period longer than one year, **we** may cancel for any reason at anniversary. **We** may cancel by providing notice at least 30 days before the date cancellation takes effect.

Nonrenewal is replaced by the following:

Nonrenewal. If **we** decide not to renew this policy, then, at least 30 days before the end of the current policy period, **we** will provide a nonrenewal notice to a named insured shown on the **Declarations**.

Joint and Individual Interests is replaced by the following:

Joint and Individual Interests. If **you** consists of more than one person or entity, then each acts for all to change or cancel this policy.

Electronic Delivery is deleted.

OPTIONAL POLICY PROVISIONS

Option ID is replaced by the following:

Option ID – Increased Dwelling Limit. **We** will settle losses to damaged **building structures** covered under **COVERAGE A – DWELLING** according to the **Loss Settlement Provision** shown in the **Declarations**.

1. If the amount **you** actually and necessarily spend to repair or replace the damaged **dwelling** exceeds the limit of liability shown in the **Declarations** for Coverage A – Dwelling, **we** will pay the additional amounts

not to exceed the Option ID limit shown in the **Declarations**.

2. If the amount **you** actually and necessarily spend to repair or replace damaged **building structures** covered under **COVERAGE A – DWELLING, Other Structures** exceeds the limit of liability shown in the **Declarations** for Other Structures, **we** will pay the additional amounts not to exceed 10% of the Option ID limit shown in the **Declarations**.

Report Increased Values. **You** must notify **us** within 90 days of the start of construction on any new **building structure** costing \$5,000 or more; or any additions to or remodeling of **building structures** that increase their values by \$5,000 or more. **You** must pay any additional premium due for the increased value. **We** will not pay more than the applicable limit of liability shown in the **Declarations** if **you** fail to notify **us** of the increased value within 90 days.

All other policy provisions apply.

HO-2442.2 SERVICE LINE COVERAGE

This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY

AGREEMENT

We agree to provide the insurance described in this endorsement in compliance with all applicable provisions (including but not limited to **DEFINITIONS**, **LOSSES NOT INSURED**, and **CONDITIONS**) of this policy. Coverage under this endorsement does not increase any limit of liability under **SECTION I**.

DEFINITIONS

For the purposes of this endorsement, the following definitions are added:

1. Covered service line

a. **"covered service line"** means exterior underground piping and wiring, including permanent connections, valves, or attached devices providing one of the following services to **your residence premises**:

- (1) communications, including cable transmission, data transmission, internet access, and telecommunications;
- (2) compressed air;
- (3) drainage;
- (4) electrical power;
- (5) heating, including geothermal, natural gas, propane, and steam;
- (6) waste disposal; or
- (7) water.

b. A **covered service line** must be owned by **you** or **you** must be responsible for its repair or replacement as required by law, regulation, or service agreement. Should repair or replacement be **your** responsibility, a **covered service line** ends at the precise location where **your** responsibility for such repair or replacement ends. However, in no event will a **covered service line** extend beyond the point of connection to the main service or utility line.

c. **Covered service line** does not include:

- (1) that part of piping or wiring that runs through or under a body of water, including but not limited to, a swimming pool, pond, or lake;
- (2) that part of piping or wiring that runs through or under the dwelling or other structure. However, this clause c.(2) shall not apply to piping or wiring that runs under:
 - (a) a driveway or walkway; or
 - (b) a structure not immediately above a foundation and raised sufficiently from the

ground that such piping or wiring can be accessed without damaging or dismantling any structure;

- (3) piping or wiring that is not connected and ready for use;
- (4) septic systems, including leach fields, septic tanks, pumps, motors, or piping that runs from the septic tank to the leach fields, other than covered waste disposal piping running from **your dwelling** or other structure to a septic tank;
- (5) water wells, including well pumps or motors;
- (6) heating and cooling systems, including heat pumps; or
- (7) sprinkler system pumps, motors, or heads.

2. **"one service line failure"** means: If an initial **service line failure** causes other **service line failures**, all will be considered **one service line failure**. All **service line failures** that are the result of the same event will be considered **one service line failure**.

3. **"service line failure"** means a leak, break, tear, rupture, collapse, or electrical arcing of a **covered service line** not otherwise excluded. A **service line failure** may be caused by, but is not limited to, the following perils:

- a. wear and tear, marring, deterioration, or hidden decay;
- b. rust or other corrosion;
- c. mechanical breakdown, latent defect, or inherent vice;
- d. weight of vehicles, equipment, animals, or people;
- e. vermin, insects, rodents, or other animals;
- f. artificially generated electrical current;
- g. freezing or frost heave;
- h. external force from a shovel, backhoe, or other form of excavation; or
- i. tree or other root invasion.

Service line failure does not include blockage or low pressure of a **covered service line** when there is no physical damage to the **covered service line**.

SECTION I – LOSSES INSURED

For the purposes of this endorsement, the following is added, subject to the limit provided under the **CONDITIONS** section of this endorsement:

1. Damages to Covered Service Line

We will pay for physical loss or damage to **your covered service line** that is the direct result of a **service line failure**.

We will not pay:

- a. additional costs incurred for loss or increased usage of water, natural gas, propane, or any other service caused by or resulting from a **service line failure**;
- b. for loss or damage to a **covered service line** that is damaged while it is being installed, dismantled, or repaired. However, this shall not apply if a covered **service line failure** necessitated such installation, dismantling, or repair; or
- c. to clean up or remove contaminants or pollutants, hazardous waste, or sewage.

2. Excavation Costs

With respect to **your covered service line** that is damaged as the result of a **service line failure**, **we** will pay the necessary and reasonable excavation costs that are required to repair or replace the damaged **covered service line**.

3. Expediting Expenses

With respect to **your covered service line** that is damaged as the result of a **service line failure**, **we** will pay the reasonable extra cost to:

- a. make temporary repairs; and
- b. expedite permanent repairs or permanent replacement.

4. Loss of Use

Coverage for **Additional Living Expense and Fair Rental Value**, as described under **COVERAGE C – LOSS OF USE**, is extended to the coverage provided by this endorsement.

5. Outdoor Property

We will pay for **your** outdoor property, including but not limited to, trees, shrubs, plants, lawns, walkways, and driveways, that is damaged as a result of a **service line failure** or that is damaged during the excavation of **your covered service line** following a **service line failure**.

SECTION I – LOSSES NOT INSURED

For purposes of this endorsement, **SECTION I – LOSSES NOT INSURED**, the following is added:

4. **We** will not pay for loss, under any part of this coverage, that consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through c. below, regardless of whether the loss occurs abruptly or gradually, involves isolated or wide-spread damage, arises from natural or external

forces, or occurs as a result of any combination of these:

- a. fire; or water or other means used to extinguish a fire;
- b. explosion;
- c. lightning; windstorm or hail; smoke; aircraft; riot or civil commotion; theft; breakage of glass;

For purposes of this endorsement, **SECTION I – LOSSES NOT INSURED**, items 2.b. and 2.c. are replaced with the following:

- b. **Earth Movement**, meaning the sinking, rising, shifting, expanding, or contracting of earth, all regardless of whether combined with water, sewage, or any material carried by, or otherwise moved by the earth. Earth movement includes but is not limited to:
 - (1) earthquake;
 - (2) landslide, mudslide, or mudflow;
 - (3) sinkhole or subsidence;
 - (4) movement resulting from:
 - (a) improper compaction;
 - (b) site selection;
 - (c) natural resource extraction activities; or
 - (d) excavation;
 - (5) erosion;
 - (6) pressure by surface or subsurface earth or fill; or
 - (7) any volcanic activity, except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Volcanic Action**.

However, Earth Movement does not include frost heave.

- c. **Water**, meaning:

- (1) flood;
- (2) surface water. However, surface water does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
- (3) waves (including tidal wave, tsunami, and seiche);
- (4) tides or tidal water;
- (5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);

- (6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;
- (7) water or sewage from outside the **residence premises** plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;
- (8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a **building structure**, sidewalk, driveway, swimming pool, or other structure; or
- (9) material carried or otherwise moved by any of the water or sewage, as described in paragraphs c.(1) through c.(8) above.

SECTION I – DEDUCTIBLE

Subject to the limit provided under the **CONDITIONS** section of this endorsement, **we** will pay only that part of the loss that exceeds \$500. No other deductible applies to this coverage.

SECTION I – LOSS SETTLEMENT

For the purposes of this endorsement, **SECTION I – LOSS SETTLEMENT** is replaced by:

1. **Our** payment for damaged covered property will be the smallest of:
 - a. the limit of liability that applies to this endorsement;
 - b. the cost to repair the damaged property;
 - c. the cost to replace the damaged property on the same premises; or
 - d. the necessary amount actually spent to repair or replace the damaged property.
2. Except as described in **Environmental, Safety and Efficiency Improvements** below, **you** are responsible for the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

3. **You** are responsible for the extra cost to alter or relocate **covered service lines**, unless such alteration or relocation is required by law or ordinance.

SECTION I – CONDITIONS

For the purposes of this endorsement, the following conditions are added:

The Limit of Liability

The limit of liability under this endorsement is dependent upon the age of **your covered service line**.

The most **we** will pay for loss, damage and expense arising from any **one service line failure** to a **covered service line**:

- a. less than 50 years old is \$10,000; or
- b. 50 years old or older is \$2,500.

The age of the **covered service line** will be determined by documentation **you** can provide that indicates when the **covered service line** was newly installed or replaced in its entirety. If that is not available then the age of the **covered service line** will be the age of **your dwelling** on **your residence premises** shown in the Declarations.

Environmental, Safety and Efficiency Improvements

If a **covered service line** requires replacement due to a **service line failure**, **we** will pay **your** additional cost to replace with materials that are better for the environment, safer for people, or more energy or water efficient than the materials being replaced.

However, **we** will not pay to increase the size or capacity of the materials and **we** will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not increase the limit that applies to this endorsement.

Application of Coverage

Any loss payable under both this endorsement and under **your** policy without considering the terms of this endorsement, will be paid first in accordance with the terms of **your** policy without consideration of the terms of this endorsement. Any payment under this endorsement will then be excess but no payments will be duplicated.

All other policy provisions apply.

BACK-UP OF SEWER OR DRAIN ENDORSEMENT (Homeowners)

This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY

The following is added to SECTION I – ADDITIONAL COVERAGES:

Back-up of Sewer or Drain. We will pay for accidental direct physical loss to the *dwelling* and covered personal property located within the *dwelling*, caused by back-up of water or sewage, subject to the following:

- a. The back-up must be directly and immediately caused solely by water or sewage:
 - (1) from outside the *residence premises* plumbing system that enters through a sewer or drain located inside the interior of the *dwelling*; or
 - (2) that enters into and overflows from within a sump pump, sump pump well, or any other system located inside the interior of the *dwelling* designed to remove subsurface water drained from the foundation area.
- b. Coverage does not apply to:
 - (1) losses resulting from *your* failure to:
 - (a) keep a sump pump or its related equipment in proper working condition; or
 - (b) perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or
 - (2) losses that occur or are in progress within the first 5 days of the inception of this endorsement. This limitation does not apply when:
 - (a) this endorsement is attached to a newly issued policy; or
 - (b) this endorsement is attached to replace another Back-Up of Sewer or Drain Endorsement. However, if this endorsement's coverage limits are higher than those of the endorsement it replaces, then the limitation described in (2) above applies only to the increase in coverage limits.
- c. If *you* request an increase to the coverage limit for this endorsement, the increased coverage limit does not apply to losses that occur or are in progress within the first 5 days of *your* request.
- d. The total limit of insurance provided by this endorsement will not exceed the amount determined by applying the Back-Up Of Sewer Or Drain percentage (%) shown in the *Declarations* to the COVERAGE A – DWELLING limit shown in the *Declarations*, as adjusted by the inflation coverage provisions of this policy. This is an additional amount of insurance.

- e. The deductible for each loss under this coverage is the amount shown in the *Declarations* under Section I Deductible for "Other Losses" or "All Losses", whichever applies.

- f. When applicable, the following coverages apply to a loss covered by this endorsement:

- (1) COVERAGE C – LOSS OF USE;
- (2) SECTION I – ADDITIONAL COVERAGES; and
- (3) Option OL – Building Ordinance or Law, only if this option is shown in the *Declarations*.

Any payments made for these coverages are included in, and not in addition to, the limit of insurance described in item d. above.

For purposes of this endorsement only:

- a. SECTION I – LOSSES INSURED, item 12.b.(2) is deleted from the policy.
- b. SECTION I – LOSSES NOT INSURED, Water is replaced by:

Water, meaning:

- (1) flood;
- (2) surface water. This does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
- (3) waves (including tidal wave, tsunami, and seiche);
- (4) tides or tidal water;
- (5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);
- (6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;
- (7) water or sewage from outside the *residence premises* plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;

except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Back-Up of Sewer or Drain.

- (8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a **building structure**, sidewalk, driveway, swimming pool, or other structure; or
- (9) material carried or otherwise moved by any of the water or sewage, as described in items c.(1) through c.(8) above.

However, **we** will pay for any accidental direct physical loss by fire, explosion, or theft resulting from water, provided the resulting loss is itself a **loss insured**.

- c. **SECTION I – CONDITIONS, Other Insurance** is replaced by:

Other Insurance. This coverage is excess over other valid and collectible insurance.

All other policy provisions apply.