CAUSES OF LOSS SECTION-COVERAGES A, B, C AND D (CAUSES OF LOSS AND REPLACEMENT COST PROVISION)

(For use in Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk and Westchester Counties)

Coverage A-Residence and Coverage B-Related Private Structures on the Premises

We cover the ***Residence*** and Related Private Structures on the Premises against risks of direct physical loss unless specifically excluded.

Exclusions-Apply to Coverage A and Coverage B

In addition to the exclusions contained in the General Policy Provisions, the following exclusions also apply.

1. **Freezing, Discharge, Leakage or Overflow-Unoccupied Residence-**If the ***residence*** *is* vacant, unoccupied (including temporary absence) or under construction and unoccupied, ***you*** must take reasonable care to:
   a. maintain heat in the building or manufactured home; or
   b. shut off the water supply and completely empty liquids from any plumbing, heating, air-conditioning or automatic fire protective sprinkler system or domestic appliance.

   If ***you*** fail to do this, ***we*** do not pay for loss caused by freezing or the resulting discharge, leakage or overflow from such system, water heater or domestic appliance.
2. **Freezing, Thawing, Pressure or Weight of Ice or Water-*We*** do not pay for damage to structures (other than buildings, carports or manufactured homes) such as swimming pools, fences, retaining walls, septic tanks, piers, wharves, foundations, patios and paved areas caused by freezing, thawing, or pressure or weight of ice or water, whether wind driven or not.
3. **Theft-*We*** do not pay for theft or attempted theft from the ***insured premises*** while a ***residence*** *is:*
   a. under construction and unoccupied; or
   b. vacant for more than 30 consecutive days immediately before the loss.
4. **Vandalism and Malicious Mischief or Glass Breakage-*We*** do not pay for loss caused by vandalism, malicious mischief or breakage of glass or other glazing materials while the ***residence*** *is* vacant for more than 30 consecutive days immediately before the loss. *A* ***residence*** under construction is not considered vacant.
5. **Seepage or Leakage-*We*** do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning or automatic fire protective sprinkler system, or domestic appliance.

   Except as provided above, ***we*** pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating or air-conditioning system or domestic appliance. ***We*** also pay the reasonable cost of removing and replacing those parts of the building or manufactured home necessary to make repairs. ***We*** do not pay for loss to the system or domestic appliance from which the liquid or steam escapes.
6. **Settling, Cracking, Shrinking, Bulging or Expanding-*We*** do not pay for loss caused by the settling, cracking, shrinking, bulging or expanding of a building or manufactured home (or any part of a building or manufactured home), pavements, patios or any other outdoor structures.
7. **Birds, Vermin, Rodents, Insects or Domestic Animals-*We*** do not pay for loss caused by birds, vermin, rodents, insects or domestic animals.
8. **Smoke-*We*** do not pay for damage caused by smoke from agricultural smudging or industrial operations.

We pay for direct loss by fire, explosion or smoke (not otherwise excluded) which results from any of the above.

Coverage C-Personal Property

We insure against direct physical loss to property covered under Coverage C-Personal Property caused by the following causes of loss:

1. **Fire or Lightning**.
2. **Windstorm or Hail-**This does not cover loss:
   a. to personal property inside a building or manufactured home, caused by dust, rain, sand, sleet, snow or water, all whether wind driven or not. Loss caused by dust, rain, sand, sleet, snow or water is covered if these elements enter through an opening in the roof or walls resulting from damage caused by the direct forces of wind or hail; or
   b. to watercraft (except rowboats and canoes on the ***insured premises)*** including their trailers, accessories, equipment and outboard motors unless such property is inside a fully enclosed building.

3. **Explosion**.
4. **Riot or Civil Commotion**.
5. **Aircraft**.
6. **Vehicles**.
7. **Sudden and Accidental Damage from Smoke-**This does not cover loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism and Malicious Mischief-**This does not cover loss if the ***insured premises*** are vacant for more than 30 consecutive days immediately before the loss. *A* ***residence*** under construction is not considered vacant.
9. **Glass Breakage-**This does not cover loss if the ***insured premises*** are vacant for more than 30 consecutive days immediately before the loss. A ***residence*** under construction is not considered vacant.
10. **Theft-**This includes attempted theft and loss of property from a known place when it is likely that theft occurred.
    a. This does not cover:
        1) theft committed by ***you***;
        2) theft from premises where a ***residence*** *is* under construction until the building is completed and occupied;
        3) theft from any part of the ***residence***, usually occupied exclusively by ***you***, while rented to others;
        4) theft from premises which are vacant for more than 30 consecutive days immediately before the loss;
        5) loss resulting from the theft of any ***credit card*** or similar device except as provided under Incidental Property Coverages; or
        6) loss resulting from the theft of a debit card or similar device used for the deposit, withdrawal or transfer of funds except as provided under Incidental Property Coverages.
    b. This does not cover theft of personal property that occurs away from the ***insured premises***.
11. **Sinkhole Collapse**-meaning loss or damage caused by sudden settlement or collapse of earth supporting the covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations.
12. **Volcanic Action-**meaning direct loss or damage caused by volcanic action, including airborne volcanic blast or shock waves; ash, dust or particulate matter; or lava flow. All volcanic action that occurs within any 72 hour period will constitute a single ***occurrence***.

    We do not cover the removal of ash, dust or particulate matter that does not cause direct physical loss to covered property.
13. **Falling Objects**-This does not cover loss:
    a. to the personal property inside a building or manufactured home unless the falling object has previously damaged the outside walls or roof by impact;
    b. to outdoor awnings or canopies including their supports;
    c. to fences or to outdoor equipment not permanently installed; or
    d. to the falling object itself.
14. **Weight of Ice, Snow or Sleet**, which causes physical damage to property contained in a building or manufactured home. This does not cover loss to:
    a. outdoor equipment not permanently installed; or
    b. outdoor awnings or canopies including their supports.
15. **Collapse of a Building or Any Part of a Building** (Collapse does not include settling, cracking, shrinking, bulging or expanding). Unless the damage is directly caused by the collapse of a building, this does not cover loss:
    a. to outdoor awnings or canopies including their supports; or
    b. to outdoor equipment not permanently installed.

    We do not pay for loss by collapse that results from an excluded cause or event.
16. **Sudden and Accidental Tearing Apart, Burning or Bulging** of a heating or air-conditioning system or water heater. This does not cover loss by freezing.
17. **Accidental Discharge or Overflow of Liquids or Steam** from a plumbing, heating or air-conditioning system or domestic appliance. (Gutters and downspouts are not part of a plumbing system). This does not cover loss:
    a. caused by continuous or repeated seepage or leakage;
    b. if the ***residence*** has been vacant for more than 30 consecutive days immediately before the loss; (A ***residence*** under construction is not considered vacant)
    c. to the system or domestic appliance from which the liquid or steam escapes;
    d. caused by freezing; or
    e. on the ***insured premises*** caused by accidental discharge or overflow which originates off the ***insured premises***.
18. **Freezing** of a plumbing, heating or air-conditioning system or domestic appliance-This does not cover loss on the ***insured premises*** while the ***residence*** is vacant, unoccupied (including temporary absence) or is under construction and unoccupied. However, this exclusion does not apply if ***you*** have used reasonable care to:
    a. maintain heat in the building or manufactured home; or

b. shut off the liquid supply and completely empty the system or domestic appliance.

19. **Sudden and Accidental Damage from Artificially Generated Electrical Currents-**excepting loss to tubes, transistors and similar electronic components.

REPLACEMENT COST PROVISION

(***Our*** liability under this provision is subject to the ***terms*** of **HOW MUCH *WE* PAY FOR LOSS OR CLAIM** in the General Policy Provisions.)

1. This provision applies only to covered buildings, including additions and built-in components and fixtures, covered under Coverage *A*-Residence and Coverage B-Related Private Structures on the Premises. The building must have a permanent foundation and roof. This provision does not apply to:
   a. domestic appliances;
   b. curtains and drapes;
   c. detachable building items including screens, awnings, storm doors and windows, and window air conditioners; or
   d. outdoor structures (other than buildings) which are not permanent components or fixtures of a building. These include (but are not limited to) swimming pools, fences, paved areas, submersible pumps and sump pumps.
2. If the amount of insurance on the damaged building is less than 80 percent of its replacement cost at the time of loss, ***we*** pay the larger of the following (in excess of the deductible):
   a. actual cash value of the damaged part of the building; or
   b. that proportion of the replacement cost of the damaged part which ***our*** amount of insurance on the building bears to 80 percent of the full current replacement cost of the building.
3. If the policy indicates that Residence Replacement Cost Coverage applies (see Declarations Page or Endorsement) and the amount of insurance on the damaged building is at least 80 percent of its replacement cost at the time of loss, ***we*** pay the full cost of repair or replacement of the damaged part without deduction for depreciation.
   We pay the smallest of the following amounts:
   a. the amount of insurance applicable to the building;
   b. the cost (in excess of the deductible) to repair or replace the damage on the same premises using materials of equivalent kind and quality, to the extent practicable; or
   c. the amount (in excess of the deductible) actually and necessarily spent to repair or replace the damage.
4. When the cost to repair or replace exceeds the lesser of $1,000 or 5 percent of the applicable amount of insurance on the damaged building, ***we*** are not liable for more than the actual cash value of the loss until actual repair or replacement is completed.
5. ***You*** may make a claim for the actual cash value amount of the loss before repairs are made. *A* claim for any additional amount payable under this provision must be made within 180 days after the loss.