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Coverage C -- Personal Property - Special Coverage

Old Form # ML-430

New Form # HO 1729

Summary of Changes:

The new form clarifies that the location where the insured's personal property is usually located is occupied by the insured and is not rented or sublet to others. The descriptions of each category have been updated to match the underlying policy form. There will be no coverage for loss due to liquid fuel remediation unless the loss is covered by a peril insured against in Coverage C. The perils insured against for Coverages C and D have been updated to clarify that there is no coverage for property located at a location that the insured rented or sublet to another.

E

Exclusions that apply to property coverages: The freezing, discharge, leakage or overflow exclusion has been updated to show that loss caused by those perils is not covered while the described location" is vacant, unoccupied, or under construction and unoccupied. If the property is protected by an automatic sprinkler system and you have maintained both heat and water supply, then this exclusion will not apply. If no sprinkler system is present, heat must be maintained but water must be turned off and water lines drained for the exclusion not to apply. The appliances that are exempt from this exclusion include sumps, sump pumps, or related equipment or any other type of system designed to remove subsurface water, which is drained from the foundation area. The Settling, Cracking, Shrinking, Bulging, Or Expanding exclusion now specifically excludes coverage for loss to ceilings, floors, foundations, roofs, and walls. In the Birds, Vermin, Rodents, Insects, Or Animals exclusion, there are exceptions for loss covered under the incidental coverage for Glass Or Safety Glazing Materials; and direct physical loss to covered property involving the collapse of a building or a part of a building. Under Pollutants, an exception applies with respect to the coverage granted under the incidental coverage for Liquid Fuel Remediation. The new form adds a wear and tear exclusion: We" do not pay for loss caused by:

- 1) wear and tear, marring, or deterioration;
- 2) mechanical breakdown, latent defect, or inherent vice; or
- 3) rust or other corrosion or smog.

However, the reference to mechanical breakdown in this exclusion does not apply with respect to the Incidental Property Coverage for Refrigerated Property.

Under the Refinishing, Renovating, Or Repairing exclusion, an exception provides coverage for ensuing loss caused by fire or explosion.

Under the exceptions to exclusions that apply to Coverage C, coverage is provided for loss that results from the accidental discharge or overflow of water or steam from specific sources due to specific causes.

The endorsement specifies that the references to surface water and water below the surface of the ground in the Water exclusion do not apply to with respect to loss by water at or in the building where the "described location" is located when loss caused by such water is the result of accidental discharge or overflow of a plumbing system, etc. and is not otherwise excluded by the policy. In addition, a plumbing system or domestic appliance does not include a sump, sump pump, or related equipment or any other type of system designed to remove subsurface water, which is drained from the foundation area.

The endorsement specifies that the Weather Conditions exclusion does not apply with respect to loss caused by water to property covered under Coverage C while away from a premises or location owned by, rented to, occupied by, or controlled by an "insured".

The new endorsement includes additional exclusions that apply to property coverages. These exclusions include: Loss caused by weather conditions that initiate, set in motion, or in any way contribute to a cause or event excluded under the Exclusions That Apply To Property Coverage.

The endorsement excludes loss caused by errors, omissions, and defects.