

NON-OWNER OCCUPIED RENTAL PREMISES LIABILITY ENDORSEMENT

This endorsement changes your policy. Please read it carefully and keep it with your policy.

Our Limits of Liability for COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS) are shown on the Policy Declarations.

The following items, which apply to COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS) only, are added to **DEFINITIONS**:

1. "Bodily injury" means bodily harm, sickness, or disease. This includes required care, loss of services, and death that results.
2. "Business" includes trade, profession, or occupation.
3. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
4. "Employee" means an employee of an insured who performs duties related to the ownership, maintenance, or use of the insured premises, including household or domestic services.
5. "Insured" means the following, but only with respect to the ownership, maintenance, or use of the insured premises:
 - a. you and your spouse.
 - b. a partnership or joint venture named on the Policy Declarations and its members, partners, and their spouses.
 - c. a limited liability company named on the Policy Declarations. Its managers are insureds, but only with respect to their duties as managers as it relates to the insured premises.
 - d. an organization other than a partnership, joint venture, or limited liability company named on the Policy Declarations. Its executive officers and directors are insureds, but only with respect to their duties as officers or directors. Stockholders are also insureds, but only with respect to their liability as stockholders as it relates to the insured premises.
 - e. a trust named on the Policy Declarations. The trustees are also insureds, but only with respect to their duties as trustees as they relate to the insured premises.
6. "Insured premises" means the 1 to 4 family dwelling, other structures, and grounds shown as the insured premises on the Policy Declarations.
7. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, in which bodily injury or property damage results during the policy period and was not, prior to the policy period, known to have occurred by the insured. Bodily injury or property damage will be deemed to have been known to have occurred at the earliest time when any insured:
 - a. reports all, or any part, of the bodily injury or property damage to us or any other insurer;
 - b. receives a written or verbal demand or claim for damages because of the bodily injury or property damage; or
 - c. becomes aware by any other means that bodily injury or property damage has occurred or has begun to occur.
8. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead paint components and compounds, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. However, irritants and contaminants released by an accidental fire on the insured premises are not a pollutant.
9. "Property damage" means injury to, destruction of, or loss of use of tangible property.
10. "Swimming pool" means any structure, basin, chamber or tank which is intended for swimming, diving, recreational bathing or wading and which contains, is designed to contain, or is capable of containing water more than 24 inches deep at any point. This includes in-ground, above-ground and on-ground pools; indoor pools; hot tubs; and fixed-in-place wading pools.

The following items are added to **COVERAGES**:

COVERAGE C (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 for the damage for which the insured is legally liable. Damages include pre-judgment interest awarded against the insured.
2. Provide a defense at our expense by counsel of our choice even if the suit is groundless, false, or

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fraudulent. We may investigate and settle any claim or suit. Our duty to settle or defend ends when the amount we pay for damages resulting from the occurrence equals our limit of liability.

COVERAGE D (MEDICAL PAYMENTS TO OTHERS)

We will pay the necessary medical expenses incurred or medically determined within 3 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: the insured or regular residents of the insured premises. This coverage does apply to employees of the insured. As to others, this coverage applies only to a person on the insured premises with the permission of an insured.

COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS)

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

1. **Claim Expenses.** We pay:
 - a. expenses we incur and costs taxed against an insured in any suit we defend.
 - b. premiums on bonds required in a suit we defend but not for bond amounts more than the limit of liability for COVERAGE C (PERSONAL LIABILITY). We need not apply for or furnish any bond.
 - c. reasonable expenses incurred by an insured at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit.
 - d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay for expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.
3. **Damage to Property of Others.** We pay replacement cost up to \$500 per occurrence for property damage to property of others caused by an insured. We will not pay for property damage:
 - a. 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.
 - 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, use, loading or unloading of aircraft (whether manned or unmanned), watercraft or motor vehicles or all other motorized land conveyances.

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

The first sentence under **GENERAL EXCLUSIONS** is amended as follows:

The following exclusions apply to loss to covered property under COVERAGE A (DWELLING) and COVERAGE B (PERSONAL PROPERTY):

The following items are added to **GENERAL EXCLUSIONS**:

COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS) do not apply to:

1. bodily injury or property damage which is caused intentionally by or at the direction of an insured person; provided, however, we do cover bodily injury or property damage as to the interest of an insured person or spouse who did not participate in or contribute to such loss.
2. bodily injury or property damage arising out of or in connection with a business engaged in by an insured. This exclusion applies, but is not limited to, an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the business.

This exclusion does not apply to the rental or holding for rental of an insured premises if used

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only as a residence.

3. bodily injury or property damage arising out of the rendering of or failure to render professional services.
4. 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. bodily injury or property damage arising out of:
 - a. the ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, or trailers, owned or operated by or rented or loaned to an insured;
 - b. the entrustment by an insured of a motor vehicle, motorized land conveyance, or trailer to any person;
 - c. vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph a. or b. above.
6. bodily injury or property damage arising out of:
 - a. the ownership, maintenance, operation, use, loading or unloading of an aircraft;
 - b. the entrustment by an insured of an aircraft to any person; or
 - c. vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, whether manned or unmanned.
7. bodily injury or property damage arising out of:
 - a. the ownership, maintenance, use, loading or unloading of a watercraft;
 - b. the entrustment by an insured of a watercraft to any person;
 - c. vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft.

A watercraft means any contrivance used or designed for use on or over water whether motorized or not, except model or hobby watercraft not used or designed to carry people or cargo.
8. bodily injury or property damage caused directly or indirectly by war, including 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 any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
9. bodily injury or property damage caused by sickness, disease, and/or resulting death from diseases transmitted by sexual contact including:
 - a. any venereal disease;
 - b. herpes;
 - c. acquired immune deficiency syndrome (AIDS);
 - d. human immunodeficiency virus (HIV);or any resulting symptom, effect, condition, disease or illness related to a. through d. above.
10. bodily injury or property damage arising out of sexual molestation, corporal punishment or physical or mental abuse. For the purposes of this exclusion, abuse means an act which is committed with the intention to cause harm.
11. 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 physician.
12. bodily injury or property damage arising out of an assault and/or battery committed by an insured person, provided however, we do cover bodily injury or property damage as to the interest of an insured person or spouse who did not participate in or contribute to such loss.
13. bodily injury or property damage arising out of the actual or alleged ingestion, inhalation, absorption, or exposure in any way to toxic mold, mildew, other fungi, or microbial activity. We shall not defend or indemnify for any loss, demand, suit, or order, including any claim or suit by or on behalf of a government authority or agency relating to testing, monitoring, cleaning up, removing, containing, treating, detoxifying, abating, neutralizing, or in any way responding to, or assessing the effects of mold, mildew, other fungi or microbial activity.
14. bodily injury or property damage arising out of the ownership, maintenance, or use of a swimming

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pool on the insured premises if:

- a. the bodily injury or property damage arose out of the use or presence of a diving board, slide, waterfall, or similar structure on the insured premises;
- b. the bodily injury or property damage is caused by the intentional act of diving or jumping into the swimming pool;
- c. the swimming pool does not meet or exceed all legal and safety requirements; or
- d. the swimming pool is not entirely enclosed by a fence, wall, gate, or combination of same, which are at least 48 inches tall at all points (as measured from the ground on the side away from the pool). Openings under and between any parts of this enclosure may not allow a sphere of 4 inches in diameter to pass through. A gate in a fence or wall of this enclosure must have a self-latching and self-closing device and open outward away from the swimming pool. Permanent equipment or structures may not be constructed or placed by an insured in a manner that makes them available for climbing over the enclosure.

The aggregate annual limit of liability, including all expenses and defense costs, available for any claim(s) or suit(s) for bodily injury or property damage arising out of the ownership, maintenance or use of a swimming pool on the insured premises shall equal the Coverage C or D limit, as applicable, stated on the Policy Declarations.

15. bodily injury or property damage arising out of the ownership, maintenance or use of:
 - a. a trampoline; or
 - b. a ramp, railing or similar structure, the purpose of which is to be used in conjunction with transport devices, whether self-propelled or manually propelled, including but not limited to, motorcycles, all-terrain vehicles, bicycles, skateboards and roller/inline-skates.
16. bodily injury or property damage caused by any animals, including but not limited to domestic pets, on the insured premises or elsewhere, whether owned by the insured or not.
17. bodily injury or property damage arising out of nuclear reaction, radiation or radioactive contamination.
18. bodily injury or property damage arising out of child care services provided by a fee or at the direction of:
 - a. the insured;
 - b. residence employee of an insured; or
 - c. any other person actually or apparently acting on behalf of the insured.
19. bodily injury or property damage arising out of the selling, serving or giving of an alcoholic beverage by the insured:
 - a. to a minor;
 - b. to a person under the influence of alcohol; or
 - c. which causes or contributes to the intoxication of any person.
20. bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, release, escape of, or the ingestion, inhalation or absorption of pollutants.
This exclusion does not apply to bodily injury or property damage arising from a heating or air conditioning system (HVAC), or out of heat, smoke or fumes from a hostile fire.
21. bodily injury or property damage arising out of loss, cost or expense from any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
This exclusion does not apply to bodily injury or property damage arising from a HVAC, or out of heat, smoke or fumes from a hostile fire.
22. bodily injury or property damage arising out of the activities of any persons or organizations hired by the insured to manage or maintain the residence premises.

COVERAGE C (PERSONAL LIABILITY) 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. assumed under any contract or agreement.
 - c. for any claim or legal action asserted against an insured by any tenant or homeowner associated, corporation or community regarding the manner in which the insured premises is managed or operated.
2. property damage to property owned by the insured.
3. property damage to property rented to, occupied or used by, or in the care of an insured.

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4. bodily injury or property damage to any person eligible to receive benefits:
 - a. voluntarily provided; or
 - b. required to be provided by the insured under any:
 - (1) worker's compensation law;
 - (2) non-occupational disability law; or
 - (3) 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; or
 - b. would be an insured under that policy but for the exhaustion of its limit of liability.
A nuclear energy liability policy is one issued by:
 - a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters;
 - c. Nuclear Insurance Association of Canada;or any of their successors.
6. bodily injury to you or an insured within the meaning of part a. or part b. of insured as defined.
7. liability arising out of the actual or alleged commission of any of the following acts by an insured:
 - a. false arrest;
 - b. malicious prosecution;
 - c. wrongful eviction or entry;
 - d. slander and/or libel;
 - e. violation of right of privacy.

COVERAGE D (MEDICAL PAYMENTS TO OTHERS) 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:
 - a. voluntarily provided; or
 - b. required to be provided under any:
 - (1) worker's compensation law;
 - (2) non-occupational disability law; or
 - (3) 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 premises.

The **CONDITIONS** heading in the policy is amended to read **CONDITIONS – COVERAGE A (DWELLING), COVERAGE B (PERSONAL PROPERTY)**.

The following items are added to a new section with the heading **CONDITIONS – COVERAGE C (PERSONAL LIABILITY), COVERAGE D (MEDICAL PAYMENTS TO OTHERS)**:

The following condition applies to COVERAGE C (PERSONAL LIABILITY):

1. **Other Insurance.** This insurance is excess over other valid and collectible insurance except insurance written specifically as excess over the limits of liability that apply in this endorsement. If at the time of loss or accident, there is other insurance in the name of a corporation or association of property owners insuring the same property insured by this policy, this insurance will be excess over the amount recoverable under such other insurance.

If an insured has other liability insurance applicable to a covered loss under COVERAGE C (PERSONAL LIABILITY) of this policy, we will not be liable for a greater proportion of a loss than the Limit of Liability shown in the Policy Declarations bears to the total limit of all valid and collectible insurance against such loss.

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The following condition applies to COVERAGE D (MEDICAL PAYMENTS TO OTHERS):

1. **Payment of Claim.** Payment under this coverage is not an admission of liability by an insured or us.

The following conditions apply to COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS):

1. **Limit of Liability.** The limit of liability for COVERAGE C (PERSONAL LIABILITY) for all damages resulting from any one occurrence will not be more than the limit of liability for COVERAGE C as shown in the Policy Declarations. This limit is the same regardless of the number of insureds, claims made or persons injured. All bodily injury or 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.
The limit of liability for COVERAGE D (MEDICAL PAYMENTS TO OTHERS) 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 D as shown in the Policy Declarations.
2. **Severability of Insurance.** This insurance applies separately to each insured. This condition will not increase our limit of liability for any one occurrence.
3. **Duties After Loss.** In case of an accident or occurrence covered under this endorsement for bodily injury or property damage, the insured will perform the following duties. You will help us by seeing that these duties are performed:
 - a. promptly notify us or our agent stating:
 - (1) your name and policy number;
 - (2) the date, the place and the circumstances of the accident or occurrence;
 - (3) the name and address of anyone who might have a claim against an insured person;
 - (4) the names and addresses of any witnesses.
 - b. cooperate with us in the investigation, settlement or defense of any claim or suit.
 - c. promptly send us any legal papers relating to the accident.
 - d. at our request, an insured must:
 - (1) cooperate with us and assist us in any matter concerning a claim or suit;
 - (2) help us enforce any right of recovery against any person or organization who may be liable to an insured;
 - (3) attend any hearing or trial.
 - e. under the coverage – Damage to the Property of Others – give us a sworn statement of the loss. This must be made within 91 days after the date of loss.

Also an insured must be prepared to show us any damaged property under that person's control. Any insured will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided in this policy.

In case of an accident or occurrence covered under this endorsement for COVERAGE D (MEDICAL PAYMENTS TO OTHERS), the injured person or someone acting for that person, must do the following:

- a. promptly give us written proof of the loss. If we request, this must be done under oath.
- b. give us written authorization to obtain copies of all medical records and reports.
- c. submit to a recorded statement.

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

4. **Notice of Settlement of Claim.**
 - a. We will notify you in writing of any initial offer to compromise or settle a claim against the insured under the liability section of this endorsement. We will give the insured notice within 10 days after the date the offer is made.
 - b. We will notify the insured in writing of any settlement of a claim against the insured under the liability section of this endorsement. We will give the insured notice within 30 days after the date of settlement.
5. **Suit Against Us.** No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under COVERAGE C (PERSONAL LIABILITY), unless the obligation of an insured person to pay has been finally determined either by judgment against the insured person after actual trial, or by written agreement of the insured person, injured person and us, and the action against us is commenced

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within two years and one day after the cause of action accrues.

No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under COVERAGE D (MEDICAL PAYMENTS TO OTHERS), unless such action is commenced within two years and one day after the cause of action accrues and not less than 30 days after any required proofs of claim have been filed with us.

No one shall have any right to make us a party to an action to determine the liability of an insured person. You must be in full compliance with all policy terms and conditions before you file an action against us. If you are noncompliant at the time of or because of filing your suit, we must be dismissed from the suit, although you shall keep the right to re-file against us. If you become noncompliant during the pendency of a suit, the action must be abated until such time as you become fully compliant with all policy terms and conditions.

The following items are added to a new section with the heading **CONDITIONS – ALL COVERAGES**, and item numbers 1, 3, 13, 17, 18, 20, 21, 22 and 23 from the newly entitled **CONDITIONS – COVERAGE A (DWELLING), COVERAGE B (PERSONAL PROPERTY)**, in addition to all other conditions added by endorsement that apply to all coverages under your policy, are moved to this section:

The following condition applies to COVERAGE A (DWELLING), COVERAGE B (PERSONAL PROPERTY), COVERAGE C (PERSONAL LIABILITY) and COVERAGE D (MEDICAL PAYMENTS TO OTHERS):

1. **Our Right to Recover Payment.**

- a. If we make a payment under this endorsement and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
 - (1) whatever is necessary to enable us to exercise our rights; and
 - (2) nothing after loss to prejudice them.
- b. If we make a payment under this endorsement and the person to or for whom payment is made recovers damages from another, that person shall:
 - (1) hold in trust for us the proceeds of the recovery; and
 - (2) reimburse us to the extent of our payment.

All other provisions of your policy apply.