

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NEW YORK

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

Paragraph **6.a.** is replaced by the following:

a. We will pay up to \$1,000 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

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

(This is Paragraph **D.6.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

Forms HO 00 02, HO 00 04 And HO 00 08

Paragraph **8.** is replaced by the following:

8. Vandalism Or Malicious Mischief

This peril does not include loss to property on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Form HO 00 02 Only

Paragraph **12.b.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) On the "residence premises", if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (2) To the system or appliance from which the water or steam escaped;
- (3) Caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing; or
- (4) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises".

Form HO 00 04 Only

Paragraph **12.b.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

Form HO 00 06 Only

Paragraph **8.** is replaced by the following:

8. Vandalism Or Malicious Mischief

This peril does not include loss to property which pertains to the "residence premises" if the building containing the "residence premises" has been vacant for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant.

Paragraph **12.b.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

b. This peril does not include loss:

- (1) To or within the "residence premises", if the building containing the "residence premises" has been vacant for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant;
- (2) To the system or appliance from which the water or steam escaped;
- (3) Caused by or resulting from freezing except as provided in Peril Insured Against **14. Freezing**; or
- (4) To or within the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

Form HO 00 03 Only

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

Paragraph **A.2.c.** is replaced by the following:

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

c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.

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

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

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, mold, wet or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants, unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage **C** of this Policy;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, rodents or insects;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

- (i) Animals owned or kept by an "insured".

Exception To Paragraph c.(5)

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

- (a) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (b) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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

Section **I** – Exclusion **A.3.** Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under Paragraph **c.(5)** above.

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

B. Coverage C – Personal Property

Paragraph **12.b.** is replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing; or

- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises".

Form HO 00 05 Only

Paragraph **A.** is replaced by the following:

A. Under Coverages A, B and C:

- 1. Excluded under Section **I** – Exclusions;
- 2. Caused by:

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

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

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

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

- b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (1) Fence, pavement, patio or swimming pool;
- (2) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
- (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (4) Pier, wharf or dock;

- c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

- d. Any of the following:

- (1) Wear and tear, marring, deterioration;
- (2) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;

- (3) Smog, rust or other corrosion, mold, wet or dry rot;
- (4) Smoke from agricultural smudging or industrial operations;
- (5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against in Paragraphs **a.** through **o.** as listed in Paragraph **E.10.** Landlord's Furnishings under Section **I – Property Coverages**;
- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (7) Birds, rodents or insects;
- (8) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (9) Animals owned or kept by an "insured".

Exception To Paragraph 2.d.

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

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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

Section **I – Exclusion A.3.** Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under Paragraph **2.d.** above.

Under Paragraphs **2.a.** through **d.** above, any ensuing loss to property described in Coverages **A, B** and **C** not precluded by any other provision in this Policy is covered.

Paragraph **B.1.** is replaced by the following:

- 1. Caused by vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

SECTION I – EXCLUSIONS

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

(This is Paragraph **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

SECTION I – CONDITIONS

Paragraph **F. Appraisal** is replaced by the following:

F. Appraisal

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

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this Policy and the action is started within two years after the inception of the loss. For purposes of this condition, inception of the loss means the date on which the direct physical loss or damage occurred.

The following is added to Paragraph **J. Loss Payment** and applies only to policies covering three- or four-family dwellings:

Prior to the payment of any proceeds to you for a premises loss caused by fire, we will deduct and pay the claim of any tax district which renders a certificate of lien to us as required by New York Insurance Law. We will not be obligated to pay you the amount we are required to pay on the lien. If we make payment of this lien within 30 days after receiving the certificate of lien, the claim will be considered valid and properly paid. We will deduct the amount paid from our final settlement with you.

R. Concealment Or Fraud

This paragraph is deleted.

(This is Paragraph **Q.** in Form **HO 00 04.**)

The following condition is added:

T. Estimation Of Claims

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

(This is Paragraph **S.** in Form **HO 00 04.**)

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph **2.** is replaced by the following:

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Paragraph **1. Expected Or Intended Injury** is replaced by the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured";

SECTION II – CONDITIONS

C. Duties After "Occurrence"

The first paragraph and Paragraph **1.** are replaced by the following:

In case of an "occurrence", you or another "insured" or someone acting for the "insured" will perform the following duties that apply. We have no duty to provide coverage under this Policy if your failure to comply with the following duties is prejudicial to us, except as provided for in Paragraph **1.** You will help us by seeing that these duties are performed. Any written notice given by any claimant to us or any of our agents in this state, containing particulars sufficient to identify the "insured", will be deemed notice to us.

1. Give written notice to us or any of our agents in this state as soon as reasonably possible, which sets forth:
 - a. The identity of the Policy and the named "insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses.

Failure to give notice to us as required under this Policy shall not invalidate any claim made by the "insured", injured person or any other claimant, unless the failure to provide such timely notice is prejudicial to us. However, no claim made by the "insured", injured person or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as reasonably possible thereafter.

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

Paragraph **1.a.** is replaced by the following:

- a. Give us or any of our agents in this state written proof of claim, under oath if required, as soon as reasonably possible; and

F. Suit Against Us

The following provisions are added:

4. If we deny coverage or do not admit liability for damages arising from "bodily injury" caused by an "occurrence" because an "insured" or the injured person, someone acting for the injured person or other claimant fails to give us or any of our agents in this state notice as soon as reasonably possible, then the injured person, someone acting for the injured person or other claimant may bring an action against us, in which the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide notice as soon as reasonably possible.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if, within 60 days after we deny coverage or do not admit liability for damages because of "bodily injury", we or an "insured":

- a. Brings an action to declare the rights of the parties under the Policy; and
- b. Names the injured person, someone acting for the injured person or other claimant as a party to the action.

5. If we fail to pay for damages because of "bodily injury" or "property damage" caused by an "occurrence" within 30 days after serving of notice of entry of judgment upon the "insured" and us, then an action may be maintained against us for the amount of the judgment, up to the Limit of Liability.

However, this does not apply during a stay or limited stay of execution against the "insured" on such judgment.

J. Concealment Or Fraud

This paragraph is deleted.

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraph 2. is replaced by the following:

2. We may cancel the entire policy only for the reasons stated in this condition. The cancellation notice will be mailed to you at the address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel the entire policy at any time by mailing to you at least 15 days' notice of cancellation.

- b. When this Policy has been in effect for less than 60 days and is not a renewal with us, we may cancel the entire policy for any reason by letting you know at least 30 days before the date cancellation takes place.

- c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel the entire policy only for one or more of the following reasons by notifying the "insured" at least 30 days prior to the proposed cancellation date:

- (1) Conviction of a crime arising out of acts increasing the hazard insured against;
- (2) Discovery of fraud or material misrepresentation in obtaining the Policy or in the presentation of a claim thereunder;
- (3) Discovery of willful or reckless acts or omissions increasing the hazard insured against;
- (4) Physical changes in the property insured occurring after issuance or last annual anniversary date of the Policy which result in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the Policy was issued or last voluntarily renewed; or
- (5) A determination by the Superintendent of Financial Services that the continuation of the Policy would violate or would place us in violation of the New York Insurance Law.

If one of the reasons listed in this Paragraph c. exists, we may cancel the entire policy.

- d. When the property covered by this Policy is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed Anti-arson Application to us:

- (1) Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.

(2) Before the annual renewal date of any policy, we will cancel the Policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

- e. If we have the right to cancel, we may, instead of cancelling this Policy, amend the limits of liability or reduce coverage not required by law. If we take this action, we will notify you by mail at least 20 days prior to the date of such change.

Delivery of such written notice by us to the "insured" at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

Paragraph 3. is replaced by the following:

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

However, when the premium is advanced under a premium finance agreement, we may retain a minimum earned premium on the Policy of 10% of the total policy premium or \$60, whichever is greater.

Paragraph D. **Nonrenewal** is replaced by the following:

D. Nonrenewal

- 1. We will not refuse to renew or condition our renewal of this Policy except as allowed by the laws of the state of New York. The conditions may include, but are not limited to, amending the limits of liability or reducing coverage not required by law. If we take this action, we will notify you by mail at least 45 days, but not more than 60 days, prior to the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

Delivery of such written notice by us to the "insured" at the mailing address shown in the Declarations or at a forwarding address will be equivalent to mailing.

- 2. We will not refuse to renew this Policy because of underwriting reasons relating to the Home Business Insurance Coverage endorsement if it is attached to the Policy. We may, however, renew this Policy without the Home Business Insurance Coverage endorsement.

The following paragraph is added:

H. Concealment Or Fraud

We do not provide coverage for the "insured" who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance; or
- 2. Engaged in fraudulent conduct; relating to this insurance.

If Farmers Personal Liability Endorsement **HO 24 73** is made part of this Policy, the following applies:

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph 2. is replaced by the following:

- 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Paragraph 1. **Expected Or Intended Injury** is replaced by the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by one or more "insureds";

Paragraph 6. **Pollution** is replaced by the following:

6. Pollution

"Bodily injury" or "property damage" arising out of the discharge, dispersal, seepage, migration, release or escape of pollutants into or upon land, the atmosphere or any watercourse or body of water.

This exclusion does not apply if the discharge, dispersal, seepage, migration, release or escape is sudden and accidental;

All other provisions of this Policy apply.