

IN THE SUPREME COURT OF THE STATE OF IDAHO

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Supreme Court Case No. 45781

Plaintiffs-Appellants,

vs.

LIBERTY INSURANCE
CORPORATION,

Defendant-Respondent.

CLERK'S RECORD ON APPEAL

Appeal from the District Court of the Fourth Judicial District, in and for the County of Ada.

HONORABLE LYNN G. NORTON

RYAN T. MCFARLAND

ROBBY J. PERUCCA

ATTORNEY FOR APPELLANT

ATTORNEY FOR RESPONDENT

MERIDIAN, IDAHO

BOISE, IDAHO

ADA COUNTY DISTRICT COURT

CASE SUMMARY

CASE NO. CV01-17-12546

Ryan McFarland, Kathryn McFarland
 Plaintiff,
 vs.
 Liberty Mutual Group Inc.
 Defendant.

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Location: Ada County District Court
 Judicial Officer: Norton, Lynn G.
 Filed on: 07/10/2017

CASE INFORMATION

Case Type: **AA- All Initial District Court Filings (Not E, F, and H1)**

Case Status: **02/08/2018 Closed**

DATE

CASE ASSIGNMENT

Current Case Assignment

Case Number: CV01-17-12546
 Court: Ada County District Court
 Date Assigned: 07/10/2017
 Judicial Officer: Norton, Lynn G.

PARTY INFORMATION

Plaintiff	McFarland, Kathryn	<i>Lead Attorneys</i> McFarland, Ryan Thomas <i>Retained</i> 208-895-1291(W)
	McFarland, Ryan	McFarland, Ryan Thomas <i>Retained</i> 208-895-1291(W)
Defendant	Liberty Mutual Group Inc.	Anderson, Robert Allan <i>Retained</i> 208-344-5800(W)

DATE


EVENTS & ORDERS OF THE COURT


INDEX


07/10/2017	Initiating Document - District	
07/10/2017	 Complaint Filed <i>Complaint</i>	
07/10/2017	 Summons Issued <i>Summons</i>	
07/10/2017	 Civil Case Information Sheet	
07/10/2017	Summons Liberty Mutual Group Inc. Served: 07/12/2017	
07/19/2017	 Affidavit of Service <i>7/12/2017</i>	
08/02/2017	 Motion for Entry of Default	


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ADA COUNTY DISTRICT COURT
CASE SUMMARY
CASE NO. CV01-17-12546


08/07/2017  Order
on Application for Default Judgment


08/07/2017  Application for Entry of Default
Judgment, and Affidavit in Support


08/07/2017  Memorandum of Costs & Attorney Fees


08/07/2017  Affidavit
of Ryan T. McFarland in Support of Memo. of Costs and Attorneys' Fees


08/11/2017  Notice of Appearance


08/11/2017  Answer
and Demand for Jury Trial


08/14/2017  Civil Case Information Sheet

08/14/2017  Notice of Service of Discovery Requests
of Defendant's FSO INTs & RPDs


08/16/2017  Order
for Scheduling Conference & Order Re: Motion Practice


08/29/2017  Order
Denying Default


09/06/2017  Notice of Trial Setting, Pre-Trial Conf, Order


09/06/2017  Stipulation for Scheduling and Planning


09/07/2017 **CANCELED Scheduling Conference (2:30 PM)** (Judicial Officer: Norton, Lynn G.)
Hearing Waived - Parties Stipulated


09/26/2017  Notice of Service of Discovery Requests
Notice of Service of Discovery

09/26/2017  Motion for Summary Judgment
Plaintiffs' Motion for Partial Summary Judgment

09/26/2017  Memorandum In Support of Motion
for Partial Summary Judgment


09/26/2017  Affidavit
of Kathryn E. McFarland in Support of Motion for Partial Summary Judgment


09/26/2017  Affidavit
of Ryan T. McFarland in Support of Motion for Partial Summary Judgment


09/26/2017  Miscellaneous
Statement of Material Facts In support of Motion for Partial Summary Judgment


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
ADA COUNTY DISTRICT COURT
CASE SUMMARY
CASE NO. CV01-17-12546


09/26/2017  Notice of Hearing
Notice of Hearing 11/9/17 at 245pm


10/13/2017  Motion for Summary Judgment
Defendant's


10/13/2017  Memorandum In Support of Motion
Defendant's, for Summary Judgment


10/13/2017  Declaration
of Kevin Lein in Support for Defendant's Motion for Summary Judgment


10/13/2017  Notice of Hearing
11/9/17 245 pm


10/18/2017  Amended
Amended Declaration of Kevin Lein ISO MSJ

10/26/2017  Memorandum
Memorandum in Opposition to Plaintiffs' MSJ


10/26/2017  Memorandum
Plaintiffs' Memo in Opp to Defendants' MSJ


10/26/2017  Affidavit
Aff of Ryan T. McFarland in Support of Plaintiffs' Opp to Defendant's MSJ


11/02/2017  Memorandum
Reply Memorandum In Support of Def's MSJ


11/02/2017  Reply
Reply in Support of Plaintiffs' Motion for Partial Summary Judgment


11/09/2017 **Motion for Partial Summary Judgment (2:45 PM) (Judicial Officer: Norton, Lynn G.)**

11/09/2017  Court Minutes

11/13/2017  Memorandum
Decision and Order on Cross Motions for Summary Judgment

01/16/2018  Stipulation
Stip. re Sub., Entry of Part Judg. & Dism. Without Prej.

01/22/2018  Partial Judgment Or Opinion Filed
Certified as Final Pursuant to Rule 54(B)

01/22/2018  Order
to Dismiss

01/22/2018 **Dismissed Without Prejudice (Judicial Officer: Norton, Lynn G.)**
Comment (Claims A, B, C, D & E)

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CASE SUMMARY

CASE NO. CV01-17-12546

02/08/2018	Judgment
02/08/2018	Final Judgment, Order Or Decree Entered
02/08/2018	Final Judgment (Judicial Officer: Norton, Lynn G.)
02/08/2018	Civil Disposition Entered
02/14/2018	Notice of Appeal
02/14/2018	Appeal Filed in Supreme Court
02/27/2018	Request for Additional Clerk's Record
09/20/2018	CANCELED Status Conference (2:30 PM) (Judicial Officer: Norton, Lynn G.) <i>Vacated</i>
10/04/2018	CANCELED Pre-trial Conference (2:30 PM) (Judicial Officer: Norton, Lynn G.) <i>Vacated</i>
11/05/2018	CANCELED Jury Trial (8:30 AM) (Judicial Officer: Norton, Lynn G.) <i>Vacated</i> <i>3 days</i>

DATE	FINANCIAL INFORMATION
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Defendant Liberty Mutual Group Inc.	
Total Charges	136.00
Total Payments and Credits	136.00
Balance Due as of 3/30/2018	0.00
Plaintiff McFarland, Kathryn	
Total Charges	2.50
Total Payments and Credits	2.50
Balance Due as of 3/30/2018	0.00
Plaintiff McFarland, Ryan	
Total Charges	450.00
Total Payments and Credits	450.00
Balance Due as of 3/30/2018	0.00

McFarland Ritter PLLC
Ryan T. McFarland, ISB No. 7347
P.O. Box 1335
Meridian, ID 83680
Telephone: 208.895.1291
Facsimile: 208.895.1270
Email: ryan@mcfarlandritter.com

Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

COMPLAINT

Ryan McFarland and Kathryn McFarland (referred to herein as “Mr. and Mrs. McFarland”), by and through their attorneys of record, McFarland Ritter PLLC, plead and complain as follows:

I. PARTIES

1. Plaintiffs Mr. and Mrs. McFarland are individuals who are married to each and other and reside in Ada County, Idaho.

2. Defendant Liberty Mutual Group Inc. is a Massachusetts company, authorized to sell insurance in the State of Idaho.

II. JURISDICTION AND VENUE

3. Subject matter jurisdiction in this Court is proper under Idaho Code section 1-705.

4. This Court has personal jurisdiction over Defendant because it has purposefully availed itself of the privilege of conducting activities within Idaho by transacting business in Idaho, thus invoking the benefits and protections of the laws of Idaho and subjecting themselves to the jurisdiction of Idaho courts.

5. Venue is proper in Ada County under Idaho Code section 5-404.

III. GENERAL ALLEGATIONS

6. In or about September 2015, Mrs. McFarland contacted Defendant about purchasing a homeowner's insurance policy for a vacation home (the "Cabin") owned by Mr. and Mrs. McFarland, located in Boise County, Idaho.

7. At the time of applying for and purchasing the Policy, Mrs. McFarland described, verbally over the telephone to a Liberty Mutual representative, that the property on which the Cabin is located (the "Property") is approximately 1 acre in size, and the Cabin includes a kitchen, bath, and a bedroom; a bonus room is located above the garage, and the garage is used as a reading and recreational space. Additionally, a small geothermal well pump house is another structure located on the Property. Mrs. McFarland advised Liberty Mutual at the time she applied for insurance that the entire dwelling, including the bonus room and garage, is regularly and constantly in use: the members of the McFarland family sleep in and otherwise inhabit the bonus room, and recreate, work, and read in the garage.

8. On information and belief, no Liberty Mutual representative physically inspected the Cabin or the Property prior to issuing an insurance policy (hereinafter, the "Policy"). A true

and correct copy of the Policy, including the renewal showing coverage for the period 12/07/2016 to 12/07/2017, is attached hereto as Exhibit A.

9. The Policy provides for coverage limits of:

- a) \$188,500.00 for the “Dwelling with Expanded Replacement Cost,”
- b) \$22,350.00 for “Other Structures on Insured Location,” and
- c) \$141,380.00 for “Personal Property with Replacement Cost.”

10. The deductible applicable to covered losses for the above coverage limits is \$1,000.00.

11. The Policy defines “dwelling” as “the ‘residence premises’ shown in the Declarations, including structures attached to the dwelling.” “Residence premises” is defined as “The one family dwelling . . . or . . . That part of any other building where you reside and which is shown as the ‘residence premises in the Declarations’”. “Dwellings” are distinguished from “Other Structures” as those “set apart from the dwelling by clear space,” i.e., non-dwelling structures on the Property.

12. The bonus room and garage is, as Mrs. McFarland advised Defendant prior to when the Policy was issued, part of the “dwelling” (by contrast, the pump house, though not subject to this Claim, is not a “dwelling,” but an “Other Structure”) in that:

- a) The garage and bonus room share the same address as the rest of the home;
- b) The bonus room is regularly used as sleeping quarters, complete (prior to the water damage) with bed and couch;
- c) Household members regularly occupy and sleep in the bedroom;

- d) The garage is routinely used as a recreational, work, and reading space;
- e) The bonus room and garage is heated and has lighting for regular, continuous, protracted use, i.e., “dwelling.”

13. The home is heated by geothermal water: the kitchen, the bath, and one bedroom are heated via a heat exchanger and forced air; the garage and upstairs bonus room are heated by radiant geothermal heat.

14. On or about February 15, 2017, the radiant heater in the bonus room above the garage burst, sending 180-degree water pouring on the floor and walls of the bonus room, and streaming onto the ceiling of the garage below. No one was at the Cabin at the time of the break, so for approximately two days, enormous amounts of water and steam destroyed all of the insulation and drywall, doors, overhead garage doors, and plumbing and electrical components of the bonus room and garage. Most of the contents of those rooms were destroyed as well, including without limitation a queen bed, leather reclining sofa, ping pong table, desk, bookshelves, and other personal property.

15. On February 17, 2017, Mr. McFarland discovered the broken pipe and immediately shut the water off, which meant that the Cabin had neither heat nor water.

16. Also on February 17, 2017, Mr. McFarland submitted a claim (the “Claim”) to Defendant.

17. Defendant admitted that the Claim was covered under the Policy.

18. Defendant instructed Mr. McFarland to contact a disaster remediation company because Defendant had no contract remediation company in the area of the Cabin.

19. On February 18, 2017, Mr. McFarland contacted ServPro to begin water remediation efforts. Before beginning any remediation work, Mr. McFarland and ServPro jointly contacted Defendant and obtained pre-approval to commence remediation work. Defendant also granted approval to ServPro to provide a power generator to the property for purposes of providing electrical power for the remediation efforts.

20. Also on February 18, 2017, Mr. McFarland, with Defendant's consent, retained a plumbing professional to restore water and heat to the Cabin while bypassing the damaged bonus room and garage.

21. On February 23, 2017, ServPro reported that a small amount of water was continuing to emanate from the broken pipe.

22. On February 24, 2017, the plumber made a second trip to the Cabin and discovered that one or more water valves had failed during the bypass efforts. The plumber capped the water pipes near the faulty valves so that water would be stopped entirely from continuing to leak.

23. On February 25, 2017, Perry Thatcher, Defendant's contracted field adjuster, inspected the Cabin. Mr. Thatcher admitted that the damage was extensive, and expressly stated that the overhead doors and man-doors on the garage and bonus room were damaged beyond repair and needed to be replaced.

24. On or about March 8, 2017, Defendant issued partial payment to ServPro for \$10,261.14.

25. On or about March 8, 2017, Defendant issued a partial settlement to Mr. and Mrs. McFarland in the amount of \$13,206.36.

26. On March or about 11, 2017, Defendant advised Mr. McFarland by telephone that coverage for the Claim was limited to the total amount of \$23,467.50 paid to ServPro and Mr. and Mrs. McFarland because the coverage limit applicable to the Claim was \$22,350.00 available for the “Other Structures on Insured Location”, rather than the \$188,500 limit for “Dwelling with Expanded Replacement Cost.”

27. Following the telephone conversation with Defendant, on March 11, 2017 Mr. McFarland sent a letter to Defendant demanding payment of his damages in full, and demanding that Defendant honor the liability cap under the Policy applicable to the “Dwelling.” A true and correct copy of Mr. McFarland’s March 11, 2017 letter is attached hereto as Exhibit B.

28. On or about March 14, 2017, Defendant advised Mr. McFarland, via telephone call, that Defendant rejected Mr. and Mrs. McFarland’s demand and would not be paying anything further on the Claim without a lawsuit being filed.

29. On or about March 17, 2017, ServPro provided Mr. and Mrs. McFarland with an inventory of personal property removed from the bonus room and garage deemed “non-salvageable.”

30. On or about March 25, 2017, Mr. McFarland submitted the ServPro “non-salvageable” property list, along with proof that the total value of the non-salvageable personal property was \$5,680.69, to Defendant. A true and correct copy of the “non-salvageable” list from ServPro and Mr. McFarland’s declaration of value is attached hereto as Exhibit C.

31. Defendant has not responded to Mr. and Mrs. McFarland’s claim for recovery of their losses to personal property.

32. On or about May 9, 2017, ServPro provided Mr. and Mrs. McFarland with two invoices for unpaid work done on the Claim, including work done on the garage and bonus room and work done on the personal property, totaling \$4,329.17. ServPro advised that it had submitted the invoices to Defendant and that Defendant told ServPro that the claim was “closed.”

33. On or about June 7, 2017, Mr. and Mrs. McFarland paid ServPro for the \$4,329.17 in outstanding invoices.

34. In May and June 2017, Mr. and Mrs. McFarland obtained quotes for repairs from a general contractor, overhead door supplier, plumber, and electrician. The sum total of repair costs are quoted as \$25,746.74.

35. Mr. and Mrs. McFarland’s total out-of-pocket costs for the Claim are \$35,756.60, including personal property losses (\$5,680.69), the ServPro invoices that Defendant did not pay for (\$4,329.17), and repair quotes (\$25,746.74). Defendant has paid Mr. and Mrs. McFarland only \$13,206.36 to cover those out-of-pocket costs. After applying the \$1,000.00 deductible, there is a deficiency of \$21,550.24.

IV. CLAIMS FOR RELIEF

A. BREACH OF CONTRACT

36. Mr. and Mrs. McFarland reallege paragraphs 1 through 35 above and incorporate the same by reference herein as if set forth in full.

37. Mr. and Mrs. McFarland have fulfilled all of their duties under the Policy, including payment for all premiums, prompt notification of the Claim to Defendant, seeking

Defendant's permission before incurring costs, and providing a proof of loss of personal property.

38. Defendants breached the Policy by failing and refusing to pay for the Claim in full, including failing to make any payment for the non-salvageable personal property.

39. Mr. and Mrs. McFarland have been damaged by Defendant's breach of contract in the amount of \$21,550.24, exclusive of attorneys' fees and costs.

B. BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

40. Mr. and Mrs. McFarland reallege paragraphs 1 through 39 above and incorporate the same by reference herein as if set forth in full.

41. Implied in every contract as a matter of law is a covenant of good faith and fair dealing.

42. Defendant has a duty to perform its obligations under the Policy, including paying for the Claim.

43. In failing to perform its obligations under the Policy, Defendant breached the implied covenant of good faith and fair dealing.

44. Mr. and Mrs. McFarland have been damaged by Defendant's breach of contract in the amount of \$21,550.24, exclusive of attorneys' fees and costs.

C. BAD FAITH

45. Mr. and Mrs. McFarland reallege paragraphs 1 through 44 above and incorporate the same by reference herein as if set forth in full.

46. Insurers have a duty to settle claims in good faith.

47. Idaho Code section 41-1329 defines the following actions as unfair method of competition or unfair or deceptive acts or practices in the business of insurance:

(1) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;

.....

(6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

(7) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds. . . .

48. Defendant has misrepresented the Policy provision related to coverages by applying the “Other Structures” coverage limit to the claim, rather than the “Dwelling” coverage limit.

49. Defendant has not attempted in good faith to effectuate prompt, fair, and equitable settlement of the Claim by refusing to apply the “Dwelling” coverage limit and by refusing to pay or so much as respond to Mr. and Mrs. McFarland’s claim for personal property losses.

50. Defendant has compelled its insureds, Mr. and Mrs. McFarland to institute this litigation to recover the amounts due under the Policy by offering substantially less than the amount provided for in the Policy and by expressly stating to Mr. McFarland that Defendant would not pay more without litigation.

51. Under the law of the courts of the State of Idaho, including as set forth in *White v. Unigard Mut. Ins. Co.*, 730 P.2d 1014, at 1017–19 (Idaho 1986), Defendant’s conduct constitutes an independent tort.

52. Mr. and Mrs. McFarland have been damaged by Defendant's tort of bad faith claims settlement practices in the amount of \$21,550.24, exclusive of attorneys' fees and costs.

D. VIOLATION OF THE IDAHO CONSUMER PROTECTION ACT

53. Mr. and Mrs. McFarland reallege paragraphs 1 through 52 above and incorporate the same by reference herein as if set forth in full.

54. Defendant's deceptive acts and practices, as set forth herein, constitute a violation of the Idaho Consumer Protection Act, Idaho Code section 48-601, which was enacted to "protect . . . consumers . . . against unfair methods of competition and unfair or deceptive acts and practices in the conduct of trade or commerce."

55. Idaho Code section 48-608 entitles Mr. and Mrs. McFarland to "bring an action to recover actual damages."

56. Mr. and Mrs. McFarland have been damaged by Defendant's breach of the Idaho Consumer Protection Act in the amount of \$21,550.24, exclusive of attorneys' fees and costs.

E. UNJUST ENRICHMENT

57. Mr. and Mrs. McFarland reallege paragraphs 1 through 56 above and incorporate the same by reference herein as if set forth in full.

58. Mr. and Mrs. McFarland conferred a benefit on Defendants by paying all Policy premiums timely.

59. Defendant has appreciated, and currently is appreciating, the benefits of the Policy premiums paid by Mr. and Mrs. McFarland.

60. It would be inequitable for Defendant to retain the benefits of the Policy premiums without paying for those benefits.

61. Mr. and Mrs. McFarland have been damaged by Defendant's tort of bad faith claims settlement practices in the amount of \$21,550.24, exclusive of attorneys' fees and costs.

V. ATTORNEYS FEES AND COSTS

62. Mr. and Mrs. McFarland reallege paragraphs 1 through 61 above and incorporate the same by reference herein as if set forth in full.

63. As a direct result of Defendant's refusal to honor the terms of the Policy, Mr. and Mrs. McFarland have been required to file this Complaint. Pursuant to Idaho Code sections 12-120 and 12-121, Mr. and Mrs. McFarland are entitled to recover their costs and reasonable attorneys' fees incurred for the prosecution of this action, which, in the event of default, will be no less than \$1,500.00, and in such additional amount as reasonably incurred if Defendant contests this action.

VI. PRAYER FOR RELIEF

WHEREFORE, Mr. and Mrs. McFarland pray for entry of judgment as follows:

1. For a money judgment against Defendant in an amount to be proven at trial, which in any event exceeds \$21,550.24;
2. For an award of Mr. and Mrs. McFarland's costs and expenses, including reasonable attorneys' fees in the amount of \$1,500.00, in the event that judgment is entered by default, and in such greater sum as the Court may award if this action is contested;
3. For post-judgment interest to accrue at the legal rate on the entire amount of the judgment from the date judgment is entered herein;
4. For Mr. and Mrs. McFarland's costs and expenses, including reasonable attorneys' fees, incurred to pursue collection on the judgment; and

5. For such other and further relief as the Court deems just and proper.

DATED THIS 10th day of July, 2017.

By /s/Ryan T. McFarland
Ryan T. McFarland, ISB No. 7347
Attorneys for Plaintiffs

EXHIBIT A

000001
Liberty Mutual
PO Box 970
Mishawaka IN 46546



Ryan T McFarland
Kathryn E McFarland
5698 E Gateway Dr
Boise ID 83716-9040

Thank you for insuring with Liberty Mutual.

This package contains your homeowners insurance policy. The declarations page summarizes your selected coverages and lists any discounts and savings that have been applied. This is the most recent copy per your request.

Please review this information and keep it with your important documents. For your reference, we have provided *A Guide to Your Declarations Page* on the reverse side of this letter.

Remember, you can visit LibertyMutual.com/register 24 hours a day to get policy information and manage your Liberty Mutual account. You can also elect to receive your policy documents electronically by selecting the Paperless options button under Your Profile on the eService homepage.

If you have any questions about your coverage, please call us at **1-800-225-8285**.

Sincerely,
Your Liberty Mutual Service Team



CONTACT US

Questions About Your Policy

By phone

For service:
1-800-225-8285
Mon - Fri 8AM-10PM EST
Sat 8AM-8PM EST
Sun 11AM-5PM EST

Visit us online

LibertyMutual.com

To report a claim

By phone

1-800-2CLAIMS
(1-800-225-2467)

Online

LibertyMutual.com/Claims

Mobile

Scan QR Code with your iPhone or Android smartphone to download the claims app or download a free reader app at www.i-nigma.mobi



GO PAPERLESS

Manage your policy 24/7 on eService

LibertyMutual.com/register

4G000023H372688058998700000000



A Guide to Your Declarations Page

To help you understand where to find information on your Policy Declarations page, below are descriptions of the different sections that may appear.

For information pertaining to your own policy, please refer to the enclosed Policy Declarations Page, which declares the specific details of the insurance policy you have purchased. If you have any questions, please call us at 1-800-225-8285.

Coverage Information

Standard Policy Coverages

This section includes the basic coverages to protect your home and property with corresponding coverage limits, which are the amounts available for covered losses. Section I Coverages apply to property loss and Section II Coverages apply to liability protection for accidental bodily injury or property damage.

Additional Coverages

Optional coverages you have selected are listed in this section. These coverages enhance your policy and/or increase your limits for certain coverages.

Scheduled Property

If you elect to purchase additional coverage for specific items such as jewelry or silverware, your scheduled personal property is listed with the applicable limits.

Other Charges

If there are any additional charges applied to your policy, they will be listed in this section, and may include charges that are required by your state.

Discounts and Benefits

This section lists the discounts applied to your policy. For a list of available discounts, please visit LibertyMutual.com/home-discounts.

Endorsements

Endorsements included on your policy are listed in this section. An endorsement is a change to your policy.

Important Messages

This section contains special notes about certain coverages or state-specific information.

Please visit LibertyMutual.com/insurance-glossary for our Insurance Glossary, which includes explanations of some key terms.

This Guide is intended to provide a general explanation only and is not part of your insurance policy. The provisions, limitations and exclusions of your insurance policy, including your Policy Declarations, will determine whether a claim is covered. You should carefully review your contract for specific details pertaining to your policy.

Policy Declarations

A summary of your homeowners insurance coverage

Reason for your new declarations page: Reprint Policy Change # per Customer Request
Your declarations are effective as of 09/20/2015.



INSURANCE INFORMATION

Named Insured Ryan T McFarland Kathryn E McFarland	Policy Number H37-268-805898-70
Mailing Address 5698 E Gateway Dr Boise ID 83716-9040	Policy Period 09/20/2015-09/20/2016 12:01AM standard time at the address of the Named Insured at Insured Location.
Insured Location 138 Castle Mountain Dr Garden Valley ID 83622-5158	



QUESTIONS ABOUT YOUR POLICY?

By phone

For service:
1-800-225-8285

Liberty Mutual
PO Box 970
Mishawaka IN 46546

To report a claim

By phone

1-800-225-2467

Online

LibertyMutual.com/Claims



INSURANCE GLOSSARY

For definitions of insurance terms, please visit LibertyMutual.com/insurance-glossary.

Premium Summary	
Standard Policy with HomeProtector Plus	\$ 698.00
Additional Coverages	\$ 4.00
Total 12 Month Policy Premium	\$ 702.00
Your discounts and benefits have been applied to your total policy premium. Please refer to the Discounts and Benefits section for more details.	
Through your affiliation with the Alumni Association of the University of Michigan your policy includes exclusive group savings on your home insurance.	
THIS IS NOT YOUR HOME INSURANCE BILL.	

Coverage Information

Standard Policy with HomeProtector Plus

Section I Coverages	LIMITS	PREMIUM
A. Dwelling with Expanded Replacement Cost	\$ 188,500	
B. Other Structures on Insured Location	\$ 22,350	
C. Personal Property with Replacement Cost	\$ 141,380	
D. Loss of Use of Insured Location	Actual Loss Sustained	
Section II Coverages		
E. Personal Liability (each occurrence)	\$ 300,000	
F. Medical Payments to Others (each person)	\$ 1,000	

Policy Deductibles

Losses covered under Section I are subject to a deductible of: \$1,000

Total Standard Policy with HomeProtector Plus **\$ 698**

Additional Coverages

	DEDUCTIBLE	LIMITS	PREMIUM
Credit Card, Fund Transfer, Forgery	\$	1,000	\$ 0
Backup Of Sewer And Sump Pump Overflow Coverage	\$ 1,000	\$ 10,000	INCL
Other Structures - Increased Limits			\$ 4



Your policy includes HomeProtector Plus, which provides enhanced coverage in case of a loss. Please see your endorsement for details.

Coverage Information *(continued)*

Additional Coverages *(continued)*

	DEDUCTIBLE	LIMITS	PREMIUM
Coverage E increased limit			INCL
Total Additional Coverages			\$ 4

Discounts and Benefits

Your discounts and benefits have been applied to your total policy premium.

- Inflation Protection Discount
- Early Shopper Discount
- Multi Policy Discount - Auto
- Protective Device Discounts:
 - Smoke/Heat Alarm-All Floors, Extinguishers and Dead Bolt Locks
- Claims Free Discount
- Recent Home Buyer Discount
- Mortgagee Billing Discount



HOME DISCOUNTS
For more information on discounts, please visit LibertyMutual.com/home-discounts.

Endorsements — Changes to Your Policy

- LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)
- Backup Of Sewer And Sump Pump Overflow Coverage (FMHO-2062)
- Protective Devices (HO 04 16 04 91)
- Homeowner Amendatory Endorsement (FMHO 2493 0811)
- Seepage Exclusion End (FMHO 3391 1112)
- No SecII/Limit I-Daycare (HO 04 96 04 91)
- Other Structures - Increased Limits (HO 04 48 04 91)
- Fuel Storage Exclusion (FMHO-1097 1/97)
- Home Protector Plus (FMHO-1183)
- Credit Card, Fund Transfer, Forgery (HO 04 53 04 91)
- Amendmt Pol Definitions (FMHO-2934 7/04)
- Amendatory Mold End (FMHO 3370 1112)
- Special Provisions (FMHO 3405 0314)
- Inflation Protection (FMHO-2835 11 03)
- Lead Poisoning Exclusion (FMHO-976 05/92)

Mortgage Information

Mortgagee 1:

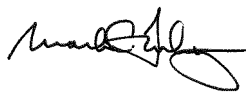
WELLS FARGO BANK
ITS SUCCESSORS AND/OR ASSIGNS
LOAN NO. 0373139765
PO Box 5708
Springfield, OH 45501

Important Messages

Flood Insurance: Your Homeowners policy **does not** provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

LibertyGuard® Deluxe Homeowners Policy Declarations
Coverage provided and underwritten by Liberty Insurance Corporation, Boston MA.

This policy, including endorsements listed above, is countersigned by:



Mark C. Touhey
Secretary



David H. Long
President



Ty Harris
Authorized Representative

LibertyGuard Deluxe Homeowners Policy

Please read your policy and each endorsement carefully.

To serve you best...

Liberty Mutual has over 350 service offices throughout the United States and Canada. Please contact your service office shown on your Declarations Page to report losses, or for any changes or questions about your insurance. Payments should be sent to the office indicated on your bill.

THIS POLICY IS NON ASSESSABLE



**LIBERTYGUARD DELUXE HOMEOWNERS POLICY
HO 00 03 EDITION 04 91**

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*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.

HOMEOWNERS 00 03 04 91

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or
 - (2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence and:
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;

- c. Any premises used by you in connection with a premises in 4.a. and 4.b. above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
 - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
8. "Residence premises" means:
 - a. The one family dwelling, other structures, and grounds; or
 - b. That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations. "Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

SECTION I - PROPERTY COVERAGES

COVERAGE A - Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and

2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."
- This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - Other Structures

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

COVERAGE C - Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists. This limit includes the cost to research, replace or restore the information from the lost or damaged material.
3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 for loss by theft of jewelry, watches,

- furs, precious and semi-precious stones.
 6. \$2000 for loss by theft of firearms.
 7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollow-ware, tea sets, trays and trophies made of or including silver, gold or pewter.
 8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
 9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.
 10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.
 11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the "residence premises"; and
 - c. Is used at any time or in any manner for any "business" purpose.
 Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.
- Property Not Covered.** We do not cover:
1. Articles separately described and specifically insured in this or other insurance;
 2. Animals, birds or fish;
 3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) Accessories or antennas; or
 - (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus.
The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
 - b. Designed for assisting the handicapped;
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
 6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverages 10.;
 7. Property rented or held for rental to others off the "residence premises";
 8. "Business" data, including such data stored in:
 - a. Books of account, drawings or other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media;
 However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or
 9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.

COVERAGE D - Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.
Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

Fair Rental Value, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay your reasonable expense for the removal of:
 - a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
 - b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. Does not increase the limit of liability that applies to the covered property;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

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

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. 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;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;

- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

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.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A - DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises." We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II CONDITIONS, does not apply to this coverage.

8. Collapse. We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in COVERAGE C - PERSONAL PROPERTY. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of contents, equipment, animals or people;
- e. Weight of rain which collects on a roof; or
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

9. Glass or Safety Glazing Material.

We cover:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss 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.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings. We will pay up to \$2500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

- a. **Fire or lightning.**
- b. **Windstorm or hail.**
This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.
- c. **Explosion.**
- d. **Riot or civil commotion.**
- e. **Aircraft,** including self-propelled missiles and spacecraft.
- f. **Vehicles.**
- g. **Smoke,** meaning sudden and accidental damage from smoke.
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
- h. **Vandalism or malicious mischief.**
- i. **Falling objects.**
This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.
- j. **Weight of ice, snow or sleet** which causes damage to property contained in a building.
- k. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
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 the peril of freezing below; or
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."
 In this peril, a plumbing system does not include a sump, sump pump or related equipment.
- l. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
We do not cover loss caused by or resulting from freezing under this peril.

- m. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
- (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water.

- n. **Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to a tube, transistor or similar electronic component.
- o. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors. The \$2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, other than as provided in Additional Coverage 8.;
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 exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water;
 - 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) Foundation, retaining wall, or bulkhead; or
 - (3) 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. 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;
 - e. Any of the following:
 - (1) Wear and tear, marring, deterioration;
 - (2) Inherent vice, latent defect, mechanical breakdown;
 - (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 under Coverage C of this policy.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
- (7) Birds, vermin, rodents, or insects; or
- (8) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. Excluded under Section I - Exclusions.

Under items 1. and 2., any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C - PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I - EXCLUSIONS.

1. **Fire or lightning.**
2. **Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow,

sleet, sand or dust enters through this opening. This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles.**
7. **Smoke**, meaning sudden and accidental damage from smoke.
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief.**
9. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.
This peril does not include loss caused by theft:
 - a. Committed by an "insured";
 - b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
 - c. From that part of a "residence premises" rented by an "insured" to other than an "insured."
This peril does not include loss caused by theft that occurs off the "residence premises" of:
 - a. Property while at any other residence owned by, rented to, or occupied by an "insured" except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
 - b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
 - c. Trailers and campers.
10. **Falling objects.**
This peril does not include loss to property

contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.
12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
This peril does not include loss:
 - a. To the system or appliance from which the water or steam escaped;
 - b. Caused by or resulting from freezing except as provided in the peril of freezing below; or
 - c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."
In this peril, a plumbing system does not include a sump, sump pump or related equipment.
13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
We do not cover loss caused by or resulting from freezing under this peril.
14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the system and appliances of water.
15. **Sudden and accidental damage from artificially generated electrical current.**
This peril does not include loss to a tube, transistor or similar electronic component.
16. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

SECTION I - EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 - a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
 - b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:
 - (1) Fire;
 - (2) Explosion; or
 - (3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

- c. **Water Damage**, meaning:
 - (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) Water which backs up through sewers or drains or which overflows from a sump; or
 - (3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
 Direct loss by fire, explosion or theft resulting from water damage is covered.
- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." "But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including the following and any consequence of any of the following:
 - (1) Undeclared war, civil war, insurrection, rebellion or revolution;
 - (2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.
- h. **Intentional Loss**, meaning any loss arising out of any act committed:
 - (1) By or at the direction of an "insured"; and
 - (2) With the intent to cause a loss.
- 2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.
 - a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. **Faulty, inadequate or defective**:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property whether on or off the "residence premises."

SECTION I - CONDITIONS

- 1. **Insurable Interest and Limit of Liability**. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
 - b. For more than the applicable limit of liability.
- 2. **Your Duties After Loss**. In case of a loss to covered property, you must see that the following are done:
 - a. Give prompt notice to us or our agent;
 - b. Notify the police in case of loss by theft;
 - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
 - d. Protect the property from further damage. If repairs to the property are required, you must:

- (1) Make reasonable and necessary repairs to protect the property; and
- (2) Keep an accurate record of repair expenses;
- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- f. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same;
- g. Send to us, within 60 days after our request, your signed, sworn proof of loss

which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interest of the "insured" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.e. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. Loss Settlement. Covered property losses are settled as follows:

- a. Property of the following types:
 - (1) Personal property;
 - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - (3) Structures that are not buildings;
 at actual cash value at the time of loss but not more than the amount required to repair or replace.
- b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) The limit of liability under this policy that applies to the building;
 - (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) The necessary amount actually spent to repair or replace the damaged building.

- (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
 - (a) The actual cash value of that part of the building damaged; or
 - (b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
 - (b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (c) Underground flues, pipes, wiring and drains.
- (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) above. However, if the cost to repair or replace the damage is both:
 - (a) Less than 5% of the amount of insurance in this policy on the building; and
 - (b) Less than \$2500;
 we will settle the loss according to the provisions of b.(1) and b.(2) above whether or not actual repair or replacement is complete.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim

within 180 days after loss for any additional liability according to the provisions of this Condition 3. Loss Settlement.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent 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 amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
Each party will:
 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgement; or
- c. There is a filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by an "insured."

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or un-controlled or however caused, or any consequence of any of these.

- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

15. Recovered Property. If you or we recover any property for which we have made payment

under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

16. Volcanic Eruption Period. One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

SECTION II - LIABILITY COVERAGES

COVERAGE E - 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 of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
- 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. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three 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 you or regular residents of your household except "residence employees." As to others, this coverage applies only:

- 1. To a person on the "insured location" with the permission of an "insured"; or
- 2. To a person off the "insured location," if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured."

SECTION II - EXCLUSIONS

- 1. **Coverage E - Personal Liability and Coverage F - Medical Payments to Others** do not apply to "bodily injury" or "property damage":
 - a. Which is expected or intended by the "insured";
 - b. 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";
 - c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
 - (1) On an occasional basis if used only as a residence;

- (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;
- d. Arising out of the rendering of or failure to render professional services;
- e. Arising out of a premises:
 - (1) Owned by an "insured";
 - (2) Rented to an "insured"; or
 - (3) Rented to others by an "insured"; that is not an "insured location";
- f. Arising out of:
 - (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";

- (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.
- (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - (a) Not owned by an "insured"; or
 - (b) Owned by an "insured" and on an "insured location";
- (3) A motorized golf cart when used to play golf on a golf course;
- (4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) Used to service an "insured's" residence;
 - (b) Designed for assisting the handicapped; or
 - (c) In dead storage on an "insured location";

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
 - (c) One or more outboard engines or motors with 25 total horsepower or less;

- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";

- (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

- (1) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
- (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an "insured."

- (3) That are stored;

h. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) 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, except model or hobby aircraft not used or designed to carry people or cargo;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

- j. Which arises out of the transmission of a communicable disease by an "insured";
- k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as

defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. 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.

Exclusions e., f., g., and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employees" employment by an "insured."

2. Coverage E - Personal Liability, does not apply to:

- a. Liability:
 - (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
 - (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
 - (a) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (b) Where the liability of others is assumed by the "insured" prior to an "occurrence";
 unless excluded in (1) above or elsewhere in this policy;
- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
 - (1) Voluntarily provided; or
 - (2) Required to be provided; by the "insured" under any:
 - (1) Workers' compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;

- e. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - (1) Is also an insured under a nuclear energy liability policy; or
 - (2) 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:

- (1) American Nuclear Insurers;
- (2) Mutual Atomic Energy Liability Under-writers;
- (3) Nuclear Insurance Association of Canada;

or any of their successors; or

- f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined.

3. Coverage F - Medical Payments to Others, does not apply to "bodily injury":

- a. To a "residence employee" if the "bodily injury":
 - (1) Occurs off the "insured location"; and
 - (2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";
- b. To any person eligible to receive benefits:
 - (1) Voluntarily provided; or
 - (2) Required to be provided; under any:
 - (1) Workers' compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;
- c. From any:
 - (1) Nuclear reaction;
 - (2) Nuclear radiation; or
 - (3) Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
 - (4) Any consequence of any of these; or
- d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

SECTION II - ADDITIONAL COVERAGES

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 E. 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; and
- 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 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 will pay, at 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. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. 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, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances. This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."
- 4. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
- b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II - Coverage E - Personal Liability Exclusion 2.a.(1);
- 2. Condition 1. Policy Period, under SECTIONS I AND II - CONDITIONS.

SECTION II - CONDITIONS

- 1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "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."

Our total liability under Coverage F 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 F as shown in the 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," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - (1) The identity of the policy and "insured";
 - (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
 - (3) Names and addresses of any claimants and witnesses;
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

- c. At our request, help us:
 - (1) To make settlement;
 - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - (3) With the conduct of suits and attend hearings and trials; and
 - (4) To secure and give evidence and obtain the attendance of witnesses;
 - d. Under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;
 - e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."
- 4. Duties of an Injured Person - Coverage F - Medical Payments to Others.**
The injured person or someone acting for the injured person will:
- a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
- 5. Payment of Claim - Coverage F - Medical Payments to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.
 - 6. Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
 - 7. Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
 - 8. Other Insurance - Coverage E - Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTIONS I AND II - CONDITIONS

- 1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.
- 2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.
- 3. Liberalization Clause.** If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.
This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.
- 4. Waiver or Change of Policy Provisions.**
A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
- 5. Cancellation.**
 - a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
 - b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - (3) 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:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

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

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Nonrenewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

7. **Assignment.** Assignment of this policy will not be valid unless we give our written consent.

8. **Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

b. "Insured" includes:

(1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

(2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

***MUTUAL POLICY CONDITIONS**

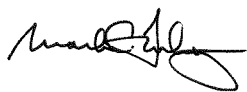
You are a member of the Liberty Mutual Fire Insurance Company while this policy is in force. Membership entitles you to vote in person or by proxy at meetings of the company. The Annual Meeting is in Boston, Massachusetts, on the second Wednesday in April each year at 11 o'clock in the morning.

Also, as a member, you will receive any dividends declared on this policy by the Directors.

This policy is classified in Dividend Class II.

This policy has been signed by our President and Secretary at Boston, Massachusetts, and countersigned on the Declarations Page by an authorized representative.

*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.



SECRETARY



PRESIDENT

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HOMEPROTECTOR PLUS ENDORSEMENT

A. INCREASED SPECIAL LIMIT OF LIABILITY - JEWELRY, WATCHES, FURS, PRECIOUS AND SEMI-PRECIOUS STONES

Section I, Coverage C - Personal Property. Special Limits of Liability. Paragraph 5 is replaced with:

5. Jewelry, watches, furs, precious and semi-precious stones are insured for accidental direct physical loss or damage. The following exclusions and limitations apply:
 - a. \$2500 for loss by theft, subject to a maximum of \$1000 for any one article.
 - b. The limit of liability stated in the declarations page for Coverage C, for loss caused by perils named under Coverage C of this policy, other than theft.
 - c. \$2500 for loss caused by perils not named and not excluded in this policy, subject to a maximum of \$1000 for any article.
 - d. We do not cover loss or damage caused by mechanical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice.

B. REPLACEMENT COST PROVISION - DWELLING AND PERSONAL PROPERTY

You must meet the following additional Section I Condition for this provision to apply:

17. Additions or Changes to Dwelling - Notice to Company. You must inform us within 90 days of the start of any additions, alterations or improvements to the dwelling that will increase the replacement cost of the dwelling by \$5,000 or more.

If you meet Condition 17, then Section I, Condition 3. Loss Settlement, is deleted and replaced by the following:

3. Loss Settlement. Covered property losses are settled as follows:
 - a. The applicable limit of liability for Buildings under Coverage A or B is the replacement cost, after application of deductible and without deduction for depreciation, subject to the following:
 - (1) We will pay the cost of repair or replacement, but not exceeding:
 - (a) The replacement cost of that part of the building damaged using like construction on the same premises and intended for the same occupancy and use;
 - (b) With respect to Coverage A, an amount not exceeding 20% greater than the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (c) With respect to Coverage B, the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (d) The amount actually and necessarily spent to repair or replace the damage.
 - (2) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of a.(1) above.

However, if the cost to repair or replace the damage is both:

 - (a) Less than 5% of the amount of insurance in this policy on the building;
and
 - (b) Less than \$2500;

We will settle the loss according to the provisions of a.(1) above whether or not actual repair or replacement is complete.
 - b. Awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, and structures that are not buildings; at actual cash value at the time of loss but not exceeding the amount needed to repair or replace.

- c. Personal property, carpeting and household appliances: at replacement cost but not exceeding the amount needed to repair or replace subject to the following:
 - (1) Our limit of liability for loss to Personal Property shall not exceed the smallest of the following:
 - (a) Replacement cost with a similar item of like kind and quality at the time of loss;
 - (b) The full cost of repair;
 - (c) Any special limit of liability described in the policy or stated in this endorsement; or
 - (d) The Coverage C limit of liability stated in the declarations, as modified by the Inflation Protection of the policy.
 - (2) This endorsement shall not apply to:
 - (a) Fine arts and items which, by their nature cannot be replaced with new items;
 - (b) Articles whose age or history contribute substantially to their value including souvenirs or collector's items.
 - (c) Property that is unusable for the purpose for which it was originally intended due to age or historic condition.
 - (3) We will not pay for any loss to personal property under this endorsement until actual repair or replacement is complete.
- d. You may disregard the replacement cost provision and make a claim for loss of or damage to property on an actual cash value basis and then make claim within 180 days after loss for additional liability under this endorsement.

C. INCREASED LIMIT - COVERAGE D

We will pay the amount of loss covered by Coverage D which is actually sustained by you during the 12 consecutive months following the date of loss, subject to the periods of time under paragraphs 1, 2 and 3 of Coverage D - Loss of Use.

D. ADDITIONAL COVERAGES

REFRIGERATORS AND FREEZERS CONTENTS COVERAGE

We cover the contents of deep freeze or refrigerated units on the residence premises from the perils of:

1. Fluctuation or total interruption of electric power, either on or off premises, resulting from conditions beyond the control of the "insured".
2. Mechanical breakdown of any refrigeration equipment on premises including the blowing of fuses or circuit breakers.

We do not cover loss caused by the following additional exclusions:

1. Disconnection or termination of power due to turning off any switch.
2. Inability of power source to provide sufficient power due to government order, lack of fuel or lack of generating capacity to meet demand.

SPECIAL LIMIT - We will not pay more than \$500 of your loss of refrigerator or freezer contents resulting from the above perils.

All other provisions of this policy apply.

LOCK REPLACEMENT COVERAGE

We will pay up to \$250 for replacing the locks or cylinders on the exterior doors of the residence premises when your keys have been stolen. The theft of the keys must be reported to the police for this coverage to apply.

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

BACK UP OF SEWER AND SUMP PUMP OVERFLOW COVERAGE ENDORSEMENT

(This is not Flood Insurance)

This endorsement modifies such insurance as is afforded by this policy.

DEFINITIONS

The following definition is added:

The term "flood" as used in this endorsement means a general and temporary condition of partial or complete inundation of normally dry land areas from:

1. the unusual and rapid accumulation of runoff of surface waters from any source;
2. the overflow of inland or tidal waters;
3. waves, tides or tidal waves; or
4. spray from any of these, whether or not driven by wind.

PERILS INSURED AGAINST - SECTION I

For an additional premium, we cover risks of direct physical loss to property described in Coverage A - Dwelling and Coverage C - Personal Property described below when caused by a peril listed below, unless the loss is excluded in this policy.

1. Sewer Back-up, meaning only direct loss to covered property caused by effluent which backs up through sewers or drains which are a part of the "residence premises".
2. Sump Pump Overflow, meaning only direct loss to covered property caused by water which overflows or accidentally discharges from within a sump pump, sump pump well, sump pump well discharge system, or other type system designed to remove subsurface water from the foundation area of the "residence premises."

Direct physical loss caused by water which backs up through sewers or drains due to the mechanical failure of a sump pump, sump pump well, sump pump well discharge system or other type system designed to remove subsurface water from the foundation area of the "residence premises" is covered.

This coverage does not apply if the loss is caused by the negligence of any insured.

PROPERTY COVERAGES - SECTION I

The coverage provided by this endorsement only applies to the dwelling described in Coverage A and the following Coverage C personal property items:

- Clothes washers and dryers
- Ranges
- Food freezers and the food in them
- Portable dishwashers
- Refrigerators
- Dehumidifiers

EXCLUSIONS - SECTION I

With respect to the coverages provided by this endorsement only, the following exclusions under Section I - Exclusions are deleted:

Water which backs up through sewers or drains or which overflows from a sump pump.

Power Failure, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

DEDUCTIBLE

Each claim for loss to covered property will be adjusted separately. A \$1000 deductible applies to each covered loss under this endorsement. All other provisions of this policy apply.

LIMIT OF LIABILITY

We will pay no more than the amount shown on the policy declarations for this coverage for any one loss caused by sewer back up or sump pump overflow as described above.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CREDIT CARD, FUND TRANSFER CARD, FORGERY AND
COUNTERFEIT MONEY COVERAGE**

HOMEOWNERS
HO 04 53 04 91

Increased Limit

For an additional premium, the limit of liability for Additional Coverage 6., Credit Card, Fund Transfer Card, Forgery and Counterfeit Money, is increased to \$ _____*.

*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

HO 04 53 04 91

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**PREMISES ALARM OR
FIRE PROTECTION SYSTEM**

HO 04 16 04 91

For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the "residence premises." You agree to maintain this system in working order and to let us know promptly of any change made to the system or if it is removed.

HO 04 16 04 91

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HOMEOWNER AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

THIS ENDORSEMENT SUPERSEDES ALL OTHER ENDORSEMENTS WHICH HAVE BEEN MADE PART OF YOUR POLICY AND REFERENCE THESE SAME PROVISIONS

DEFINITIONS

The introductory paragraph of **Definitions** is amended to read:

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and

- (1) the spouse of the "named insured" shown on the Declarations, if a resident of the same household; or
- (2) the partner in a civil union, registered domestic partnership, or similar union or partnership, with the "named insured" shown on the Declarations, if a resident of the same household.

Section (2), above, only applies if the civil union, registered domestic partnership or other similar union or partnership is validly entered into under the law of any state, territory or possession of the United States of America, any territory or province of Canada, or the equivalent of a state or province in any other country.

"We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

SECTIONS I AND II - CONDITIONS

The introductory paragraph of **9. Death.** is amended to read:

If any person named in the Declarations or the spouse, if a resident of the same household; or the partner in a civil union, registered domestic partnership or similar union or partnership, if a resident of the same household, dies:

AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

THIS ENDORSEMENT SUPERSEDES ALL OTHER ENDORSEMENTS WHICH HAVE BEEN MADE PART OF YOUR POLICY AND REFERENCE THESE SAME PROVISIONS

SECTION I - PROPERTY COVERAGES

COVERAGE A - Dwelling

Item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

COVERAGE C - Personal Property

The introductory paragraph of **Special Limits of Liability** is amended to read:

These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

The following limits are added:

12. \$5000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
13. \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall-to-wall carpet), tapestry, wall-hanging or other similar article.
14. \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
15. \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

In the event Landlord Endorsement FMHO 3307

is part of this policy, the above coverage contained in Special Limits of Liability introductory paragraph and Subparagraphs 12 through 15 are deleted.

Property Not Covered under COVERAGE C - Personal Property

The final two subparagraphs of Item 3 (a. and b.) are replaced by the following:

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used solely to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverage contained in The Final two Subparagraphs of Item 3 (a. and b.) is deleted.

Item 10. is added as personal property items not covered.

10. Water or steam

ADDITIONAL COVERAGES is revised as follows:

Item 7. **Loss Assessment** is deleted in its entirety.

The following is added to Item 8. **Collapse**.

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied or used for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

Item 10. **Landlord's Furnishings** is deleted in its entirety.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES

The following is added to item 2.b.

- (4) Footing(s)

The following are added to item 2.e. Any of the following:

- (10) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

The final paragraph of Item 2. is further revised as follows:

If any of these cause sudden and accidental water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

SECTION II - EXCLUSIONS

Item 1.a. under **Coverage E - Personal Liability and Coverage F - Medical Payments to Others** is amended as follows:

Which is expected or intended by the "insured", even if the resulting "bodily injury" or "property damage"

- (1) is of a different kind, quality, or degree than initially expected or intended; or
- (2) is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

SECTION II - ADDITIONAL COVERAGES

Item 1.c. under **Claims Expenses** is amended as follows:

Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Item 4. **Loss Assessment** is deleted in its entirety.

All other policy terms and conditions apply.

AMENDATORY MOLD, FUNGUS, WET ROT, DRY ROT, BACTERIA, OR VIRUS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITIONS

The following definition is added to the DEFINITIONS section:

9. **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** means any type or form of fungus, rot, virus or bacteria. This includes mold, mildew and any mycotoxins (meaning a toxin produced by a fungus), other microbes, spores, scents or byproducts produced or released by mold, mildew, fungus, rot, bacteria, or viruses.

SECTION I – PROPERTY COVERAGES

Additional Coverages

The following Additional Coverage is added:

11. Remediation of "Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus" Resulting Directly From Any Covered Loss

We will pay, up to the Additional Coverage – Mold Limit of Liability shown below, for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss.

"Remediation" means the reasonable and necessary treatment, containment, decontamination, removal or disposal of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** as required to complete the repair or replacement of property, covered under Section I of the policy, that is damaged by any covered peril insured against, and also consists of the following:

1. The reasonable costs or expense to remove, repair, restore, and replace that property including the costs to tear out and replace any part of the building as needed to gain access to the **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** ; and
2. the reasonable costs or expense for the testing or investigation necessary to detect, evaluate or measure **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** ; and
3. any loss of fair rental value, or reasonable increase in additional living expenses, that is necessary to maintain your normal standard of living, if **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss makes your residence premises uninhabitable.

We will pay no more than the Additional Coverage - Mold Limit of Liability shown below for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss during the policy period, regardless of the number of locations under the policy to which this endorsement is attached, the number of persons whose property is damaged, the number of "insureds," or the number of losses or claims made.

If there is a covered loss or damage to covered property, not caused, in whole or in part, by **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,"** loss payment will not be limited by the terms of this Additional Coverage, except to the extent that **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.



ADDITIONAL COVERAGE -- MOLD LIMIT OF LIABILITY

Mold Limit of Liability: **SECTION I** **Aggregate Limit** **\$5,000**

This Additional Coverage does not increase the limits of liability under Section I of the policy as shown in the Declarations.

SECTION I – EXCLUSIONS

Exclusion 1.i. is added:

- i. Except as provided by **Additional Coverage 11.**, loss consisting of or caused by **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** is excluded, even if resulting from a peril insured against under Section I. We do not cover **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,"** even if resulting from a peril insured against under Section I, except as provided by **Additional Coverage 11.**

SECTION II – EXCLUSIONS

Coverage E - Personal Liability and Coverage F - Medical Payments to Others

Exclusion 1.m. is added:

- m. Arising out of or aggravated by, in whole or in part by, **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus."**

This endorsement takes precedence over all other endorsements attached to your policy.

SEEPAGE EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION I – PERILS INSURED AGAINST

Coverage A – Dwelling and Coverage B – Other Structures

Paragraph 2.e.(9) is added:

- (9) Seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage to the structure, whether hidden or not.

This endorsement takes precedence over all other endorsements attached to your policy.

SPECIAL PROVISIONS - IDAHO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION I - PROPERTY COVERAGES

COVERAGE C - Personal Property

Special Limits of Liability

Items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 10.

11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 11.

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverages contained in Special Limits of Liability 10 and 11 are deleted and do not apply.

Property Not Covered

Item 3.b. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:

b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

COVERAGE D - Loss of Use

Item 1. is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverages contained in Coverage D – Loss of Use is deleted and does not apply.

ADDITIONAL COVERAGES

9. Glass or Safety Glazing Material is deleted and replaced by the following:

9. Glass or Safety Glazing Material

- a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this ADDITIONAL COVERAGE 9. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For forms HO 00 01 and HO 00 08, we will pay up to \$100 for loss under this coverage.

This coverage does not increase the limit of liability that applies to the damaged property.

(This is ADDITIONAL COVERAGE 8. in forms HO 00 01 and HO 00 08.)

The following ADDITIONAL COVERAGE is added to all forms except HO 00 08. With respect to form HO 00 04, the words 'covered building' used below, refer to property covered under ADDITIONAL COVERAGE 10. Building Additions and Alterations.

12. Ordinance or Law

- a. You may use up to 10% of the limit of liability that applies to COVERAGE A (or for form HO 00 04, you may use up to 10% of the limit of liability that applies to Building Additions and Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance. (This is ADDITIONAL COVERAGE 11. in forms HO 00 01 and HO 00 06.)

Under Form HO 00 03, the following Additional Coverage is added:

- 13. Damage to Siding and/or Roofing.** In case of damage to siding and/or roofing of the

covered dwelling and other structures at the insured location, we will reimburse you for the cost you incur, up to a maximum of \$15,000 in aggregate to replace any undamaged siding, soffit, fascia, and/or roofing material of like kind and quality to match those materials that were used to repair or replace the damaged property.

This coverage applies only if reasonably similar siding and/or roofing materials are no longer available to repair or replace the damaged portion of the damaged covered dwelling and other structures at the insured location due to a covered peril.

This coverage does not apply to:

- a. Mismatches caused by weathering, fading, oxidizing, wear and tear, deterioration, or product defect;
- b. Damage to siding material other than vinyl or metal siding;
- c. Roofing material other than architectural (laminated) asphalt shingle or 3-tab asphalt shingle.

However, we will not pay to:

- a. Replace siding and/or roofing material of any undamaged dwelling or other structure at the insured location in order to match newly repaired or replaced siding and/or roofing material of any damaged dwelling or other structure;
- b. Repair or replace undamaged roofing and/or siding material due to mismatch between undamaged material and new material used to repair or replace damaged material because of:
 - (1) Texture, quality, dimensional differences color, fading;
 - (2) Oxidation, rust, corrosion, weathering differences;
 - (3) Wear and tear, marring, scratching, deterioration;
 - (4) Inherent vice, latent defect, mechanical breakdown;
 - (5) Obsolescence, discontinuation; or
 - (6) Material type variation.

SECTION I – EXCLUSIONS

- 1. **Ordinance or Law** is deleted and replaced by the following:
 - 1. **Ordinance or Law**, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 1.a. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.
(This is exclusion 1.a. in form HO 00 03.)

- 2. **Earth Movement** is deleted and replaced by the following:
 - 2. **Earth Movement**, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:
 - a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
 - b. Landslide, mud slide, or mud flow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding; caused by or resulting from manmade, animal, or natural actions, events, or conditions.
 If direct loss by fire or explosion ensues, we will pay only for the ensuing loss.
(This is Exclusion 1.b. in Form HO 00 03.)
- 4. **Power Failure** is deleted and replaced by the following:
 - 4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the "residence premises," we will pay for the loss or damage

caused by that PERIL INSURED AGAINST.
(This is exclusion 1.d. in form HO 00 03.)

For form HO 00 03, the following is added as item 2.d.

- d. **Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:
- (1) does not result in the penetration of water through the metal roof covering; or
 - (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I – CONDITIONS

2. Your Duties After Loss.

Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss.

3. Loss Settlement

Under Form HO 00 06, Item b.(2) is deleted and replaced by the following:

- (2) If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The following paragraph is added and applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

Loss Settlement does not include payment for any actual or perceived decrease in

market or resale value resulting from loss to or repair of your covered property.

SECTION II - EXCLUSIONS

Under 1. COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others, item a. is deleted and replaced by the following:

- a. Which is expected or intended by one or more "insureds";

SECTIONS I AND II - CONDITIONS

2. **Concealment or Fraud** is deleted and replaced by the following:

2. Concealment or Fraud

- a. Under SECTION I - PROPERTY COVERAGES, with respect to all "insureds" covered under this policy, we provide no coverage for loss under SECTION I - PROPERTY COVERAGES if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made false statements; relating to this insurance.

- b. Under SECTION II - LIABILITY COVERAGES, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made false statements; relating to this insurance.

5. **Cancellation.** Paragraphs b.(1) and b.(2) are deleted and replaced by the following:

- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any

time by letting you know at least 10 days before the date cancellation takes effect. If delivered by United States mail, the 10 day notification period begins to run 5 days following the date of postmark;

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

All other provisions of this policy apply.

NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS
LIMITED SECTION I - PROPERTY COVERAGES FOR HOME DAY CARE
BUSINESS

HO 04 96 04 91

If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other compensation for such services, that enterprise is a "business." Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an "insured" to a relative of an "insured" is not considered a "business."

Therefore, with respect to a home day care enterprise which is considered to be a "business," this policy:

1. Does not provide Section II - Liability Coverages because a "business" of an "insured" is excluded under exclusion 1.b. of Section II - Exclusions;
2. Does not provide Section I - Coverage B coverage where other structures are used in whole or in part for "business";
3. Limits coverage for property used on the "residence premises" for the home day care enterprise to \$2,500, because Coverage C - Special Limits of Liability - item 8. imposes that limit on "business" property on the "residence premises." (Item 8. corresponds to item 5. in Form HO 00 08.);
4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to \$250, because Coverage C - Special Limits of Liability - item 9. imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item 9. does not apply to adaptable electronic apparatus as described in Special Limit of Liability items 10. and 11. (Items 9., 10. and 11. correspond to items 6., 7. and 8. respectively in Form HO 00 08.)

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

INFLATION PROTECTION ENDORSEMENT

It is agreed that the limits of liability for:

- Coverage A, Dwelling;
- Coverage B, Structure;
- Coverage C, Personal Property;
- and Coverage D, Loss of Use,

shall be raised by the rate of increase in the latest available information on residential building cost inflation.

METHOD

To find the limits of liability on a given date, the Index Level the Company assigns to that date will be divided by the Index Level for the effective date of this Endorsement. This Factor is then multiplied by the limit for Coverages A, B, C and D separately.

If during this policy's term the Coverage A limit is changed at the insured's request, the effective date of this Endorsement is amended to the effective date of such change.

This Endorsement shall not reduce the limits of liability to less than the amount shown on:

- a. The policy; or
- b. The most recent Homeowners Policy Renewal Declaration.

This Endorsement must be attached to Change Endorsement when issued after the policy is written.

PH NAME: RYAN T MCFARLAND
POLICY NUMBER : H37-268-805898-705 7
POLICY EFFECTIVE DATE : 09/20/2015



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER STRUCTURES

HOMEOWNERS

Increased Limits

HO 04 48 04 91

For an additional premium, we cover each structure described below, on the "residence premises," for the additional limit of liability shown for that structure.

The limit shown below is in addition to the amount which is applicable to that described structure under Coverage B, Other Structures.

Each additional limit of liability shown below applies only to that described structure.

Description of Structure*	Additional Limit of Liability*
1. APPURTENANT STRUCTURE	1. \$3,500
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

ISSUED 09/20/2015

LEAD POISONING EXCLUSION ENDORSEMENT

The following provisions are added to and made part of your Homeowners Policy:

Section I - Property Coverages do not apply to any costs or expenses incurred or loss arising out of:

1. the removal, testing for, monitoring, clean-up, abatement, treatment, or neutralization of lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead, or;
2. any governmental direction or other request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to bodily injury or property damage:

1. arising out of lead paint, plaster or putty containing lead; soil or earth containing lead or any other material or substance containing lead, or;
2. any costs or expenses incurred or loss arising out of any claim, governmental direction, or request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

This exclusion applies to any obligation to share damages, costs or expenses with someone else or to repay someone else who must pay damages, costs or expenses.

UNDERGROUND FUEL STORAGE TANK EXCLUSION

The following provision is added to and made part of your Homeowners Policy:

Section II - Exclusions

The Paragraph below is added:

Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to "bodily injury" or "property damage":

arising out of the release of fuel or fuel products from an "underground storage tank system."

"Underground storage tank system" means the underground tank, the fill pipe, the vent pipes, and all associated fixtures, including pipe and tubing which contains or conveys fuel or fuel products from the underground storage tank to the point of combustion.

All other provisions of this policy apply.

NOTICE OF PRIVACY POLICY

Liberty Mutual* values you as a customer and takes your personal privacy seriously. When you request a rate quotation, apply for insurance, request changes to your insurance policy or submit a claim, you disclose information about yourself or members of your family. This notice tells you how we treat the information we collect about you.

1. INFORMATION WE MAY COLLECT

We collect information about you from:

- Applications or other forms you complete, and information you provide to us over the telephone;
- Your business dealings with us and other companies;
- Your employer or association for Liberty Mutual Group products;
- Consumer reporting agencies, Motor Vehicle Departments, inspection services and medical providers; and
- Visits to our Liberty Mutual website.

2. TYPES OF INFORMATION WE MAY DISCLOSE

We may disclose the following about you:

- Information from your application or other forms, such as your name, date of birth, address, social security number, vehicle and driver information;
- Information about your transactions with us, our affiliates or others, such as your insurance coverages, payment history, and certain claims information; and
- Information we receive from third parties, such as your motor vehicle records and claims history.

3. TO WHOM INFORMATION MAY BE DISCLOSED

We do not disclose personal information about you to anyone unless allowed by law. We are allowed by law to provide information to:

- A third party that performs services for us, such as claims investigations, medical examinations, inspections, and appraisals or for roadside assistance or the repair of your vehicle if you have a claim;
- Our affiliated companies and reinsurers;
- Insurance regulators and reporting agencies;
- Consumer reporting agencies to obtain loss history information, motor vehicle reports, or credit report information where permitted by law;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions or to confirm your compliance with compulsory motor vehicle liability insurance laws;
- Law enforcement agencies or other government authorities to report suspected illegal activities;
- A person or organization conducting insurance actuarial, or research studies;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement with banks, credit unions, and affinity partners, or providers of annuity and financial products and services offered through us to our customers; and
- As otherwise permitted by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. These safeguards comply with applicable laws. We retain your information for as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies. Any information we share with third parties, such as those organizations which perform a service for us or market our products, is subject to appropriate confidentiality protections and may be used only for the purposes intended.

*This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates that provide personal automobile, homeowners, life insurance and annuities: Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Company of America, Liberty Northwest Insurance Corporation, Liberty Life Assurance Company of Boston, Liberty County Mutual Insurance Company (Texas only), Liberty Lloyds of Texas Insurance Company, LM Property and Casualty Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Personal Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, LM General Insurance Company, American States Preferred Insurance Company, Consolidated Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company and Wausau Business Insurance Company.

000001
Liberty Mutual
PO Box 970
Mishawaka IN 46546



Kathryn E McFarland
Ryan T McFarland
5698 E Gateway Dr
Boise ID 83716-9040

Thank you for being a Liberty Mutual Home Customer since 2012!

This package contains your homeowners renewal. Please look over this information and keep it with your important documents. Also, you are receiving exclusive group savings through your affiliation with the Alumni Association of the University of Michigan.

Remember, you can download our mobile app or visit LibertyMutual.com/register 24 hours a day to get information and manage your Liberty Mutual account.

If you have any questions about your coverage, available discounts or product offerings, please call us at 1-800-225-8285.

Sincerely,
Your Liberty Mutual Service Team

40000010H3726800211770000000



CONTACT US

Questions About Your Policy

By Phone

For service:
1-800-225-8285
Mon - Fri 8AM-10PM EST
Sat 8AM-8PM EST
Sun 11AM-5PM EST

Visit Us Online

LibertyMutual.com

To Report a Claim

By Phone

1-800-2CLAIMS
(1-800-225-2467)

Online

LibertyMutual.com/Claims

Sign Up for eService

- Pay your bill
 - Go paperless
 - View your policy
 - File or view a claim
- Manage your policy 24/7 at LibertyMutual.com/register

CONTINUE TO THE NEXT PAGE

FOR A GUIDE TO YOUR HOME RENEWAL PACKET



A GUIDE TO YOUR HOME RENEWAL PACKET

PAGE	SECTION
1	Policy Declarations Includes important information about your policy, including insurance information as well as your discounts and benefits.
1	Coverage Information Includes important coverage information. Please review this section in detail to ensure you are fully covered. Contact us with any questions.
4-16	Important Notices & Policy Forms This section includes any notices and policy forms that may change your coverages.



Named Insured:

1. Kathryn E McFarland
2. Ryan T McFarland

Policy Number:

H37-268-002117-70 6 3

Policy Period:

12/07/2016 to 12/07/2017

Mailing Address:

5698 E Gateway Dr
Boise ID 83716-9040

Affinity:

Alumni Association of the
University of Michigan



Questions about your Policy?
Call 1-800-225-8285

Policy Number:
H37-268-002117-70 6 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



ACTION REQUIRED:
PLEASE REVIEW AND KEEP FOR YOUR RECORDS.

Policy Declarations

Total 12 Month Premium: \$557.00

Your discounts and benefits have been applied. Includes state sales tax and local surcharge where applicable. Through your affiliation with the Alumni Association of the University of Michigan your policy includes exclusive group savings on your home insurance.

Insurance Information

Named Insured: Kathryn E McFarland Ryan T McFarland	Policy Number: H37-268-002117-70 6 3
Mailing Address: 5698 E Gateway Dr Boise ID 83716-9040	Policy Period: 12/07/2016-12/07/2017 12:01 a.m. standard time at the address of the Named Insured at Insured Location.
Insured Location: Same as Mailing address above	Declarations Effective: 12/07/2016

Policy
Declarations

DISCOUNTS AND BENEFITS SECTION

Your discounts and benefits have been applied to your total policy premium.

- Inflation Protection Discount
- Early Shopper Discount
- Multi Policy Discount - Auto
- Paperless Policy Discount
- Basic Home Safety
- Claims Free Discount
- Recent Home Buyer Discount
- Mortgagee Billing Discount

Coverage Information

Standard Policy with HomeProtector Plus™

SECTION I COVERAGES	LIMITS	PREMIUM
A. Dwelling with Expanded Replacement Cost	\$ 221,600	
B. Other Structures on Insured Location	\$ 22,160	
C. Personal Property with Replacement Cost	\$ 166,200	
D. Loss of Use of Insured Location	Actual Loss Sustained	
SECTION II COVERAGES	LIMITS	PREMIUM
E. Personal Liability (each occurrence)	\$ 300,000	
F. Medical Payments to Others (each person)	\$ 1,000	

**Want to Add a Coverage?**

Call 1-800-225-8285 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:

H37-268-002117-70 6 3

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



Coverage Information continued

POLICY DEDUCTIBLES

Losses covered under Section I are subject to a deductible of : \$1,000

Total Standard Policy with HomeProtector Plus™	\$ 557
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ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS	PREMIUM
Credit Card, Fund Transfer, Forgery	\$	1,000	\$ 0
Coverage E increased limit			INCL
Total Additional Coverages		\$	0

Total 12 Month Policy Premium: \$557.00

Additional Coverages and Products Available*

We've reviewed your policy and have identified additional optional coverages and products that can add valuable protection. Talk to your agent about purchasing the following coverages and products and whether they meet your needs.

- **Home Computer and Smartphone:** If your smartphone or other devices are not insured, repairing or replacing them can be expensive. Did you know you can insure multiple devices for up to \$10,000 with a deductible of \$50.00?
- **Identity Fraud Expense:** A stolen identity can be scary and expensive. We'll provide counseling, and pay up to \$30,000 for expenses such as lost wages and attorney fees incurred to recover your identity.
- **Water Backup and Sump Pump Overflow:** Water damage can ruin your possessions. If your sump pump fails, or you suffer water damage from a sewer or drain backup, we'll pay for covered home and personal property losses.

*These optional coverages are subject to policy provisions, limitations, and exclusions. Daily limits or a deductible may apply. For a complete explanation, please consult your agent today.

Mortgage Information

Mortgagee 1:

WELLS FARGO BANK
ITS SUCCESSORS
AND/OR ASSIGNS
LOAN NO. 0295372833
PO Box 100515
Florence, SC 29502



Questions about your Policy?
Call 1-800-225-8285

Policy Number:
H37-268-002117-70 6 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



Policy Forms and Endorsements: The following forms and endorsements are applicable to your policy

LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)	Home Protector Plus (FMHO-1183)
Credit Card, Fund Transfer, Forgery (HO 04 53 04 91)	Protective Devices (FMHO 4172 1014)
Amendmt Pol Definitions (FMHO-2934 7/04)	Amendatory Mold End (FMHO 3370 1112)
Seepage Exclusion End (FMHO 3391 1112)	Special Provisions - Idaho (FMHO6100ID 0416)
No SecII/Limit I-Daycare (HO 04 96 04 91)	Inflation Protection (FMHO-2835 11 03)
Lead Poisoning Exclusion (FMHO-976 05/92)	Fuel Storage Exclusion (FMHO-1097 1/97)

Important Messages

Flood Insurance: Your Homeowners policy **does not** provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

LibertyGuard® Deluxe Homeowners Policy Declarations provided and underwritten by Liberty Insurance Corporation (a stock insurance company), Boston, MA.

David H. Long
President

Mark C. Touhey
Secretary

Ty Harris
Authorized Representative

This policy, including endorsements listed above, is countersigned by:

Important Information Regarding Changes to Your Homeowners Policy

Please review the changes to your homeowners' policy as detailed below. These changes are included in the Special Provisions endorsement provided with your enclosed renewal. This revised endorsement replaces the previous Special Provisions effective with this renewal.

The summary that follows is for information purposes only and does not provide coverage. We have described the changes we believe are most significant. Your new Special Provisions, combined with the previous policy forms you received, provide complete details of your coverage. If the below summary conflicts with the applicable policy language, the policy language prevails.

The following highlights the changes to your policy :

- The definition of "business" is revised to allow for small incidental business exposures and to state that short-term rental is not considered a business;
- "Short-term rental" is added as a defined term. Rental is considered short-term if the total number of days rented during the policy period does not exceed 31;
- Vandalism and Malicious Mischief is revised to include arson. In addition, the allowable vacancy is extended from 30 to 60 days.
- The Water Damage exclusion is updated to specifically state seiche, storm surge and water released from a dam, levee or dike are not covered. Water driven by wind is updated to include hurricane or similar storms.
- Your personal property is covered when located in the residence including the portion of the residence rented as a short-term rental, provided the total number of days rented during the policy period does not exceed 31 days.

Property in your home that is currently occupied by a long-term tenant continues to be covered.

- Coverage D – Loss of Use is updated to state how coverage applies under specific conditions, such as a short-term rental. In addition, \$5,000 of coverage is added for rent you may lose due to cancellation of short-term rental reservations in place at the time of loss.
- Debris Removal is updated to cover debris removal expenses only if they are actually incurred.
- Personal Liability and Medical Payments to Others is covered for up to two roomers and boarders when a portion of your residence is rented to others for use as a private residence. The policy is now updated to specifically include short-term rentals as part of this coverage.
- Damage to Property of Others is updated to provide up to \$500 damage to property of a short-term renter when a covered loss occurs.

If you have any questions or would like to review the changes to your policy, your Liberty Mutual representative will be happy to assist you. Please contact us at the number on the enclosed Declarations page.

Thank you for insuring with Liberty Mutual. We appreciate your business.

PROTECTIVE DEVICES

For a premium discount, we acknowledge the installation of fire, theft, or water protective system or device approved by us on the "residence premises." You agree to maintain the approved system or device in working order and to let us know promptly of any change made to the system or device or if it is removed. We reserve the right of modifying or removing the discount based on our knowledge of how the system or device is maintained by you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - IDAHO

DEFINITIONS

Item 2. "Business" is deleted and replaced by the following:

2. "Business" includes:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) or (3) below, for which no "insured" receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period.
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity; or
 - (3) A "short term rental".

Under 4. "Insured location" item e. is deleted and replaced by the following:

- e. Vacant land, including that which is vacant except for a fence, owned by or rented to an "insured" other than farmland;

The following definition is added:

"Short term rental" means one or more rentals, in whole or in part, of the "residence premises" for up to a combined total of 31 days during the policy period.

SECTION I - PROPERTY COVERAGES

COVERAGE A – Dwelling

For form HO 00 03, item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

COVERAGE B – Other Structures

In all forms other than HO 00 04 and HO 00 06, item 2. is deleted and replaced by the following:

2. Rented to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C - Personal Property

The following is added under items 1. and 2.:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the "insured" for use of the "residence premises".

Special Limits of Liability

For form HO 00 03, the introductory paragraph is amended to read :

Special Limits of Liability. These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
- Accessories or antennas; or
 - Tapes, wires, records, discs or other media;
for use with any electronic apparatus described in this item 10.
11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
- Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - Is away from the "residence premises"; and
 - Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- Accessories and or antennas; or
- Tapes, wires, records, discs or other media;
for use with any electronic apparatus described in this item 11.

For form HO 00 03, the following limits are added:

- \$5000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
- \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall to-wall carpet), tapestry, wall-hanging or other similar article.
- \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
- \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverages contained in introductory paragraph and Subparagraphs 10. through 15. are deleted and do not apply.

Property Not Covered

Item 3. is deleted and replaced by the following:

- Motor vehicles or all other motorized land conveyances. This includes:
 - Their equipment and accessories; or
 - Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - Accessories or antennas; or
 - Tapes, wires, records, discs or other media;for use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverage contained in the final two subparagraphs of item 3. (a. and b.) are deleted.

Item 6. is deleted and replaced by the following:

6. Property in a location on the "residence premises", when the location is rented to others by an "insured.

This exclusion does not apply to property of an "insured":

- a. located on the "residence premises" when the "residence premises" is rented in whole or in part as a "short term rental"; or
- b. located in a sleeping room rented to others by an "insured" on the "residence premises".

For form HO 00 03, the following item is added as personal property items not covered:

10. Water or steam

COVERAGE D – Loss Of Use is deleted and replaced by the following:

COVERAGE D - Loss of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense. Additional Living Expense means any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or to permanently relocate your household elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others by you not fit to live in, we cover your Loss of Rent. Loss of Rent means the rental income to you of that part of the "residence premises" rented to others at the time of loss, less any expenses that do not continue while the premises is not fit to live in.

This coverage does not apply to:

- a. The "residence premises" or that part of the "insured location" that is not rented or leased at the time of the loss; or
- b. to any increase in rent or lease payment that occurs after the time of the loss.

We will pay up to \$5,000 to reimburse your Loss of Rent when a "short term rental" is cancelled because of a covered loss.

Payment will be for the shortest time required to repair or replace that part of the premises rented.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Loss of Rent as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement, other than a "short term rental" as provided under 2. above.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverages contained in **Coverage D – Loss of Use** are deleted and do not apply.

ADDITIONAL COVERAGES

Item 1. **Debris Removal** is deleted and replaced by the following:

1. **Debris Removal.** We will pay the reasonable expense you incur for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay the reasonable expense you incur, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

For form HO 00 03, item 7. **Loss Assessment** is deleted in its entirety.

For form HO 00 03, the following is added to Item 8. **Collapse.**

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied or used for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

Item 9. **Glass or Safety Glazing Material** is deleted and replaced by the following:

9. **Glass or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been

broken, except as provided in a.(3) above; or

- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this ADDITIONAL COVERAGE 9. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For forms HO 00 01 and HO 00 08, we will pay up to \$100 for loss under this coverage.

This coverage does not increase the limit of liability that applies to the damaged property.

(This is ADDITIONAL COVERAGE 8. In forms HO 00 01 and HO 00 08.)

For form HO 00 03, item 10. **Landlord's Furnishings** is deleted in its entirety.

The following ADDITIONAL COVERAGE is added to all forms except HO 00 08. With respect to form HO 00 04, the words 'covered building' used below, refer to property covered under ADDITIONAL COVERAGE 10. Building Additions and Alterations.

12. Ordinance or Law

- a. You may use up to 10% of the limit of liability that applies to COVERAGE A (or for form HO 00 04, you may use up to 10% of the limit of liability that applies to Building Additions and Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

(This is ADDITIONAL COVERAGE 11. in forms HO 00 01 and HO 00 06.)

SECTION I - PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

For form HO 00 03, the following is added to item 2.b

(4) Footing(s)

For all forms other than **HO 00 04** and **HO 00 06**, item **2.d.** is deleted and replaced by the following:

- d. Vandalism and malicious mischief, including fire caused by arson and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

For form **HO 00 03**, the following is added to item **2.e.**:

- (10) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

For form **HO 00 03**, the final paragraph of Item **2.** is further revised as follows:

If any of these cause sudden and accidental water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

SECTION I – EXCLUSIONS

Item 1. Ordinance or Law is deleted and replaced by the following:

1. Ordinance or Law, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion **1.a.** does not apply to the amount of coverage that may be provided for under **ADDITIONAL COVERAGES**, Glass or Safety Glazing Material or Ordinance or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

(This is exclusion **1.a.** in form **HO 00 03**.)

Item 2. Earth Movement is deleted and replaced by the following:

- 2. Earth Movement**, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:
 - a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
 - b. Landslide, mud slide, or mud flow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding; caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by fire or explosion ensues, we will pay only for the ensuing loss.

(This is Exclusion **1.b.** in Form **HO 00 03**.)

Item 3. is deleted and replaced by the following:

3. **Water Damage**, meaning:

- a. (1) Flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or
(2) release of water held by a dam, levee, dike or by a water or flood control device or structure;
- b. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
- c. Water which escapes or overflows from sewers or drains located off the "residence premises";
- d. Water which escapes or overflows from drains or related plumbing appliances on the "residence premises". However, this exclusion does not apply to overflow and escape caused by malfunction on the "residence premises", or obstruction on the residence premises, of a drain or plumbing appliance on the "residence premises"; or
- e. Water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

(This is exclusion 1.c. in Form HO 00 03.)

Item 4. **Power Failure** is deleted and replaced by the following:

4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the "residence premises," we will pay for the loss or damage caused by that PERIL INSURED AGAINST. (This is exclusion 1.d. in form HO 00 03.)

For form HO 00 03, the following is added as item 2.d.

- d. **Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:
- (1) does not result in the penetration of water through the metal roof covering; or
 - (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I – CONDITIONS

2. **Your Duties After Loss.**

Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss.

3. **Loss Settlement**

Under Form HO 00 06, Item b.(2) is deleted and replaced by the following:

- (2) If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The following paragraph is added and applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

Loss Settlement does not include payment for any actual or perceived decrease in market or resale value resulting from loss to or repair of your covered property.

SECTION II - EXCLUSIONS

Under 1. COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others

Item a. is deleted and replaced by the following:

- a. Which is expected or intended by one or more the "insureds", even if the resulting "bodily injury" or "property damage"
- (1) is of a different kind, quality, or degree than initially expected or intended; or
 - (2) is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

Item c. is deleted and replaced by the following:

- c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of the "residence premises":
- (1) As a "short term rental" for use only as a residence;
 - (2) In part, unless intended for use as a residence more than two roomers or boarders; or
 - (3) In part, as an office, school, studio or private garage;

Under 2. COVERAGE E - Personal Liability, Item f. is deleted in all forms and Endorsement **HO 24 73**.

SECTION II – ADDITIONAL COVERAGES

For form **HO 00 03**, item 1.c. under **Claims Expenses** is amended as follows:

- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Under 3. **Damage to Property to Others**, item d. is deleted and replaced by the following:

- d. To property owned by or rented to a tenant of an "insured" or a resident in your household. This does not apply to "short term rentals"; or

For form **HO 00 03**, item 4. **Loss Assessment** is deleted in its entirety.

SECTIONS I AND II - CONDITIONS

2. **Concealment or Fraud** is deleted and replaced by the following:

2. Concealment or Fraud

- a. Under SECTION I - PROPERTY COVERAGES, with respect to all "insureds" covered under this policy, we provide no coverage for loss under SECTION I – PROPERTY COVERAGES if, whether before or after a loss, one or more "insureds" have:
- (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements; relating to this insurance.

- b. Under SECTION II - LIABILITY COVERAGES, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:
 - (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements; relating to this insurance.
- 5. **Cancellation.** Paragraphs b.(1) and b.(2) are deleted and replaced by the following:
 - b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect. If delivered by United States mail, the 10 day notification period begins to run 5 days following the date of postmark;
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect.

All other provisions of this policy apply.



Information about Homeowners Rate Determination

When determining your premium, we consider many factors, such as your credit history, claims history, and property characteristics. You may request that Liberty Mutual re-evaluate your current homeowners insurance rate with up-to-date information using the same factors prior to your policy's expiration. If your community adds new fire protection (fire stations) or access to new hydrants close to your home, you should contact us to evaluate possible saving opportunities.

Policy rate re-evaluation is limited to one request per policy period, and may result in a quoted premium either higher or lower. If you would like your policy re-evaluated, please call us at 1-800-787-1147 and a representative will be happy to assist you.



NOTICE OF PRIVACY POLICY

Liberty Mutual* values you as a customer and takes your personal privacy seriously. When you request a rate quotation, apply for insurance, request changes to your insurance policy or submit a claim, you disclose information about yourself or members of your family. This notice tells you how we treat the information we collect about you.

1. INFORMATION WE MAY COLLECT

We collect information about you from:

- Applications or other forms you complete, and information you provide to us over the telephone;
- Your business dealings with us and other companies;
- Your employer or association for Liberty Mutual Group products;
- Consumer reporting agencies, Motor Vehicle Departments, inspection services and medical providers; and
- Visits to our Liberty Mutual website.

2. TYPES OF INFORMATION WE MAY DISCLOSE

We may disclose the following about you:

- Information from your application or other forms, such as your name, date of birth, address, social security number, vehicle and driver information;
- Information about your transactions with us, our affiliates or others, such as your insurance coverages, payment history, and certain claims information; and
- Information we receive from third parties, such as your motor vehicle records and claims history.

3. TO WHOM INFORMATION MAY BE DISCLOSED

We do not disclose personal information about you to anyone unless allowed by law. We are allowed by law to provide information to:

- A third party that performs services for us, such as claims investigations, medical examinations, inspections, and appraisals or for roadside assistance or the repair of your vehicle if you have a claim;
- Our affiliated companies and reinsurers;
- Insurance regulators and reporting agencies;
- Consumer reporting agencies to obtain loss history information, motor vehicle reports, or credit report information where permitted by law;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions or to confirm your compliance with compulsory motor vehicle liability insurance laws;
- Law enforcement agencies or other government authorities to report suspected illegal activities;
- A person or organization conducting insurance actuarial, or research studies;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement with banks, credit unions, and affinity partners, or providers of annuity and financial products and services offered through us to our customers; and
- As otherwise permitted by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. These safeguards comply with applicable laws. We retain your information for as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies. Any information we share with third parties, such as those organizations which perform a service for us or market our products, is subject to appropriate confidentiality protections and may be used only for the purposes intended.

*This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates that provide personal automobile, homeowners, life insurance and annuities: Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Company of America, Liberty Northwest Insurance Corporation, Liberty Life Assurance Company of Boston, Liberty County Mutual Insurance Company (Texas only), Liberty Lloyds of Texas Insurance Company, LM Property and Casualty Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Personal Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, LM General Insurance Company, American States Preferred Insurance Company, Consolidated Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company and Wausau Business Insurance Company.

EXHIBIT B



11 March 2017

VIA U.S. MAIL

VIA E-MAIL, brontevallejo01@libertymutual.com

Liberty Mutual Insurance
Attn: Bronte Vallejo
Attn: Legal Department
P.O. Box 970
Mishawaka, IN 46546

Re: *Ryan and Kate McFarland*
Policy No. H37-268-002117-70 6 3
Claim No. 035084431

Dear Ms. Vallejo,

This firm represents Ryan and Kate McFarland (hereinafter, respectively “Mr. and Mrs. McFarland”) in their efforts to recover from Liberty Mutual the amounts owed to them under the above-referenced policy (the “Policy”), following the above-referenced claim (the “Claim”). Mr. and Mrs. McFarland suffered significant damage after a pipe in the dwelling on the property (hereinafter the “Property”) insured under the Policy burst, causing extensive damage to the dwelling on the Property. You have recently stated that you believe that the damage was sustained on an “Other Structure” on the Property, and therefore the limits of the policy have been exhausted short of payment of the entire amount of the Claim. The purpose of this letter is to (i) outline the facts giving rise to the Claim; (ii) identify why your application of the Policy is incorrect, and (iii) demand that you confirm that the limits of the policy relative to “Dwelling” will apply and that the claim will be paid in full.

I. Facts

1. In or about 2012, Mr. and Mrs. McFarland purchased the Policy for the Property located at 138 Castle Mountain Drive, Garden Valley, Idaho 83622.
2. At the time of applying for and purchasing the Policy, Mrs. McFarland described, verbally over the telephone to a Liberty Mutual representative, that the Property is approximately 1 acre in size, and the home includes a kitchen, bath, and a bedroom, and that a second bedroom is located above the garage. The garage includes a recreation/work/reading space with a ping-pong table, desk, and library shelves. There is one “Other Structure”: a small geothermal well/pump house. The cabin and garage with recreational/work/reading space and upstairs bedroom collectively constitute the



McFARLAND RITTER

“dwelling.” The entire dwelling, including the garage, recreation/work/reading space, and upstairs bedroom are not leased out to others, but are routinely used as “dwelling” space: members of the household sleep in and otherwise inhabit the bedroom, and recreate, work, and read in the recreation/work/reading space (see: photos of ping-pong table, desk, books, and clothing in the garage submitted with the claim documents online).

3. The home is heated by geothermal water: the kitchen, bath, and one bedroom are heated via a heat exchanger and forced air; the garage, recreation/work/reading space, and upstairs second bedroom are heated by radiant geothermal heat.
4. On or about February 15, 2017, the radiant heater in the second bedroom above the garage and recreation/work/reading space burst, sending 180-degree water pouring on floor and walls of the bedroom, and streaming onto the ceiling of the garage and recreation/work/reading space below. No one was at the home at the time of the break, so for approximately two to three days, enormous amounts of water and steam destroyed all of the insulation and drywall, doors, overhead garage doors, and plumbing and electrical components of the bedroom, garage, and recreation/work/reading space. Most of the contents of those rooms were destroyed as well, including without limitation a queen bed, leather sofa recliner, ping pong table, desk, bookshelves, etc.
5. On February 17, 2017, Mr. McFarland discovered the broken pipe and immediately shut the water off and secured the premises. Water and heat were shut off to the entire Property. That same day Mr. McFarland submitted, and Liberty Mutual accepted, the Claim.
6. On February 18, 2017, ServePro began water remediation efforts and a plumber made a first visit to the property to ensure that water and heat were operating in the bath, kitchen, and bedroom, bypassing the second bedroom, garage, and recreation/work/reading area.
7. On February 23, 2017, ServePro reported that a small amount of water was continuing to emanate from the broken pipe.
8. On February 24, 2017, the plumber made a second trip to the cabin and discovered that one or more water valves had failed during the bypass efforts. The plumber capped the water pipes near the faulty valves so that water would be stopped entirely from continuing to leak.
9. On February 25, 2017, Perry Thatcher, Liberty Mutual’s contracted field adjuster, inspected the Property.
10. On March 9, 2017, you advised Mr. McFarland by e-mail that you had issued payment for \$13,206.26.



11. On March 11, 2017, you advised Mr. McFarland by telephone that coverage for the Claim was limited to the \$22,350 (plus 5% for debris disposal) available for the “Other Structures on Insured Location, rather than the \$188,500 limit for “Dwelling with Expanded Replacement Cost” listed on the Disclosures.

II. Application of the Policy.

There is no dispute that there is coverage under the Policy. Liberty Mutual has accepted coverage.

Mr. and Mrs. McFarland reject your efforts to limit the claim to the “Other Structures” portion of the policy as manifestly wrong, unreasonable, and a bad faith claims settlement practice.

The applicable limit of the Policy for this Claim are the limits for “Dwelling with Expanded Replacement Cost.” That is the clear, unambiguous meaning of the Policy: Section 1, Coverage A, subsection 1 defines “dwelling” as “the ‘residence premises’ show in in the Declarations, including structures attached to the dwelling.” “Residence premises” is defined as “The one family dwelling . . . or . . . *That part of any other building where you reside* and which is shown as the ‘residence premises in the Declarations” (Policy, Definitions, section 8) (emphasis added). “Dwellings” are distinguished from “Other Structures” as those “set apart from the dwelling by clear space” (Coverage B), i.e., non-dwelling structures on the Property. The bedroom, garage, and recreational/work/reading space is indisputably part of the “dwelling” (by contrast, the pump house, though not subject to this Claim, is not a “dwelling,” but an “Other Structure”):

1. It share the same address as the rest of the home;
2. It has a bedroom, complete (prior to the water damage) with bed and couch;
3. Household members regularly occupy and sleep in the bedroom;
4. The recreational/work/reading space is routinely used for its stated purposes;
5. The bedroom and recreational/work/reading space is heated and has (had) lighting for regular, continuous, protracted use, i.e., “dwelling.”

Liberty Mutual’s attempt to limit its liability to “Other Structures” is a bad faith claims practice prohibited by Idaho Code section 41-1329, which provides, in relevant part:

[C]ommitting or performing any of the following acts or omissions intentionally . . . shall be deemed to be an unfair method of



competition or an unfair or deceptive act or practice in the business of insurance:

(1) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;

.....

(6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

(7) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds. . . .

Liberty Mutual's illegitimate application of "Other Structures" policy limits constitutes tortious conduct under Idaho case law:

This Court has indicated, if only implicitly, that an insurer's bad faith in settling the first party claims of its insured may give rise to an independent action in tort. . . .

An action in tort provides a remedy for harm done to insureds though no breach of an express contractual covenant has occurred and where contract damages fail to adequately compensate insureds. While punitive damages are available on contract actions in Idaho, the requirement that contract damages be foreseeable at the time of contracting, in some cases would bar recovery for damages proximately caused by the insurer's bad faith. The measurement of recoverable damages in tort is not limited to those foreseeable at the time of the tortious act;

.....

Because of the disparity in bargaining power and the nature of the contract, the insurer receives both premium and control. In first-party situations the insurer sets the conditions for both presentment and payment of claims. In both first- and third-party situations the contract and the nature of the relationship effectively give the insurer an almost adjudicatory responsibility. The insurer evaluates



the claim, determines whether it falls within the coverage provided, assesses its monetary value, decides on its validity and passes upon payment. Although the insured is not without remedies if he disagrees with the insurer, the very invocation of those remedies detracts significantly from the protection or security which was the object of the transaction. Thus, the insurance contract and the relationship it creates contain more than the company's bare promise to pay certain claims when forced to do so; implicit in the contract and the relationship is the insurer's obligation to play fairly with its insured. Thus, where an insurer "intentionally and unreasonably denies or delays payment" on a claim, and in the process harms the claimant in such a way not fully compensable at contract, the claimant can bring an action in tort to recover for the harm done. The availability of an action for bad faith will provide incentive to insurers to honor their implied covenant to the insureds.

White v. Unigard Mut. Ins. Co., 730 P.2d 1014, at 1017–19 (Idaho 1986) (*internal citations and quotations omitted*).

While Mr. and Mrs. McFarland believe that the plain language of the Policy makes this Claim indisputably covered by the policy limits for "Dwelling with Expanded Replacement Cost," at a minimum the Policy is ambiguous as to whether the bedroom, garage, and recreational/work/reading area is a "dwelling" or "other building." In cases of such ambiguity, the Policy will be construed in favor of Mr. and Mrs. McFarland, and against Liberty Mutual:

A provision that seeks to exclude the insurer's coverage must be strictly construed in favor of the insured. The "burden is on the insurer to use clear and precise language if it wishes to restrict the scope of its coverage."

.....

We are compelled to strictly construe the exclusionary provision in favor of the insured and the insurance company bears the burden to use clear and precise language when restricting the scope of coverage. It is unclear whether "outbuildings" covers the buildings defined in separate structures or the attached structures defined under dwelling. Unlike the other clear and detailed exclusionary provisions, the "Outbuildings" provision fails to reference any other part of the contract. Therefore, because Farmers has not met



its burden to use clear and precise language in this particular exclusionary provision, we hold the “Outbuildings” exclusionary provision is ambiguous and reverse the district court’s grant of summary judgment to Farmers.

Arreguin v. Farmers Ins. Co. of Idaho, 180 P.3d 498, 502 (Idaho 2008)

III. Demand

Based on the foregoing, Mr. and Mrs. McFarland demand that you confirm, no later than March 24, 2017, that Liberty Mutual will honor the policy limits applicable to “Dwelling with Expanded Replacement Cost.” Please be advised that, should Liberty Mutual continue to dispute the applicable coverage limits beyond March 24, 2017, Mr. and Mrs. McFarland will bring a first-party action against Liberty Mutual for enforcement of the Policy, a declaration that the “Dwelling with Expanded Replacement Cost” limits apply to the Claim, damages for Liberty Mutual’s bad faith, and will seek recovery of their attorneys’ fees and costs.

Mr. and Mrs. McFarland have not determined the total value of their Claim; they are continuing to obtain repair estimates from professionals. Further, they have not yet determined the value of the loss to their contents. Mr. and Mrs. McFarland send this letter in an effort to settle their claim without litigation, and all rights with respect thereto are reserved. If you have any questions, please don’t hesitate to contact me.

Sincerely,

/s/ signed electronically to avoid delay

Ryan T. McFarland
Legal Counsel

McFARLAND RITTER



EXHIBIT C

Contents - Proof of Loss

Description	Value	Supporting Documentation
Bathroom Cabinet	\$ 179.00	http://www.homedepot.com/p/Glacier-Bay-Hampton-24-in-W-x-21-in-D-x-33-5-in-H-Vanity-Cabinet-Only-in-White-HWH24D/202696858
Table Tennis Table	\$ 199.99	http://www.dickssportinggoods.com/p/stiga-master-series-st2100-indoor-table-tennis-table/16sgau2pcst2100tbtg?&color=Black
Metal Queen Bedframe	\$ 120.00	http://www.icpenney.com/extreme-bed-frame/prod_jump?ppid=19e21dd&catId=cat100240132&deptId=dept20000011&urlState=/g/queen-mattresses/N-bwo3vD1nohs4Z1z141nx
Queen Mattress	\$ 1,075.00	http://www.icpenney.com/serta-sertapedic-sunnyjune-firm-mattress-box-springs/prod_jump?ppid=ppr5007228710&catId=cat100240132&deptId=dept20000011&urlState=/g/queen-firm-mattressbox-springs-mat
Queen Boxspring	\$ -	See above
Metal Folding Chairs (2)	\$ 72.00	http://www.homedepot.com/p/Flash-Furniture-Hercules-Series-Triple-Braced-Double-Hinged-Black-Metal-Folding-Chair-HF3MC309ASBK/301092602
Mattress Pad	\$ 29.99	http://www.icpenney.com/icpenney-home-classic-mattress-pad/prod_jump?ppid=pp5002370276&catId=SearchResults&searchTerm=mattress%20pad
Bed Pillows (2)	\$ 48.00	http://www.icpenney.com/icpenney-home-classic-2-pack-pillows/prod_jump?ppid=pp5005630513&catId=SearchResults&searchTerm=pillows&N=4294944063
Small Décor Pillow	\$ 18.99	http://www.icpenney.com/carnival-stripe-decorative-pillow/prod_jump?ppid=pp5004110299&catId=SearchResults&searchTerm=decorative%20pillow
Green Metal Stand	\$ -	See Christmas Tree, below
Wood Piece with Broken Shelves	\$ 7.48	http://www.homedepot.com/p/Lewis-Hyman-16-in-L-x-5-in-W-Profile-Espresso-Shelf-Kit-9085822/206337927
BB Gun	\$ 129.99	http://www.dickssportinggoods.com/p/black-ops-ignite-m4-viper-airsoft-gun-black/15bpsubckpsm4vprsg?&color=Black
Wooden Built in Shelf	\$ 166.34	http://www.homedepot.com/p/Rubbermaid-4-Shelf-48-in-x-16-in-Laminate-Storage-Shelves-in-Black-with-47-in-Upright-and-Extension-Kit-1937612/205853705
Vacuum Hose	\$ 13.98	http://www.homedepot.com/p/HDX-3-5-ft-Connector-Hose-for-Automatic-Cleaners-69200/203796281
Craftsman Shop Vac (5.0 HP)	\$ 79.99	http://www.sears.com/craftsman-xsp-12-gallon-5-5-peak-hp-wet-dry/p-00912006000P?plpSellerId=Sears&prdNo=1&blockNo=1&blockType=G1
Metal Chair with Bamboo	\$ 267.02	https://www.etsy.com/listing/454337838/rare-beautiful-original-mid-century?ref=market
Christmas Tree	\$ 139.50	http://www.homedepot.com/p/GE-7-5-ft-Pre-Lit-LED-Just-Cut-Frasier-Fir-Artificial-Christmas-Tree-with-EZ-Light-Technology-and-Warm-White-LED-Lights-01675HD/206768296
Pool Noodle	\$ 1.98	http://www.homedepot.com/p/Swim-Ways-55-in-x-2-375-in-Swim-Noodle-12329/204347998
Saws	\$ 12.99	https://www.amazon.com/Husky-12-Combination-Bowsaw-Hacksaw/dp/B00E69M0TU/ref=cm_cr_arp_d_product_top?ie=UTF8
Motor Oil (2)	\$ 23.98	https://www.zoro.com/castrrol-castrrol-2t-snowmobile-oil-001540/i/G5430321/?gclid=CjwKEAjwh9PGBRCfso2n3ODgvUcSJAAhpW5og8-8ylE8ebArGysxYwAs4YBCderDf4gIL8T6dPkFyBoCWc7w_wcB
Cable	\$ 16.97	http://www.homedepot.com/p/CE-TECH-50-ft-18-Gauge-RG-6-Coaxial-Cable-Black-RG6-COAX-CABLE-Black-50-ft/203717795
Work Bench	\$ 109.99	http://www.homedepot.com/p/Husky-42-in-DIY-Workbench-with-Full-Length-Steel-Shelves-SO-382B/204065014
Metal Cabinet	\$ 275.00	https://www.uline.com/Product/Detail/H-1105GR/Storage-Cabinets/Industrial-Metal-Storage-Cabinet-36-x-18-x-72-Unassembled-Gray?pricode=WY816&gadtype=pla&id=H-1105GRQ&gclid=Cj0KEQjwqtjGBRD8yfi5
Window Air Conditioner	\$ 189.00	http://www.homedepot.com/p/Frigidaire-5-000-BTU-Window-Air-Conditioner-FFRE053351/206673485
Shop Light (3)	\$ 38.91	http://www.homedepot.com/p/Lithonia-Lighting-2-Light-White-T12-Fluorescent-Shop-Light-1233-SHOPLIGHT/203081577
3-Drawer Storage Container	\$ 46.99	https://www.wayfair.com/Sterilite-3-Drawer-Storage-Chest-29308001-L365-K-YEH1070.html?refid=GX103069596603-YEH1070&device=c&ptid=168793564323&targetid=pla-168793564323&gclid=Cj0KEQjwqtjGBF
Bookcase	\$ 17.09	http://www.target.com/p/3-shelf-bookcase-espresso-room-essentials/-/A-23969216
20 cans, assorted foods	\$ 120.00	http://gccannery.blogspot.com/
Area Rug	\$ 59.00	http://www.target.com/p/roma-overdyed-rug-threshold/-/A-52334701
High Back Chairs (2)	\$ 899.98	https://www.rcwillev.com/Furniture/Living-Room/Chairs/Stationary/Fabric/4812018/Nightingale-Grey-Wing-Chair---Andrea-View.jsp
Leather Reclining Sofa	\$ 999.99	https://www.rcwillev.com/Furniture/Living-Room/Sofas/Reclining/0813-3000M-B122/110102983/Brown-Leather-Match-Manual-Reclining-Sofa---Siena-View.jsp
Sub Total:	\$ 5,359.14	
6% sales tax	\$ 321.55	
Total	\$ 5,680.69	

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[IKV8aAgvE8P8HAQ](#)



Content Items List With Images

McFarland / 035084431

Prepared for: Unknown
Prepared on: Mar 15, 2017
Prepared by: Elizabeth Byce
Carrier: State Farm
Loss Type: Water

Inside This Report

Garage
Bonus Room



McFarland Ryan

035084431

Room: Garage

#1 1 BATHROOM CABINET: 24"X18" KEERH1ZU (R - VAULT20 {FE9RQ5UN})

Replacement



#2 1 TABLE-TENNIS TABLE KJNRE7XK

Replacement

General Notes

Rust, table top peeling off



McFarland Ryan

035084431

#3 1 METAL QUEEN BEDFRAME KQZWAN5K

Replacement



#4 1 QUEEN MATTRESS KKYOEGYV

Replacement



#5 1 QUEEN BOXSPRING KPUM82RK (R - VAULT20 {FE9RQ5UN})

Replacement



McFarland Ryan

035084431

#6 2 METAL FOLDING CHAIRS K8AMWWUA (R - VAULT20 {FE9RQ5UN})

Replacement



#7 1 MATTRESS PAD K81E9QMD (R - VAULT20 {FE9RQ5UN})

Replacement



#8 2 BED PILLOWS K7YFMHN4 (R - VAULT20 {FE9RQ5UN})

Replacement



#9 1 SMALL DECOR PILLOW K92KV5GK

Replacement



McFarland Ryan

035084431

Replacement

#10 1 GREEN METAL STAND 14349897



#11 1 WOOD PIECE WITH BROKEN SHELVES 14349898

Replacement



#12 1 BB GUN 14349899

Replacement



#13 1 WOODEN BUILT IN SHELF 14349900

Replacement



McFarland Ryan

035084431

#14 1 VACUUM HOSE 14349901

Replacement



#15 1 CRAFTSMAN SHOP VAC 14349902

Replacement



#16 1 METAL CHAIR WITH BAMBOO 14349903

Replacement



#17 1 3 PIECE CHRISTMAS TREE AND POOL NOODLE 14349904

Replacement



McFarland Ryan

035084431

Replacement

#18 1 SAW, OILS, CABLE 14349905



#19 1 WORK BENCH 14350216

Replacement



#20 1 METAL CABINET 14350217

Replacement



#21 1 AIR CONDITIONER 14350218

Replacement



McFarland Ryan

035084431

#22 1 SHOP LIGHTS 14350219

Replacement



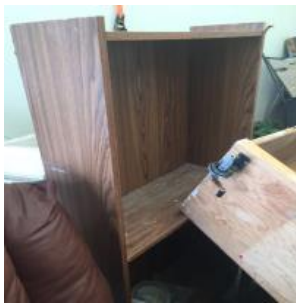
#23 1 3 DRAWER STORAGE CONTAINER 14350220

Replacement



#24 1 BOOKCASE 14350221

Replacement



#25 1 20 CANS OF ASSORTED FOOD 14350222

Replacement



Total Line Items In Garage Location: 25

McFarland Ryan

035084431

Room: Bonus Room

#26 1 AREA RUG K7AN401U

Replacement



#27 2 HIGH BACK CHAIRS K79KJ828

Replacement



#28 1 14326621

Replacement



Total Line Items In Bonus Room Location: 3

Total Line Items Per Job: 28

Robert A. Anderson, ISB No. 2124
Robby J. Perucca, ISB No. 7001
ANDERSON, JULIAN & HULL LLP
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Post Office Box 7426
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Telephone: (208) 344-5800
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Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546

**DEFENDANT'S ANSWER AND
DEMAND FOR JURY TRIAL**

TO: PLAINTIFF, and their attorneys of record:

COMES NOW the above-entitled Defendant, Liberty Mutual Group, Inc., by and through their counsel of record, Anderson, Julian & Hull LLP, and answers Plaintiffs' Complaint as follows:

FIRST DEFENSE

The Complaint fails to state a claim against Defendant upon which relief can be granted.

SECOND DEFENSE

1)

Defendant denies each and every allegation of the Complaint not herein expressly and specifically admitted.

2)

With respect to the allegations contained in Paragraph 2 of the Complaint, Defendant admits only that the correct corporate name of the party defendant is Liberty Mutual Insurance Group, Inc., which is a company incorporated in Massachusetts and authorized to conduct business in the state of Idaho.

3)

Paragraphs 3, 4, 5 of the Complaint state legal conclusions for which no admission or denial is necessary. To the extent these paragraphs can be construed to state factual allegations, such allegations are denied.

4)

With respect to the allegations contained in Paragraph 6 of the Complaint, Defendant admits only that that in September 2015, Plaintiffs requested insurance coverage for property located at 138 Castle Mountain Drive, Garden Valley, Idaho (hereinafter "subject property"). Defendant denies the remainder of the allegations in Paragraph 6.

5)

Defendant does not have personal knowledge of the allegations contained in Paragraph 7 of the Complaint, which details representations allegedly made by Plaintiffs in connection with their application for insurance for the subject property and, on that basis, denies the allegations.

6)

With respect to the allegations contained in Paragraph 8 of the Complaint, Defendant admits only that it issued a policy of insurance for the subject property (Policy No. H37-268-805898-70), effective September 20, 2016. Defendant denies the remainder of the allegations contained in Paragraph 8.

7)

With respect to the allegations contained in Paragraphs 9-10 of the Complaint, Defendant admits only that the insurance coverage for the subject property is described in the written declarations and policy, subject to certain deductibles, limitations, definitions and exclusions. Defendant denies the remainder of the allegations contained in Paragraphs 9-10.

8)

With respect to the allegations contained in Paragraphs 11 of the Complaint, Defendant asserts that the written terms and conditions of the insurance policy speaks for itself and must be reasonably construed together and as a whole. As a result, Defendant denies the allegations contained in Paragraph 11 insofar as the stated terms and definitions in the allegations are not set forth in the proper context with other applicable terms and conditions in the policy.

9)

Defendant denies the allegations contained in Paragraph 12 of the Complaint.

10)

Defendant has insufficient information regarding the allegations contained in Paragraph 13 of the Complaint and, on that basis, denies the allegations.

11)

With respect to the allegations contained in Paragraphs 14-15 of the Complaint, Defendant admits only that the Plaintiffs reported a water damage claim associated with the subject property that may have occurred on or around February 15, 2017. Defendant denies the remainder of the allegations contained in Paragraphs 14-15, many of which are not within Defendant's personal knowledge.

12)

With respect to the allegations contained in Paragraph 16 of the Complaint, Defendant admits only that Plaintiffs reported the claim on or about February 17, 2017.

13)

Defendant denies the allegations contained in Paragraph 17 to the extent it can be construed as implying that Defendant previously took the position that there was full coverage for the claim without limitation or reference to the policy's terms and conditions. Defendant did provide coverage for the claim pursuant to the dictates of the policy.

14)

With respect to the allegations contained in Paragraph 18 of the Complaint, Defendant admits only that Plaintiff was instructed regarding his ability to utilize a disaster remediation company of his choice. Defendant denies the remainder of the allegations contained in Paragraph 18.

15)

With respect to the allegations contained in Paragraph 19 of the Complaint, Defendant admits only that it did not have or express any objections to the Plaintiffs' choice of utilizing ServPro to conduct remediation work consistent with its expertise at the subject property.

16)

With respect to the allegations contained in Paragraph 20 of the Complaint, Defendant admits only that it did not have or express any objections to the Plaintiffs' choice of utilizing a particular plumbing professional to conduct certain remediation work and repairs to the subject property in connection with the claim.

17)

With respect to the allegations contained in Paragraphs 21-22 of the Complaint, Defendant does not have any personal knowledge of the observations made by a third party, ServPro and, therefore, cannot fairly admit or deny the allegations. On that basis, the allegations contained in Paragraphs 21-22 are denied.

18)

With respect to the allegations contained in Paragraph 23 of the Complaint, Defendant only admits that a field adjuster, at Defendant's request, inspected the subject property in connection with the insurance claim. Defendant denies the remainder of the allegations contained in Paragraph 23.

19)

With respect to the allegations contained in Paragraphs 24-25 of the Complaint, Defendant admits that in March 2017, it issued payment to ServPro in the amount of \$10,261.14

in connection with the claim and issued payment to the Plaintiffs in the amount of \$13,206.36 in connection with the claim. Defendant denies the remainder the allegations contained in Paragraphs 24-25.

20)

With regard to the allegations contained in Paragraph 26 of the Complaint, Defendant admits only that it took the position with respect to the adjustment of the claim that the limit applicable to the claim was governed under the “Other Structures on Insured Location” coverage and that it paid the claim on the basis of those limits. Defendant denies the remainder of the allegations contained in Paragraph 26.

21)

With respect to the allegations contained in Paragraph 27 of the Complaint, Defendant admits only that it received notice from Plaintiffs that they disagreed with Defendant’s coverage position pursuant to the claim. Defendant denies the remainder of the allegations contained in Paragraph 27.

22)

With respect to the allegations contained in Paragraph 28 of the Complaint, Defendant admits only that it has communicated to Plaintiffs that it disagreed with the Plaintiffs’ position regarding coverage for the claim. Defendant denies the remainder of the allegations contained in Paragraph 28.

23)

Defendant does not have personal knowledge of the facts alleged in Paragraph 29 of the Complaint and, therefore, cannot fairly admit or deny them. On this basis, the allegations are denied.

24)

With respect to the allegations contained in Paragraphs 30-32 of the Complaint, Defendant admits only that Plaintiffs continued to submit demands for additional payments in connection with the claim after Defendant had communicated its coverage position and paid the applicable limits for the claim. Defendant denies the remainder of the allegations contained in Paragraphs 30-32.

25)

Defendant does not have personal knowledge of the facts alleged in Paragraph 33-34 of the Complaint and, therefore, cannot fairly admit or deny them. On this basis, the allegations are denied.

26)

Defendant denies the allegations contained in Paragraph 35 of the Complaint.

27)

The allegations contained in Paragraphs 36, 40, 45, 53, 57 and 62 of the Complaint merely restate, summarize or refer to previous allegations asserted in the pleading and, therefore, do not require an admission or denial. To the extent such allegations require a response, Defendant denies the allegations.

28)

The allegations contained in Paragraphs 37, 41, 42, 46, 47, 51 and 55 state legal conclusions that do not require an admission or denial. To the extent such allegations may be construed as factual allegations, Defendant denies such allegations.

29)

Defendant denies the allegations contained in Paragraphs 38, 39, 43, 44, 48, 49, 50, 52, 54, 56, 58, 59, 60, 61 and 63.

30)

Defendant denies the allegations contained under the heading “Prayer for Relief” stated by Plaintiffs in the Complaint.

THIRD DEFENSE

Plaintiffs may have been responsible for negligent and careless misconduct at the time of and in connection with the matters and damages alleged, which misconduct on their part proximately caused and contributed to said events and resultant damages, if any.

FOURTH DEFENSE

Plaintiffs’ claim to benefits under the policy of insurance is fairly debatable.

FIFTH DEFENSE

The Plaintiffs are not entitled to any extra-contractual damages as a result of the allegations in the Complaint.

SIXTH DEFENSE

The Defendant met its obligations under the policy, conducted a reasonable investigation and otherwise did not prejudice the rights of the Plaintiffs under the insurance contract.

SEVENTH DEFENSE

Plaintiffs’ damages, if any, were proximately caused by the superseding, intervening negligence, and omissions or actions, of other third persons, and any negligence or breach of

duty on the part of Defendant, if any, was not a proximate cause of the alleged loss to Plaintiffs. In asserting this defense, Defendant does not admit to any negligence or blameworthy conduct.

EIGHTH DEFENSE

Plaintiffs had, and continue to have, the ability and opportunity to mitigate the damages alleged with respect to the subject matter of this action, and have failed to mitigate said damages, if any were in fact incurred.

NINTH DEFENSE

Plaintiffs have waived, or by their conduct are estopped from asserting, the causes of action contained in the Complaint.

TENTH DEFENSE

Plaintiffs are not entitled to the recovery of the damages or costs/attorney's fees asserted in the Complaint pursuant to Idaho Code § 41-1839.

ELEVENTH DEFENSE

Defendant has performed its obligations under the insurance contract in good faith and in accordance with applicable law and the terms and conditions of the contract.

TWELFTH DEFENSE

Other third persons or parties, not in Defendant's control, were guilty of negligent and careless misconduct at the time of and in connection with the matters and damages alleged, which misconduct on their part proximately caused and/or contributed to said events and Plaintiffs' resultant damages, if any.

THIRTEENTH DEFENSE

Defendant reserves the right to assert additional defenses to which it may be entitled under the law, including case law, statutes and rules which apply to the claims asserted by Plaintiffs.

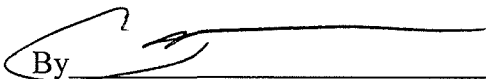
WHEREFORE, Defendant prays that Plaintiffs take nothing by their Complaint, that the same be dismissed, and that Defendant be awarded its costs of suit and attorney fees, and such other and further relief as the Court deems just.

JURY DEMAND

Defendant demands a trial by jury on all issues so triable and makes such demand in accordance with the Idaho Rules of Civil Procedure.

DATED this 11th day of August, 2017.

ANDERSON, JULIAN & HULL LLP

By 


Robby J. Perucca, Of the Firm
Attorneys for Defendant

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 11th day of August, 2017, I served a true and correct copy of the foregoing **DEFENDANT'S ANSWER AND DEMAND FOR JURY TRIAL** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

- | | |
|-------------------------------------|----------------------------|
| <input type="checkbox"/> | U.S. Mail, postage prepaid |
| <input type="checkbox"/> | Hand-Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |
| <input type="checkbox"/> | E-Mail |
| <input checked="" type="checkbox"/> | iCourt |



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Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

MEMORANDUM IN SUPPORT OF
PLAINTIFFS' MOTION FOR PARTIAL
SUMMARY JUDGMENT

Plaintiffs Ryan McFarland and Kathryn McFarland (“Mr. and Mrs. McFarland” or, “the McFarlands”), by and through their attorneys of record, McFarland Ritter PLLC, respectfully file this Memorandum in Support of their Motion for Partial Summary Judgment against Defendant Liberty Mutual Group, Inc. (“Defendant”).

I. INTRODUCTION

Mr. and Mrs. McFarland have owned vacation property (the “Cabin”) in Boise County, Idaho since 2010. During that time, the Cabin has been insured by Defendant. The McFarlands renew the homeowners’ insurance policy (the “Policy”) on an annual basis and have always paid the required policy premiums timely and in full.

When Mrs. McFarland originally contacted Defendant to apply for insurance coverage she described the Cabin as being heated by geothermal water, and consisting of a main house and a detached garage (the “Garage”) and a bedroom (the “Bonus Room”) above the Garage. Mrs. McFarland explained that the Bonus Room contained a bed and a couch, and that the Bonus Room and Garage were part of the dwelling. Defendant issued the McFarlands a policy (the “Policy”), with an insurance limit of \$221,600.00 on the “Dwelling” and a limit of \$22,160.00 on all “Other Structures.” The Policy provides coverage for “Personal Property” in the amount of \$166,200.00.

In February 2017, while the McFarlands were absent from the Cabin, a geothermal radiant heater failed in the Bonus Room. Because no one was present at the Cabin when the heater failed, extremely hot water spewed, unabated, out of the failed heater for approximately two days, completely saturating the floor and lower walls of the Bonus Room and destroying the ceiling and interior walls of the Garage below. All of the furniture and most of the other contents (collectively, the “Personal Property”) of the Bonus Room and Garage were a complete loss.

Immediately after discovering the deluge and shutting off the water, Mr. McFarland contacted Defendant and filed a claim (the “Claim”). Defendant’s claims agent stated that the Cabin was too remote and she could not recommend any service providers; instead, the claims agent instructed Mr. McFarland to find his own professionals to assist in remediation of the water damage and the repairs. Mr. McFarland did so, and then that water remediation company and Mr. McFarland together contacted Defendant to (i) obtain approval to use a generator and drying and heating equipment, and (ii) outline the remediation process. Defendant’s claims agent approved of the proposed actions, and Mr. McFarland and the remediation company and plumber went to work.

After the remediation work was fully performed, and while Mr. McFarland was obtaining repair bids, another claims agent contacted Mr. McFarland and stated that Defendant would not pay the entire remediation costs, even though Defendant had pre-approved the remediation plan, and further, that Defendant would not pay for all of the repairs to the Cabin. The basis for Defendant's position was that the Bonus Room and Garage were subject to the lower "Other Structures" policy limit, not the "Dwelling" policy limit.

When Mr. McFarland later submitted a claim for his lost Personal Property – via e-mail and via Defendant's on-line claims portal – Defendant not only refused to pay for any of the Personal Property, but failed to so much as respond to the Personal Property claim in any fashion.

Defendant's attempt to apply the lower "Other Structures" policy limits to the Claim, and failure to pay for the lost Personal Property, constitute breaches of the Policy. Because the terms of the Policy are clear and unambiguous, Mr. and Mrs. McFarland request that this Court enter judgment as a matter of law in favor of Mr. and Mrs. McFarland, against Defendant, as to Defendant's contractual liability. Mr. and Mrs. McFarland will prove the amount of damages and their other claims at trial.

II. STANDARD OF REVIEW

Summary judgment "shall be rendered forthwith if the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Idaho Rule of Civil Procedure 56(c). In a motion for summary judgment, the moving party has the burden of establishing the lack of a genuine issue of material fact. *Orthman v. Idaho Power Co.*, 944 P.2d 1360, 1363 (Idaho 1997). To meet this burden, the moving party must challenge in its

motion and establish through evidence that no issue of material fact exists for an element of the nonmoving party's case. *Smith v. Meridian Joint Sch. Dist. No. 2*, 719, 918 P.2d 583, 588 (Idaho 1996). The nonmoving party "may not rest upon the mere allegations or denials of that party's pleadings, but the party's response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial." I.R.C.P. 56(e).

Additionally, the nonmoving party must submit more than just conclusory assertions that an issue of material fact exists to establish a genuine issue. *Coghlan v. Beta Theta Pi Fraternity*, 987 P.2d 300, 313 (Idaho 1999). "[A] mere scintilla of evidence or only slight doubt as to the facts is not sufficient to create a genuine issue of material fact for purposes of summary judgment." *Samuel v. Hepworth, Nungester & Lezamiz, Inc.*, 996 P.2d 303, 306 (Idaho 2000).

III. ARGUMENT

A. Summary Judgment is Appropriate Because the Terms of the Contract Are Unambiguous.

Defendant admits that Mr. and Mrs. McFarland's Claim is covered by the Policy; however, Defendant has incorrectly applied the "Other Structures" coverage limit to the structural damage portion of the Claim, and inexplicably refused to cover the McFarlands' Personal Property Loss. Per the straightforward terms in the Policy, the applicable coverage limit for the structural damage under the Claim is the higher limits applicable to "Dwelling with Expanded Replacement Cost."

Determining the meaning of the language in an insurance policy is a question of law over which Idaho courts exercise free review, "including whether an insurance policy is ambiguous." *Farm Bureau Mut. Ins. Co. of Idaho v. Schrock*, 252 P.3d 98, 102 (Idaho 2011) (internal citation omitted). If the language of an insurance policy is clear, then the language will be given its plain and ordinary meaning. *Farm Bureau Ins. Co. of Idaho v. Kinsey*, 234 P.3d 739, 743 (Idaho

2010). Moreover, the “burden is on the insurer to use clear and precise language if it wishes to restrict the scope of its coverage.” *Moss v. Mic-America Fire & Marine Ins. Co.*, 647 P.2d 754, 756 (Idaho 1982).

A dispute about the meaning of an unambiguous contract should be decided on summary judgment: “Where a contract is clear and unambiguous, determination of the contract’s meaning and legal effect are questions of law to be decided by the court.” *Galaxy Outdoor Advertising, Inc. v. Idaho Transp. Dept.*, 710 P.2d 602, 606 (Idaho 1985); see also *Suchan v. Suchan*, 682 P.2d 607, 613 (Idaho 1984).

The portions of the Policy applicable to Mr. and Mrs. McFarland’s breach of contract claim concerning their damaged structure are as follows:

- The Policy Declarations states “Dwelling with Expanded Replacement Cost: \$188,500¹. Affidavit of Ryan T. McFarland in Support of Plaintiffs’ Motion for Partial Summary Judgment (hereinafter the “R. McFarland Aff.”), ¶ 6, Exh. A.
- “Dwelling” is not defined. R. McFarland Aff., ¶ 6, Exh. A.
- Section 1, Coverage A, references the dwelling as a location on the “residence premises.” R. McFarland Aff., ¶ 6, Exh. A.
- The “Residence Premises,” in the Definitions section, is of no help; it is defined as
 - a. The one family dwelling, other structures, and grounds; or
 - b. That part of any other building;where you reside and which is shown as the “residence premises in the Declarations.” R. McFarland Aff., ¶ 6, Exh. A.

A plain reading of this Policy, including application of the common meaning of “Dwelling” (because it is not otherwise defined) makes the Garage and Bonus Room covered under the “Dwelling” limits of the Policy. The McFarlands regularly reside – dwell – in the Bonus Room and Garage, which Mrs. McFarland explained to the Defendant’s representative when she first

¹ The renewal policy in place at the time of the Claim listed the limit at \$221,600.00

inquired about the Policy. Affidavit of Kathryn E. McFarland in Support of Plaintiff's Motion for Partial Summary Judgment (hereinafter the "K. McFarland Aff."), ¶ 3. Prior to the water damage, the Bonus Room above the Garage was furnished with a bed, chairs, and couch so that family members could routinely occupy and sleep in that space. R. McFarland Aff., ¶ 3. The Garage was regularly used as a recreational and work space and included Personal Property such as a ping-pong table, desk, books and clothing. K. McFarland Aff., ¶ 5. Both the Garage and Bonus Room were heated and had lighting for regular use as part of the dwelling. R. McFarland Aff., ¶ 3. These undisputed facts plainly show that the Garage and Bonus Room are part of the "dwelling" making the correct coverage limit for the damages \$221,600.00.

If Defendant wanted to restrict the scope of its coverage for the "dwelling," it could and should have used clear and precise language in the Policy definition, such as specifically excluding the Garage or Bonus Room or both from being a part of the "dwelling." Defendant's insistence that the damages to the Garage and Bonus Room is limited to the Claim's lower coverage limit for "Other Structures" is unsupported by a plain reading of the Policy, and there is no material fact or law to which Defendant can point in withstanding summary judgment on the issue of Defendant's contractual liability.

B. Even if the Terms of the Policy are Ambiguous, Summary Judgment Should be Entered in Favor of Mr. and Mrs. McFarland.

Although Mr. and Mrs. McFarland maintain that the Policy is unambiguous, this Court may find it ambiguous, such that it is unclear whether the Garage and Bonus Room is part of the "dwelling" or an "other structure." In that event, Idaho case law is clear that summary judgment should still be entered against Defendant.

To determine whether an insurance policy is ambiguous, the Court must first ask whether the policy is reasonably subject to conflicting interpretations. *Schrock*, 252 P.3d at 102 (internal

citation omitted); *Arreguin v. Farmers Ins. Co. of Idaho*, 180 P.3d 498, 501 (Idaho 2008). As the Idaho Supreme Court has explained:

If confronted with ambiguous language, the reviewing court must determine what a reasonable person would understand the language to mean. Furthermore, [b]ecause insurance policies are contracts of adhesion that are not usually subject to negotiation between the parties, **any ambiguity in a policy is construed strongly against the insurer.** To this end, where language may be given two meanings, one of which permits recovery while the other does not, **the policy should be given the construction most favorable to the insured.**

Schrock, 252 P.3d at 102 (emphasis added) (internal citations and quotations marks omitted); *see also Arreguin*, 180 P.3d at 500 (a provision that seeks to exclude coverage must be strictly construed in favor of insured).

The fact that the word “dwelling” is not defined in the Policy, when so many other terms are, is significant. While “the mere fact that a term is undefined in a policy does not make that term ambiguous if it has a settled legal meaning” (*Melichar v. State Farm Fire & Cas. Co.*, 152 P.3d 587, 592 (2007)), here there *is no* settled legal meaning of dwelling. That vagary makes the contract ambiguous, as the Idaho Supreme Court held in *Arreguin*:

Farmers cites various “outbuilding” definitions in an attempt to show that all definitions of “outbuildings” include a detached garage. These various definitions demonstrate that “outbuildings” is not necessarily subject to a single reasonable definition. For instance, one source defines “outbuilding” to include buildings both adjoining to and separate from the dwelling, and a different source defines “outbuilding” only as a detached building. Furthermore, during oral argument, Farmers was unable to say whether the pump house on Arreguin’s property would qualify as an “outbuilding.” An additional indication of ambiguity in this particular contract is that it defines many terms such as: aircraft, occurrence, residence premises, and water, but does not define “outbuilding” anywhere in the contract. *See Moss*, 103 Idaho at 301, 647 P.2d at 757 (noting that an indication of vagueness and ambiguity of the undefined terms in question was that more than

forty terms were defined in the policy and thus address questions the insured might have about coverage).

Furthermore, a provision excluding coverage is strictly construed in favor of the insured and the insurer has the burden to use clear and precise language if it is restricting the scope of its coverage. *Moss*, 103 Idaho at 300, 647 P.2d at 756. “[E]xclusions not stated with specificity will not be presumed or inferred.” *Clark*, 138 Idaho at 541, 66 P.3d at 245. If Farmers intended the “Outbuildings” provision to exclude coverage for the detached garage it could have simply used the word “garage” or similar clear and precise language to that used when it defined the “separate structures” covered under the contract.

Arreguin, 180 P.3d 498, 501 (2008). Here, the term “Dwelling” makes a \$200,000 difference in coverage: if a structure is a dwelling, it is entitled to \$221,600.00 in coverage; if not, it is entitled only to a 10% of that amount. That coverage/exclusion dichotomy is significant, and as State Farm was required in *Arreguin*, Liberty Mutual here was required to define such a material term. Their failure to do so makes the term “Dwelling” ambiguous, and the Policy must be construed in favor of Mr. and Mrs. McFarland.

In *Arreguin*, the Idaho Supreme Court decided a virtually identical case to this one, giving this Court a pattern to follow. Miguel Arreguin purchased a homeowner’s policy from Farmers Insurance Company of Idaho. *Arreguin*, 180 P.3d at 499. Farmers subsequently inspected Arreguin’s property and determined that the detached garage should be excluded from coverage, so Farmers added an “outbuilding” exclusionary provision to the policy, but nowhere in the policy was “outbuilding” defined. When Arreguin’s detached garage sustained damage from a fire, he submitted a claim on the policy which Farmers denied based on its conclusion that the garage was an “outbuilding.” *Id.* Arreguin sued Farmers for breach of contract for failing to pay for the damage to his garage. On appeal, the Supreme Court of Idaho reversed the district court’s summary judgment in favor of Farmers because it determined that “outbuildings” was

“reasonably subject to at least two differing interpretations and thus is ambiguous.” *Id.* at 462,

501. The Court held:

We are compelled to strictly construe the exclusionary provision in favor of the insured and the insurance company bears the burden to use clear and precise language when restricting the scope of coverage. It is unclear whether “outbuildings” covers the buildings defined in separate structures or the attached structures defined under dwelling. Unlike the other clear and detailed exclusionary provisions, the “Outbuildings” provision fails to reference any other part of the contract. Therefore, because Farmers has not met its burden to use clear and precise language in this particular exclusionary provision, we hold the “Outbuildings” exclusionary provision is ambiguous and reverse the district court’s grant of summary judgment to Farmers.

Id. at 463, 502. Thus, the Court found that ambiguous coverage terms in an insurance policy were to be construed broadly in favor of coverage of the insured’s claim.

The Idaho Supreme Court’s analysis and holding in *Arreguin* is directly applicable to this case. Like Farmers, Defendant insists that the coverage limit for “Other Structures” applies to Mr. and Mrs. McFarland’s Claim (R. McFarland Aff. ¶ 6, Exh. A), which makes no sense in light of the coverage available for the undefined term “dwelling.” If this Court determines that it is unclear whether the Bonus Room and Garage is part of the “dwelling” or constitutes an “other structure,” well-established case law, including *Arreguin*, mandate that the Policy be strictly construed against the insurer (Defendant) and in favor of the insured (Mr. and Mrs. McFarland) and coverage of the Claim. Therefore, this Court should grant this Motion for Partial Summary Judgment by finding, as a matter of law, that the Claim is subject to the higher Policy limits applicable to the “Dwelling with Expanded Replacement Cost.” *See Schrock*, 252 P.3d at 102 (if policy language may be given two meanings, one that permits recovery while the other does not, the policy should be interpreted most favorable to the insured).

C. The Claim Regarding Personal Property Loss is Covered Under The Policy

The Policy language applicable to Mr. and Mrs. McFarland's loss of Personal Property is as broad as it is unambiguous: Defendant "cover[s] personal property owned or used by an 'insured' while it is anywhere in the world." R. McFarland Aff. ¶ 6, Exh. A. It is undisputed that the Personal Property was damaged by the water event that damaged the Cabin. The Policy's wide-ranging statement covering personal property loss is straightforward and clear, and must be given its plain and ordinary meaning. *See Kinsey*, 149 Idaho at 419, 234 P.3d at 743. There is no excuse for Defendant completely ignoring this portion of the Claim; accordingly, this Court should find, as a matter of law, that Defendant is contractually liable for the Personal Property portion of the Claim.

IV. CONCLUSION

Based on the foregoing, Mr. and Mrs. McFarland respectfully request that this Court grant partial summary judgment in favor of Mr. and Mrs. McFarland on their breach of contract claim by finding that the policy limits applicable to the "Dwelling" apply to the Claim, and further, that Defendant is liable for the Personal property claim. Mr. and Mrs. McFarland will hereafter establish the amount of damages and their other claims.

DATED THIS 26th day of September, 2017.

By /s/ Ryan T. McFarland
Ryan T. McFarland, ISB No. 7347
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of September, 2017, I caused to be served a true copy of the foregoing MEMORANDUM IN SUPPORT OF PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt

/s/ Ryan T. McFarland

Ryan T. McFarland

McFarland Ritter PLLC
Ryan T. McFarland, ISB No. 7347
P.O. Box 1335
Meridian, ID 83680
Telephone: 208.895.1291
Facsimile: 208.895.1270
Email: ryan@mcfarlandritter.com

Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,)

Plaintiffs,)

vs.)

LIBERTY MUTUAL GROUP INC.,)

Defendant.)

Case No. CV01-17-12546

AFFIDAVIT OF KATHRYN E.
MCFARLAND IN SUPPORT OF
PLAINTIFFS' MOTION FOR PARTIAL
SUMMARY JUDGMENT

Kathryn E. McFarland, being first duly sworn upon oath, deposes and says:

1. Your affiant is one of the Plaintiffs in the above-captioned action. I make this affidavit based upon my own personal knowledge and can testify as to the truth of the matters contained herein if called upon as a witness at trial.

2. In or about September 2010, I contacted Defendant by telephone about purchasing a homeowner's policy for a vacation home (the "Cabin") that my husband, Ryan McFarland, and I own in Boise County, Idaho.


3. In my telephone conversation with Defendant's representative, I described the property on which the Cabin is located ("Property"), that the Cabin includes a kitchen, bath and a

bedroom, and that a bonus room is located above a detached garage. I explained to Defendant's representative that the bonus room and garage are regularly and continuously used by my family.

4. I also told Defendant's representative that there was another structure located on the Property – a small geothermal pump house.

5. We use the bonus room to sleep in and otherwise inhabit, and we recreate and work in the garage. Prior to the water damage, the bonus room had a bed, two wing-back chairs, and couch in it, and we had a ping-pong table, desk, books, clothing and other personal property in the garage.


Further your affiant sayeth naught.


Kathryn E. McFarland

STATE OF IDAHO)
) ss
County of Ada)

I, Jayme Danner, a Notary Public, do hereby certify that on this 25 day of September, 2017, personally appeared before me Kathryn E. McFarland, who, being by me first duly sworn, declared that she is one of the Plaintiffs in the foregoing action, that she signed the foregoing document, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


Notary Public for Idaho
Residing at: Nampa, Idaho
My commission expires: July 26, 2023

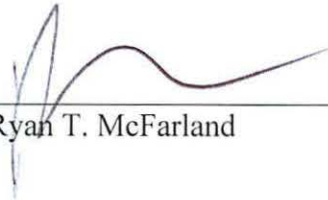


CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of September, 2017, I caused to be served a true copy of the foregoing AFFIDAVIT OF KATHRYN MCFARLAND IN SUPPORT OF PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt



Ryan T. McFarland

McFarland Ritter PLLC
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Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

AFFIDAVIT OF RYAN T.
MCFARLAND IN SUPPORT OF
PLAINTIFFS' MOTION FOR PARTIAL
SUMMARY JUDGMENT

Ryan McFarland, being first duly sworn upon oath, deposes and says:

1. Your affiant is one of the Plaintiffs in the above-captioned action. I make this affidavit based upon my own personal knowledge and can testify as to the truth of the matters contained herein if called upon as a witness at trial.

2. My wife and I have owned the real property, and improvements thereon, located in Boise County, Idaho that is the subject of this above-captioned Action since September 2010. The property includes a cabin (the "Cabin"), which consists of a main house with a kitchen, bathroom, and bedroom, and a detached garage (the "Garage") with an upstairs bonus room (the

“Bonus Room”), which we have continuously used as bedroom. There is also a non-dwelling “other structure” on the property that houses a geothermal well.

3. Until the water event giving rise to the claim (the “Claim”) that is the subject of this above-captioned Action, my wife and I continuously furnished the Bonus Room with a bed, couch, and two wing-backed chairs. The Garage housed a ping-pong table, desk, books, clothing and other personal property. Both the Garage and Bonus Room were heated and had lighting for continuous, protracted use as part of the dwelling.

4. The policy (the “Policy”) at issue in this above-captioned Action was originally issued in September 2010.

5. Since the Policy was issued, it has been renewed annually and my wife and I have always paid the premium timely and in full.

6. A true and correct copy of the most current version of the Policy terms is attached hereto as Exhibit A.

7. A true and correct copy of the renewal Policy in effect at the time of the event giving rise to the Claim is attached hereto as Exhibit B.

8. The Cabin is heated by geothermal water, which is piped through radiant heaters in the Bonus Room and Garage.

9. On or about February 15, 2017, the radiant heater in the Bonus Room failed, resulting in 180-degree (approximately) water pouring onto the floor and walls of the Bonus Room, and streaming onto the ceiling of the garage below. No one was at the Property at the time the heater burst, so for approximately two days voluminous amounts of water and steam destroyed the insulation, drywall, doors, overhead garage doors, and plumbing and electrical components of the Bonus Room and Garage. Most of the contents of these rooms were also

destroyed, including a queen bed, leather reclining sofa, ping pong table, desk, bookshelves and other miscellaneous personal property.

10. On February 17, 2017, I discovered the failed radiant heater and enormous water leak and immediately shut off the water, which meant the Cabin also had neither heat nor water.

11. Also on February 17, 2017, I submitted the Claim to Defendant by placing a call to Defendant's claims department. Defendant's claims agent admitted that the Claim was covered under the Policy, and instructed me to contact a disaster remediation company because Defendant did not have a contract remediation company in the area.

12. On February 18, 2017, I contacted ServPro to begin water remediation efforts. That same day, ServPro and I jointly contacted Defendant's claims department by telephone and obtained pre-approval to commence the remediation work. Defendant further authorized ServPro to provide a power generator and portable heating and drying equipment to the Property, and consented to me hiring a plumbing professional to restore water and heat to the Cabin while bypassing the damaged bonus room and garage. That same day, I went to the Cabin with ServPro and the plumber and commenced remediation work.

13. On February 25, 2017, Defendant's contracted field adjuster inspected the Property and told me that the water damage to the garage and bonus room was quite extensive, and the garage overhead doors and man-doors would need to be replaced.

14. On or about March 8, 2017, Defendant issued partial payment to ServPro for \$10,261.14, and a partial settlement to me in the amount of \$13,206.36. The amount paid to ServPro did not satisfy all of ServPro's charges, but left a balance of \$4,329.17 that I have had to pay myself.

15. On or about March 11, 2017, a claims agent for Defendant called to inform me that the applicable coverage limit for the structural damage under the Claim was the lower limit applicable to “other Structures on Insured Location.”

16. That same day, March 11, 2017, I sent a letter to Defendant demanding payment in full for the structural damages and repair work because the Garage and Bonus Room are, part of the Cabin dwelling. I also informed Defendant that the total value of the Claim was not yet known because I was still obtaining repair estimates and assessing the value of my ruined personal property.

17. On or about March 14, 2017, Defendant’s claim agent called me to report that Defendant was rejecting my demand for full payment.

18. On or about March 15, 2017, ServPro provided me with an inventory list of the Personal Property that ServPro had removed from the Garage and Bonus Room and deemed “non-salvageable.”

19. On or about March 25, 2017, after totaling the value of my ruined personal property, I submitted ServPro’s “non-salvageable” property list, along with proof of the property loss value (\$5,680.69), to Defendant via both Defendant’s on-line claims website (the “Claims Center” at <https://eservice.libertymutual.com>) and via e-mail. A true and correct copy of my March 25, 2017, e-mail, with attachments, is attached hereto as Exhibit C.

20. I did not receive any response to my claim for damaged personal property, so I sent a follow-up e-mail to Defendant on April 25, 2017. A true and correct copy of my April 25, 2017, e-mail is attached hereto as Exhibit D.

21. Defendant never responded to my claim for ruined personal property until after this above-captioned Action was filed.

22. Defendant has paid no more than the \$23,467.50 paid on or about March 8, 2017. The remaining amount necessary to pay ServPro, to restore the damaged Cabin, and restore the Personal Property is in excess of \$20,000.00.

Further your affiant sayeth naught.




Ryan McFarland

STATE OF IDAHO)
) ss
County of Ada)

I, Jayme Danner, a Notary Public, do hereby certify that on this 26th day of September, 2017, personally appeared before me Ryan McFarland, who, being by me first duly sworn, declared that he is one of the Plaintiffs in the foregoing action, that he signed the foregoing document, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.





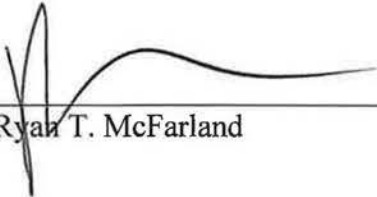
Notary Public for Idaho
Residing at: Nampa, Idaho
My commission expires: July 26, 2023

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of September, 2017, I caused to be served a true copy of the foregoing AFFIDAVIT OF RYAN MCFARLAND IN SUPPORT OF PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt



Ryan T. McFarland

EXHIBIT A

000001
Liberty Mutual
PO Box 970
Mishawaka IN 46546



Ryan T McFarland
Kathryn E McFarland
5698 E Gateway Dr
Boise ID 83716-9040

Thank you for insuring with Liberty Mutual.

This package contains your homeowners insurance policy. The declarations page summarizes your selected coverages and lists any discounts and savings that have been applied. This is the most recent copy per your request.

Please review this information and keep it with your important documents. For your reference, we have provided *A Guide to Your Declarations Page* on the reverse side of this letter.

Remember, you can visit LibertyMutual.com/register 24 hours a day to get policy information and manage your Liberty Mutual account. You can also elect to receive your policy documents electronically by selecting the Paperless options button under Your Profile on the eService homepage.

If you have any questions about your coverage, please call us at **1-800-225-8285**.

Sincerely,
Your Liberty Mutual Service Team



CONTACT US

Questions About Your Policy

By phone

For service:
1-800-225-8285
Mon - Fri 8AM-10PM EST
Sat 8AM-8PM EST
Sun 11AM-5PM EST

Visit us online

LibertyMutual.com

To report a claim

By phone

1-800-2CLAIMS
(1-800-225-2467)

Online

LibertyMutual.com/Claims

Mobile

Scan QR Code with your iPhone or Android smartphone to download the claims app or download a free reader app at www.i-nigma.mobi



GO PAPERLESS

Manage your policy 24/7 on eService

LibertyMutual.com/register

4G000023H3726880589870000000

THIS IS NOT YOUR HOMEOWNERS INSURANCE BILL.

000132



A Guide to Your Declarations Page

To help you understand where to find information on your Policy Declarations page, below are descriptions of the different sections that may appear.

For information pertaining to your own policy, please refer to the enclosed Policy Declarations Page, which declares the specific details of the insurance policy you have purchased. If you have any questions, please call us at 1-800-225-8285.

Coverage Information

Standard Policy Coverages

This section includes the basic coverages to protect your home and property with corresponding coverage limits, which are the amounts available for covered losses. Section I Coverages apply to property loss and Section II Coverages apply to liability protection for accidental bodily injury or property damage.

Additional Coverages

Optional coverages you have selected are listed in this section. These coverages enhance your policy and/or increase your limits for certain coverages.

Scheduled Property

If you elect to purchase additional coverage for specific items such as jewelry or silverware, your scheduled personal property is listed with the applicable limits.

Other Charges

If there are any additional charges applied to your policy, they will be listed in this section, and may include charges that are required by your state.

Discounts and Benefits

This section lists the discounts applied to your policy. For a list of available discounts, please visit LibertyMutual.com/home-discounts.

Endorsements

Endorsements included on your policy are listed in this section. An endorsement is a change to your policy.

Important Messages

This section contains special notes about certain coverages or state-specific information.

Please visit LibertyMutual.com/insurance-glossary for our Insurance Glossary, which includes explanations of some key terms.

This Guide is intended to provide a general explanation only and is not part of your insurance policy. The provisions, limitations and exclusions of your insurance policy, including your Policy Declarations, will determine whether a claim is covered. You should carefully review your contract for specific details pertaining to your policy.



Policy Declarations

A summary of your homeowners insurance coverage

Reason for your new declarations page: Reprint Policy Change # per Customer Request
Your declarations are effective as of 09/20/2015.



INSURANCE INFORMATION

Named Insured Ryan T McFarland Kathryn E McFarland	Policy Number H37-268-805898-70
Mailing Address 5698 E Gateway Dr Boise ID 83716-9040	Policy Period 09/20/2015-09/20/2016 12:01AM standard time at the address of the Named Insured at Insured Location.
Insured Location 138 Castle Mountain Dr Garden Valley ID 83622-5158	



QUESTIONS ABOUT YOUR POLICY?

By phone
For service:
1-800-225-8285

Liberty Mutual
PO Box 970
Mishawaka IN 46546

To report a claim

By phone
1-800-225-2467

Online
LibertyMutual.com/Claims

Premium Summary		
Standard Policy with HomeProtector Plus	\$	698.00
Additional Coverages	\$	4.00
Total 12 Month Policy Premium	\$	702.00
Your discounts and benefits have been applied to your total policy premium. Please refer to the Discounts and Benefits section for more details.		
Through your affiliation with the Alumni Association of the University of Michigan your policy includes exclusive group savings on your home insurance.		
THIS IS NOT YOUR HOME INSURANCE BILL.		



INSURANCE GLOSSARY

For definitions of insurance terms, please visit LibertyMutual.com/insurance-glossary.

Coverage Information

Standard Policy with HomeProtector Plus

Section I Coverages	LIMITS	PREMIUM
A. Dwelling with Expanded Replacement Cost	\$ 188,500	
B. Other Structures on Insured Location	\$ 22,350	
C. Personal Property with Replacement Cost	\$ 141,380	
D. Loss of Use of Insured Location	Actual Loss Sustained	

Section II Coverages

E. Personal Liability (each occurrence)	\$ 300,000
F. Medical Payments to Others (each person)	\$ 1,000

Policy Deductibles

Losses covered under Section I are subject to a deductible of: \$1,000

Total Standard Policy with HomeProtector Plus \$ 698

Additional Coverages

	DEDUCTIBLE	LIMITS	PREMIUM
Credit Card, Fund Transfer, Forgery	\$	1,000	\$ 0
Backup Of Sewer And Sump Pump Overflow Coverage	\$ 1,000	\$ 10,000	INCL
Other Structures - Increased Limits			\$ 4



Your policy includes HomeProtector Plus, which provides enhanced coverage in case of a loss. Please see your endorsement for details.

Coverage Information *(continued)*

Additional Coverages *(continued)*

	DEDUCTIBLE	LIMITS	PREMIUM
Coverage E increased limit			INCL
Total Additional Coverages			\$ 4

Discounts and Benefits

Your discounts and benefits have been applied to your total policy premium.

- Inflation Protection Discount
- Early Shopper Discount
- Multi Policy Discount - Auto
- Protective Device Discounts:
Smoke/Heat Alarm-All Floors, Extinguishers and Dead Bolt Locks
- Claims Free Discount
- Recent Home Buyer Discount
- Mortgagee Billing Discount



HOME DISCOUNTS
For more information on discounts, please visit LibertyMutual.com/home-discounts.

Endorsements — Changes to Your Policy

- LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)
- Backup Of Sewer And Sump Pump Overflow Coverage (FMHO-2062)
- Protective Devices (HO 04 16 04 91)
- Homeowner Amendatory Endorsement (FMHO 2493 0811)
- Seepage Exclusion End (FMHO 3391 1112)
- No Secll/Limit I-Daycare (HO 04 96 04 91)
- Other Structures - Increased Limits (HO 04 48 04 91)
- Fuel Storage Exclusion (FMHO-1097 1/97)
- Home Protector Plus (FMHO-1183)
- Credit Card, Fund Transfer, Forgery (HO 04 53 04 91)
- Amendmt Pol Definitions (FMHO-2934 7/04)
- Amendatory Mold End (FMHO 3370 1112)
- Special Provisions (FMHO 3405 0314)
- Inflation Protection (FMHO-2835 11 03)
- Lead Poisoning Exclusion (FMHO-976 05/92)

Mortgage Information

Mortgagee 1:

WELLS FARGO BANK
ITS SUCCESSORS AND/OR ASSIGNS
LOAN NO. 0373139765
PO Box 5708
Springfield, OH 45501

Important Messages

Flood Insurance: Your Homeowners policy **does not** provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

LibertyGuard® Deluxe Homeowners Policy Declarations
Coverage provided and underwritten by Liberty Insurance Corporation, Boston MA.

This policy, including endorsements listed above, is countersigned by:



Mark C. Touhey
Secretary



David H. Long
President



Ty Harris
Authorized Representative



LibertyGuard Deluxe Homeowners Policy

Please read your policy and each endorsement carefully.

To serve you best...

Liberty Mutual has over 350 service offices throughout the United States and Canada. Please contact your service office shown on your Declarations Page to report losses, or for any changes or questions about your insurance. Payments should be sent to the office indicated on your bill.

THIS POLICY IS NON ASSESSABLE



**LIBERTYGUARD DELUXE HOMEOWNERS POLICY
HO 00 03 EDITION 04 91**

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*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.

HOMEOWNERS 00 03 04 91

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3.a. or 3.b. above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in 3.a. or 3.b. above; or
 - (2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence and:
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;

- c. Any premises used by you in connection with a premises in 4.a. and 4.b. above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
 - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured."
8. "Residence premises" means:
 - a. The one family dwelling, other structures, and grounds; or
 - b. That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations. "Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

SECTION I - PROPERTY COVERAGES

COVERAGE A - Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and

2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - Other Structures

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

COVERAGE C - Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.
This limit includes the cost to research, replace or restore the information from the lost or damaged material.
3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 for loss by theft of jewelry, watches,

6. furs, precious and semi-precious stones.
6. \$2000 for loss by theft of firearms.
7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollow-ware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.
10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.
11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the "residence premises"; and
 - c. Is used at any time or in any manner for any "business" purpose.Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

Property Not Covered. We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances.
This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) Accessories or antennas; or
 - (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
 - b. Designed for assisting the handicapped;
4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
 6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverages 10.;
 7. Property rented or held for rental to others off the "residence premises";
 8. "Business" data, including such data stored in:
 - a. Books of account, drawings or other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media;However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or
 9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.

COVERAGE D - Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

Fair Rental Value, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal**. We will pay your reasonable expense for the removal of:
 - a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
 - b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
 - b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
 - c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;
- provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **Reasonable Repairs**. In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.

If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. Does not increase the limit of liability that applies to the covered property;
- b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. Trees, Shrubs and Other Plants. We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge. We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

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

5. Property Removed. We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.

We will pay up to \$500 for:

- a. 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;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;

c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and

d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

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.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. Loss Assessment. We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A - DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises." We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II CONDITIONS, does not apply to this coverage.

8. Collapse. We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in COVERAGE C - PERSONAL PROPERTY. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of contents, equipment, animals or people;
- e. Weight of rain which collects on a roof; or
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

9. Glass or Safety Glazing Material.

We cover:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss 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.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings. We will pay up to \$2500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

a. **Fire or lightning.**

b. **Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

c. **Explosion.**

d. **Riot or civil commotion.**

e. **Aircraft,** including self-propelled missiles and spacecraft.

f. **Vehicles.**

g. **Smoke,** meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

h. **Vandalism or malicious mischief.**

i. **Falling objects.**

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

j. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

k. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

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 the peril of freezing below; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

l. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

- m. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
- (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water.

- n. **Sudden and accidental damage from artificially generated electrical current.** This peril does not include loss to a tube, transistor or similar electronic component.
- o. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors. The \$2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, other than as provided in Additional Coverage 8.;
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 exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water;
 - 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) Foundation, retaining wall, or bulkhead; or
 - (3) 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. 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;
 - e. Any of the following:
 - (1) Wear and tear, marring, deterioration;
 - (2) Inherent vice, latent defect, mechanical breakdown;
 - (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 under Coverage C of this policy. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
- (7) Birds, vermin, rodents, or insects; or
- (8) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. Excluded under Section I - Exclusions. Under items 1. and 2., any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C - PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I - EXCLUSIONS.

1. **Fire or lightning.**
2. **Windstorm or hail.**

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow,

sleet, sand or dust enters through this opening. This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles.**
7. **Smoke**, meaning sudden and accidental damage from smoke.
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief.**
9. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.
This peril does not include loss caused by theft:
 - a. Committed by an "insured";
 - b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
 - c. From that part of a "residence premises" rented by an "insured" to other than an "insured."
This peril does not include loss caused by theft that occurs off the "residence premises" of:
 - a. Property while at any other residence owned by, rented to, or occupied by an "insured" except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
 - b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
 - c. Trailers and campers.
10. **Falling objects.**
This peril does not include loss to property

contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.
12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
This peril does not include loss:
 - a. To the system or appliance from which the water or steam escaped;
 - b. Caused by or resulting from freezing except as provided in the peril of freezing below; or
 - c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."
In this peril, a plumbing system does not include a sump, sump pump or related equipment.
13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
We do not cover loss caused by or resulting from freezing under this peril.
14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.
This peril does not include loss on the "residence premises" while the dwelling is unoccupied, unless you have used reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the system and appliances of water.
15. **Sudden and accidental damage from artificially generated electrical current.**
This peril does not include loss to a tube, transistor or similar electronic component.
16. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

SECTION I - EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 - a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
 - b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:
 - (1) Fire;
 - (2) Explosion; or
 - (3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

- c. **Water Damage**, meaning:
 - (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) Water which backs up through sewers or drains or which overflows from a sump; or
 - (3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.
- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises. "But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including the following and any consequence of any of the following:
 - (1) Undeclared war, civil war, insurrection, rebellion or revolution;
 - (2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.
- h. **Intentional Loss**, meaning any loss arising out of any act committed:
 - (1) By or at the direction of an "insured"; and
 - (2) With the intent to cause a loss.
- 2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.
 - a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. **Faulty, inadequate or defective**:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property whether on or off the "residence premises."

SECTION I - CONDITIONS

- 1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
 - b. For more than the applicable limit of liability.
- 2. **Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
 - a. Give prompt notice to us or our agent;
 - b. Notify the police in case of loss by theft;
 - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
 - d. Protect the property from further damage. If repairs to the property are required, you must:

- (1) Make reasonable and necessary repairs to protect the property; and
- (2) Keep an accurate record of repair expenses;
- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- f. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same;
- g. Send to us, within 60 days after our request, your signed, sworn proof of loss

which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interest of the "insured" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.e. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. Loss Settlement. Covered property losses are settled as follows:

a. Property of the following types:

- (1) Personal property;
- (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- (3) Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) The limit of liability under this policy that applies to the building;
 - (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) The necessary amount actually spent to repair or replace the damaged building.

- (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
 - (a) The actual cash value of that part of the building damaged; or
 - (b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
 - (b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (c) Underground flues, pipes, wiring and drains.

- (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) above.

However, if the cost to repair or replace the damage is both:

- (a) Less than 5% of the amount of insurance in this policy on the building; and
- (b) Less than \$2500;

we will settle the loss according to the provisions of b.(1) and b.(2) above whether or not actual repair or replacement is complete.

- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim

within 180 days after loss for any additional liability according to the provisions of this Condition 3. Loss Settlement.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent 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 amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
Each party will:
 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgement; or
- c. There is a filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by an "insured."

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or un-controlled or however caused, or any consequence of any of these.

- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

15. Recovered Property. If you or we recover any property for which we have made payment

under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

16. Volcanic Eruption Period. One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

SECTION II - LIABILITY COVERAGES

COVERAGE E - 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 of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
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. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three 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 you or regular residents of your household except "residence employees." As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location," if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured."

SECTION II - EXCLUSIONS

1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";
- b. 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";
- c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
 - (1) On an occasional basis if used only as a residence;

- (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;
- d. Arising out of the rendering of or failure to render professional services;
- e. Arising out of a premises:
 - (1) Owned by an "insured";
 - (2) Rented to an "insured"; or
 - (3) Rented to others by an "insured"; that is not an "insured location";
- f. Arising out of:
 - (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";

- (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.
- (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - (a) Not owned by an "insured"; or
 - (b) Owned by an "insured" and on an "insured location";
- (3) A motorized golf cart when used to play golf on a golf course;
- (4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) Used to service an "insured's" residence;
 - (b) Designed for assisting the handicapped; or
 - (c) In dead storage on an "insured location";

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
- (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
 - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
 - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
 - (c) One or more outboard engines or motors with 25 total horsepower or less;

- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";

- (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

- (1) You acquire them prior to the policy period; and
 - (a) You declare them at policy inception; or
 - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
- (ii) You acquire them during the policy period.

This coverage applies for the policy period.

- (2) That are sailing vessels, with or without auxiliary power:
 - (a) Less than 26 feet in overall length;
 - (b) 26 feet or more in overall length, not owned by or rented to an "insured."

- (3) That are stored;

h. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of an aircraft;
- (2) The entrustment by an "insured" of an aircraft to any person; or
- (3) 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, except model or hobby aircraft not used or designed to carry people or cargo;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as

defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. 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.

Exclusions e., f., g., and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employees" employment by an "insured."

2. Coverage E - Personal Liability, does not apply to:

- a. Liability:
 - (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
 - (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
 - (a) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (b) Where the liability of others is assumed by the "insured" prior to an "occurrence";
 unless excluded in (1) above or elsewhere in this policy;
- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
 - (1) Voluntarily provided; or
 - (2) Required to be provided;
 by the "insured" under any:
 - (1) Workers' compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;

- e. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - (1) Is also an insured under a nuclear energy liability policy; or
 - (2) 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:

- (1) American Nuclear Insurers;
- (2) Mutual Atomic Energy Liability Under-writers;
- (3) Nuclear Insurance Association of Canada;

or any of their successors; or

- f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined.

3. Coverage F - Medical Payments to Others, does not apply to "bodily injury":

- a. To a "residence employee" if the "bodily injury":
 - (1) Occurs off the "insured location"; and
 - (2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";
- b. To any person eligible to receive benefits:
 - (1) Voluntarily provided; or
 - (2) Required to be provided;
 under any:
 - (1) Workers' compensation law;
 - (2) Non-occupational disability law; or
 - (3) Occupational disease law;
- c. From any:
 - (1) Nuclear reaction;
 - (2) Nuclear radiation; or
 - (3) Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
 - (4) Any consequence of any of these; or
- d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

SECTION II - ADDITIONAL COVERAGES

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 E. 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; and
- 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 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 will pay, at 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. To the extent of any amount recoverable under Section I of this policy;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. 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, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.
This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."
- 4. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
- b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II - Coverage E - Personal Liability Exclusion 2.a.(1);
- 2. Condition 1. Policy Period, under SECTIONS I AND II - CONDITIONS.

SECTION II - CONDITIONS

- 1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "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."
Our total liability under Coverage F 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 F as shown in the 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," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - (1) The identity of the policy and "insured";
 - (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
 - (3) Names and addresses of any claimants and witnesses;
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

- c. At our request, help us:
 - (1) To make settlement;
 - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - (3) With the conduct of suits and attend hearings and trials; and
 - (4) To secure and give evidence and obtain the attendance of witnesses;
 - d. Under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;
 - e. The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."
- 4. Duties of an Injured Person - Coverage F - Medical Payments to Others.**
The injured person or someone acting for the injured person will:
- a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
- 5. Payment of Claim - Coverage F - Medical Payments to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.
- 6. Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
- 7. Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.
- 8. Other Insurance - Coverage E - Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTIONS I AND II - CONDITIONS

- 1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.
- 2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements;
 relating to this insurance.
- 3. Liberalization Clause.** If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.
This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.
- 4. Waiver or Change of Policy Provisions.**
A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
- 5. Cancellation.**
 - a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
 - b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - (3) 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:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or



(b) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

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

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Nonrenewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

7. **Assignment.** Assignment of this policy will not be valid unless we give our written consent.

8. **Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

b. "Insured" includes:

(1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

(2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

***MUTUAL POLICY CONDITIONS**

You are a member of the Liberty Mutual Fire Insurance Company while this policy is in force. Membership entitles you to vote in person or by proxy at meetings of the company. The Annual Meeting is in Boston, Massachusetts, on the second Wednesday in April each year at 11 o'clock in the morning.

Also, as a member, you will receive any dividends declared on this policy by the Directors.

This policy is classified in Dividend Class II.

This policy has been signed by our President and Secretary at Boston, Massachusetts, and countersigned on the Declarations Page by an authorized representative.

*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.

SECRETARY

PRESIDENT

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HOMEPROTECTOR PLUS ENDORSEMENT

A. INCREASED SPECIAL LIMIT OF LIABILITY - JEWELRY, WATCHES, FURS, PRECIOUS AND SEMI-PRECIOUS STONES

Section I, Coverage C - Personal Property. Special Limits of Liability. Paragraph 5 is replaced with:

5. Jewelry, watches, furs, precious and semi-precious stones are insured for accidental direct physical loss or damage. The following exclusions and limitations apply:
 - a. \$2500 for loss by theft, subject to a maximum of \$1000 for any one article.
 - b. The limit of liability stated in the declarations page for Coverage C, for loss caused by perils named under Coverage C of this policy, other than theft.
 - c. \$2500 for loss caused by perils not named and not excluded in this policy, subject to a maximum of \$1000 for any article.
 - d. We do not cover loss or damage caused by mechanical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice.

B. REPLACEMENT COST PROVISION - DWELLING AND PERSONAL PROPERTY

You must meet the following additional Section I Condition for this provision to apply:

17. Additions or Changes to Dwelling - Notice to Company. You must inform us within 90 days of the start of any additions, alterations or improvements to the dwelling that will increase the replacement cost of the dwelling by \$5,000 or more.

If you meet Condition 17, then Section I, Condition 3. Loss Settlement, is deleted and replaced by the following:

3. Loss Settlement. Covered property losses are settled as follows:
 - a. The applicable limit of liability for Buildings under Coverage A or B is the replacement cost, after application of deductible and without deduction for depreciation, subject to the following:
 - (1) We will pay the cost of repair or replacement, but not exceeding:
 - (a) The replacement cost of that part of the building damaged using like construction on the same premises and intended for the same occupancy and use;
 - (b) With respect to Coverage A, an amount not exceeding 20% greater than the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (c) With respect to Coverage B, the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (d) The amount actually and necessarily spent to repair or replace the damage.
 - (2) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of a.(1) above.

However, if the cost to repair or replace the damage is both:

 - (a) Less than 5% of the amount of insurance in this policy on the building;
 - and
 - (b) Less than \$2500;

We will settle the loss according to the provisions of a.(1) above whether or not actual repair or replacement is complete.
 - b. Awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, and structures that are not buildings; at actual cash value at the time of loss but not exceeding the amount needed to repair or replace.

- c. Personal property, carpeting and household appliances: at replacement cost but not exceeding the amount needed to repair or replace subject to the following:
 - (1) Our limit of liability for loss to Personal Property shall not exceed the smallest of the following:
 - (a) Replacement cost with a similar item of like kind and quality at the time of loss;
 - (b) The full cost of repair;
 - (c) Any special limit of liability described in the policy or stated in this endorsement; or
 - (d) The Coverage C limit of liability stated in the declarations, as modified by the Inflation Protection of the policy.
 - (2) This endorsement shall not apply to:
 - (a) Fine arts and items which, by their nature cannot be replaced with new items;
 - (b) Articles whose age or history contribute substantially to their value including souvenirs or collector's items.
 - (c) Property that is unusable for the purpose for which it was originally intended due to age or historic condition.
 - (3) We will not pay for any loss to personal property under this endorsement until actual repair or replacement is complete.
- d. You may disregard the replacement cost provision and make a claim for loss of or damage to property on an actual cash value basis and then make claim within 180 days after loss for additional liability under this endorsement.

C. INCREASED LIMIT - COVERAGE D

We will pay the amount of loss covered by Coverage D which is actually sustained by you during the 12 consecutive months following the date of loss, subject to the periods of time under paragraphs 1, 2 and 3 of Coverage D - Loss of Use.

D. ADDITIONAL COVERAGES

REFRIGERATORS AND FREEZERS CONTENTS COVERAGE

We cover the contents of deep freeze or refrigerated units on the residence premises from the perils of:

1. Fluctuation or total interruption of electric power, either on or off premises, resulting from conditions beyond the control of the "insured".
2. Mechanical breakdown of any refrigeration equipment on premises including the blowing of fuses or circuit breakers.

We do not cover loss caused by the following additional exclusions:

1. Disconnection or termination of power due to turning off any switch.
2. Inability of power source to provide sufficient power due to government order, lack of fuel or lack of generating capacity to meet demand.

SPECIAL LIMIT - We will not pay more than \$500 of your loss of refrigerator or freezer contents resulting from the above perils.

All other provisions of this policy apply.

LOCK REPLACEMENT COVERAGE

We will pay up to \$250 for replacing the locks or cylinders on the exterior doors of the residence premises when your keys have been stolen. The theft of the keys must be reported to the police for this coverage to apply.

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

BACK UP OF SEWER AND SUMP PUMP OVERFLOW COVERAGE ENDORSEMENT

(This is not Flood Insurance)

This endorsement modifies such insurance as is afforded by this policy.

DEFINITIONS

The following definition is added:

The term "flood" as used in this endorsement means a general and temporary condition of partial or complete inundation of normally dry land areas from:

1. the unusual and rapid accumulation of runoff of surface waters from any source;
2. the overflow of inland or tidal waters;
3. waves, tides or tidal waves; or
4. spray from any of these, whether or not driven by wind.

PERILS INSURED AGAINST - SECTION I

For an additional premium, we cover risks of direct physical loss to property described in Coverage A - Dwelling and Coverage C - Personal Property described below when caused by a peril listed below, unless the loss is excluded in this policy.

1. Sewer Back-up, meaning only direct loss to covered property caused by effluent which backs up through sewers or drains which are a part of the "residence premises".
2. Sump Pump Overflow, meaning only direct loss to covered property caused by water which overflows or accidentally discharges from within a sump pump, sump pump well, sump pump well discharge system, or other type system designed to remove subsurface water from the foundation area of the "residence premises."

Direct physical loss caused by water which backs up through sewers or drains due to the mechanical failure of a sump pump, sump pump well, sump pump well discharge system or other type system designed to remove subsurface water from the foundation area of the "residence premises" is covered.

This coverage does not apply if the loss is caused by the negligence of any insured.

PROPERTY COVERAGES - SECTION I

The coverage provided by this endorsement only applies to the dwelling described in Coverage A and the following Coverage C personal property items:

- Clothes washers and dryers
- Ranges
- Food freezers and the food in them
- Portable dishwashers
- Refrigerators
- Dehumidifiers

EXCLUSIONS - SECTION I

With respect to the coverages provided by this endorsement only, the following exclusions under Section I - Exclusions are deleted:

Water which backs up through sewers or drains or which overflows from a sump pump.

Power Failure, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

DEDUCTIBLE

Each claim for loss to covered property will be adjusted separately. A \$1000 deductible applies to each covered loss under this endorsement. All other provisions of this policy apply.

LIMIT OF LIABILITY

We will pay no more than the amount shown on the policy declarations for this coverage for any one loss caused by sewer back up or sump pump overflow as described above.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CREDIT CARD, FUND TRANSFER CARD, FORGERY AND
COUNTERFEIT MONEY COVERAGE**

**HOMEOWNERS
HO 04 53 04 91**

Increased Limit

For an additional premium, the limit of liability for Additional Coverage 6., Credit Card, Fund Transfer Card, Forgery and Counterfeit Money, is increased to \$ _____*.

*Entries may be left blank if shown elsewhere in this policy for this coverage.
All other provisions of this policy apply.

HO 04 53 04 91

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**PREMISES ALARM OR
FIRE PROTECTION SYSTEM**

HO 04 16 04 91

For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the "residence premises." You agree to maintain this system in working order and to let us know promptly of any change made to the system or if it is removed.

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HOMEOWNER AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

THIS ENDORSEMENT SUPERSEDES ALL OTHER ENDORSEMENTS WHICH HAVE BEEN MADE PART OF YOUR POLICY AND REFERENCE THESE SAME PROVISIONS

DEFINITIONS

The introductory paragraph of **Definitions** is amended to read:

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and

- (1) the spouse of the "named insured" shown on the Declarations, if a resident of the same household; or
- (2) the partner in a civil union, registered domestic partnership, or similar union or partnership, with the "named insured" shown on the Declarations, if a resident of the same household.

Section (2), above, only applies if the civil union, registered domestic partnership or other similar union or partnership is validly entered into under the law of any state, territory or possession of the United States of America, any territory or province of Canada, or the equivalent of a state or province in any other country.

"We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

SECTIONS I AND II - CONDITIONS

The introductory paragraph of **9. Death.** is amended to read:

If any person named in the Declarations or the spouse, if a resident of the same household; or the partner in a civil union, registered domestic partnership or similar union or partnership, if a resident of the same household, dies:

AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

THIS ENDORSEMENT SUPERSEDES ALL OTHER ENDORSEMENTS WHICH HAVE BEEN MADE PART OF YOUR POLICY AND REFERENCE THESE SAME PROVISIONS

SECTION I - PROPERTY COVERAGES

COVERAGE A - Dwelling

Item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

COVERAGE C - Personal Property

The introductory paragraph of **Special Limits of Liability** is amended to read:

These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

The following limits are added:

12. \$5000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
13. \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall-to-wall carpet), tapestry, wall-hanging or other similar article.
14. \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
15. \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

In the event Landlord Endorsement FMHO 3307

is part of this policy, the above coverage contained in Special Limits of Liability introductory paragraph and Subparagraphs 12 through 15 are deleted.

Property Not Covered under COVERAGE C - Personal Property

The final two subparagraphs of Item 3 (a. and b.) are replaced by the following:

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used solely to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverage contained in The Final two Subparagraphs of Item 3 (a. and b.) is deleted.

Item 10. is added as personal property items not covered.

10. Water or steam

ADDITIONAL COVERAGES is revised as follows:

Item 7. **Loss Assessment** is deleted in its entirety.

The following is added to Item 8. **Collapse**.

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied or used for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

Item 10. **Landlord's Furnishings** is deleted in its entirety.

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES

The following is added to item **2.b.**

- (4) Footing(s)

The following are added to item **2.e.** Any of the following:

- (10) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

The final paragraph of Item 2. is further revised as follows:

If any of these cause sudden and accidental water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

SECTION II - EXCLUSIONS

Item **1.a.** under **Coverage E - Personal Liability and Coverage F - Medical Payments to Others** is amended as follows:

Which is expected or intended by the "insured", even if the resulting "bodily injury" or "property damage"

- (1) is of a different kind, quality, or degree than initially expected or intended; or
- (2) is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

SECTION II - ADDITIONAL COVERAGES

Item **1.c.** under **Claims Expenses** is amended as follows:

Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Item **4. Loss Assessment** is deleted in its entirety.

All other policy terms and conditions apply.

AMENDATORY MOLD, FUNGUS, WET ROT, DRY ROT, BACTERIA, OR VIRUS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITIONS

The following definition is added to the DEFINITIONS section:

9. **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** means any type or form of fungus, rot, virus or bacteria. This includes mold, mildew and any mycotoxins (meaning a toxin produced by a fungus), other microbes, spores, scents or byproducts produced or released by mold, mildew, fungus, rot, bacteria, or viruses.

SECTION I – PROPERTY COVERAGES

Additional Coverages

The following Additional Coverage is added:

11. Remediation of "Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus" Resulting Directly From Any Covered Loss

We will pay, up to the Additional Coverage – Mold Limit of Liability shown below, for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss.

"Remediation" means the reasonable and necessary treatment, containment, decontamination, removal or disposal of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** as required to complete the repair or replacement of property, covered under Section I of the policy, that is damaged by any covered peril insured against, and also consists of the following:

1. The reasonable costs or expense to remove, repair, restore, and replace that property including the costs to tear out and replace any part of the building as needed to gain access to the **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"**; and
2. the reasonable costs or expense for the testing or investigation necessary to detect, evaluate or measure **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"**; and
3. any loss of fair rental value, or reasonable increase in additional living expenses, that is necessary to maintain your normal standard of living, if **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss makes your residence premises uninhabitable.

We will pay no more than the Additional Coverage - Mold Limit of Liability shown below for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss during the policy period, regardless of the number of locations under the policy to which this endorsement is attached, the number of persons whose property is damaged, the number of "insureds," or the number of losses or claims made.

If there is a covered loss or damage to covered property, not caused, in whole or in part, by **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,"** loss payment will not be limited by the terms of this Additional Coverage, except to the extent that **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.



ADDITIONAL COVERAGE -- MOLD LIMIT OF LIABILITY

Mold Limit of Liability: **SECTION I** **Aggregate Limit** **\$5,000**

This Additional Coverage does not increase the limits of liability under Section I of the policy as shown in the Declarations.

SECTION I – EXCLUSIONS

Exclusion 1.i. is added:

- i. Except as provided by **Additional Coverage 11.**, loss consisting of or caused by "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus**" is excluded, even if resulting from a peril insured against under Section I. We do not cover "**Remediation**" of "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,**" even if resulting from a peril insured against under Section I, except as provided by **Additional Coverage 11.**

SECTION II – EXCLUSIONS

Coverage E - Personal Liability and Coverage F - Medical Payments to Others

Exclusion 1.m. is added:

- m. Arising out of or aggravated by, in whole or in part by, "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus.**"

This endorsement takes precedence over all other endorsements attached to your policy.



SEEPAGE EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION I – PERILS INSURED AGAINST

Coverage A – Dwelling and Coverage B – Other Structures

Paragraph 2.e.(9) is added:

- (9) Seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage to the structure, whether hidden or not.**

This endorsement takes precedence over all other endorsements attached to your policy.

SPECIAL PROVISIONS - IDAHO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION I - PROPERTY COVERAGES

COVERAGE C - Personal Property

Special Limits of Liability

Items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 10.

11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 11.

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverages contained in Special Limits of Liability 10 and 11 are deleted and do not apply.

Property Not Covered

Item 3.b. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:

- b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

COVERAGE D - Loss of Use

Item 1. is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

In the event Landlord Endorsement FMHO 3307 is part of this policy, the above coverages contained in Coverage D – Loss of Use is deleted and does not apply.

ADDITIONAL COVERAGES

9. Glass or Safety Glazing Material is deleted and replaced by the following:
9. Glass or Safety Glazing Material
 - a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this ADDITIONAL COVERAGE 9. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For forms HO 00 01 and HO 00 08, we will pay up to \$100 for loss under this coverage.

This coverage does not increase the limit of liability that applies to the damaged property.

(This is ADDITIONAL COVERAGE 8. in forms HO 00 01 and HO 00 08.)

The following ADDITIONAL COVERAGE is added to all forms except HO 00 08. With respect to form HO 00 04, the words 'covered building' used below, refer to property covered under ADDITIONAL COVERAGE 10. Building Additions and Alterations.

12. Ordinance or Law

- a. You may use up to 10% of the limit of liability that applies to COVERAGE A (or for form HO 00 04, you may use up to 10% of the limit of liability that applies to Building Additions and Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance. (This is ADDITIONAL COVERAGE 11. in forms HO 00 01 and HO 00 06.)

Under Form HO 00 03, the following Additional Coverage is added:

- 13. Damage to Siding and/or Roofing.** In case of damage to siding and/or roofing of the

covered dwelling and other structures at the insured location, we will reimburse you for the cost you incur, up to a maximum of \$15,000 in aggregate to replace any undamaged siding, soffit, fascia, and/or roofing material of like kind and quality to match those materials that were used to repair or replace the damaged property.

This coverage applies only if reasonably similar siding and/or roofing materials are no longer available to repair or replace the damaged portion of the damaged covered dwelling and other structures at the insured location due to a covered peril.

This coverage does not apply to:

- a. Mismatches caused by weathering, fading, oxidizing, wear and tear, deterioration, or product defect;
- b. Damage to siding material other than vinyl or metal siding;
- c. Roofing material other than architectural (laminated) asphalt shingle or 3-tab asphalt shingle.

However, we will not pay to:

- a. Replace siding and/or roofing material of any undamaged dwelling or other structure at the insured location in order to match newly repaired or replaced siding and/or roofing material of any damaged dwelling or other structure;
- b. Repair or replace undamaged roofing and/or siding material due to mismatch between undamaged material and new material used to repair or replace damaged material because of:
 - (1) Texture, quality, dimensional differences color, fading;
 - (2) Oxidation, rust, corrosion, weathering differences;
 - (3) Wear and tear, marring, scratching, deterioration;
 - (4) Inherent vice, latent defect, mechanical breakdown;
 - (5) Obsolescence, discontinuation; or
 - (6) Material type variation.

SECTION I – EXCLUSIONS

- 1. **Ordinance or Law** is deleted and replaced by the following:
 - 1. **Ordinance or Law**, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 1.a. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

(This is exclusion 1.a. in form HO 00 03.)

- 2. **Earth Movement** is deleted and replaced by the following:
 - 2. **Earth Movement**, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:
 - a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
 - b. Landslide, mud slide, or mud flow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding;

caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by fire or explosion ensues, we will pay only for the ensuing loss.

(This is Exclusion 1.b. in Form HO 00 03.)

- 4. **Power Failure** is deleted and replaced by the following:
 - 4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the "residence premises," we will pay for the loss or damage

caused by that PERIL INSURED AGAINST.
(This is exclusion 1.d. in form HO 00 03.)

For form HO 00 03, the following is added as item 2.d.

d. **Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:

- (1) does not result in the penetration of water through the metal roof covering; or
- (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I – CONDITIONS

2. Your Duties After Loss.

Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss.

3. Loss Settlement

Under Form HO 00 06, Item b.(2) is deleted and replaced by the following:

- (2) If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The following paragraph is added and applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

Loss Settlement does not include payment for any actual or perceived decrease in

market or resale value resulting from loss to or repair of your covered property.

SECTION II - EXCLUSIONS

Under 1. COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others, item a. is deleted and replaced by the following:

- a. Which is expected or intended by one or more "insureds";

SECTIONS I AND II - CONDITIONS

2. **Concealment or Fraud** is deleted and replaced by the following:

2. Concealment or Fraud

- a. Under SECTION I - PROPERTY COVERAGES, with respect to all "insureds" covered under this policy, we provide no coverage for loss under SECTION I - PROPERTY COVERAGES if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made false statements; relating to this insurance.

- b. Under SECTION II - LIABILITY COVERAGES, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made false statements; relating to this insurance.

5. **Cancellation.** Paragraphs b.(1) and b.(2) are deleted and replaced by the following:

- b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any

time by letting you know at least 10 days before the date cancellation takes effect. If delivered by United States mail, the 10 day notification period begins to run 5 days following the date of postmark;

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

All other provisions of this policy apply.

NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS
LIMITED SECTION I - PROPERTY COVERAGES FOR HOME DAY CARE
BUSINESS

HO 04 96 04 91

If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other compensation for such services, that enterprise is a "business." Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an "insured" to a relative of an "insured" is not considered a "business."

Therefore, with respect to a home day care enterprise which is considered to be a "business," this policy:

1. Does not provide Section II - Liability Coverages because a "business" of an "insured" is excluded under exclusion 1.b. of Section II - Exclusions;
2. Does not provide Section I - Coverage B coverage where other structures are used in whole or in part for "business";
3. Limits coverage for property used on the "residence premises" for the home day care enterprise to \$2,500, because Coverage C - Special Limits of Liability - item 8. imposes that limit on "business" property on the "residence premises." (Item 8. corresponds to item 5. in Form HO 00 08.);
4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to \$250, because Coverage C - Special Limits of Liability - item 9. imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item 9. does not apply to adaptable electronic apparatus as described in Special Limit of Liability items 10. and 11. (Items 9., 10. and 11. correspond to items 6., 7. and 8. respectively in Form HO 00 08.)

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

INFLATION PROTECTION ENDORSEMENT

It is agreed that the limits of liability for:

- Coverage A, Dwelling;
- Coverage B, Structure;
- Coverage C, Personal Property;
- and Coverage D, Loss of Use,

shall be raised by the rate of increase in the latest available information on residential building cost inflation.

METHOD

To find the limits of liability on a given date, the Index Level the Company assigns to that date will be divided by the Index Level for the effective date of this Endorsement. This Factor is then multiplied by the limit for Coverages A, B, C and D separately.

If during this policy's term the Coverage A limit is changed at the insured's request, the effective date of this Endorsement is amended to the effective date of such change.

This Endorsement shall not reduce the limits of liability to less than the amount shown on:

- a. The policy; or
- b. The most recent Homeowners Policy Renewal Declaration.

This Endorsement must be attached to Change Endorsement when issued after the policy is written.

PH NAME: RYAN T MCFARLAND
POLICY NUMBER : H37-268-805898-70 5 7
POLICY EFFECTIVE DATE : 09/20/2015



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER STRUCTURES
Increased Limits

HOMEOWNERS
HO 04 48 04 91

For an additional premium, we cover each structure described below, on the "residence premises," for the additional limit of liability shown for that structure.

The limit shown below is in addition to the amount which is applicable to that described structure under Coverage B, Other Structures.

Each additional limit of liability shown below applies only to that described structure.

Description of Structure*	Additional Limit of Liability*
1. APPURTENANT STRUCTURE	1. \$3,500
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

ISSUED 09/20/2015

LEAD POISONING EXCLUSION ENDORSEMENT

The following provisions are added to and made part of your Homeowners Policy:

Section I - Property Coverages do not apply to any costs or expenses incurred or loss arising out of:

1. the removal, testing for, monitoring, clean-up, abatement, treatment, or neutralization of lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead, or;
2. any governmental direction or other request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to bodily injury or property damage:

1. arising out of lead paint, plaster or putty containing lead; soil or earth containing lead or any other material or substance containing lead, or;
2. any costs or expenses incurred or loss arising out of any claim, governmental direction, or request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

This exclusion applies to any obligation to share damages, costs or expenses with someone else or to repay someone else who must pay damages, costs or expenses.

UNDERGROUND FUEL STORAGE TANK EXCLUSION

The following provision is added to and made part of your Homeowners Policy:

Section II - Exclusions

The Paragraph below is added:

Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to "bodily injury" or "property damage":

arising out of the release of fuel or fuel products from an "underground storage tank system."

"Underground storage tank system" means the underground tank, the fill pipe, the vent pipes, and all associated fixtures, including pipe and tubing which contains or conveys fuel or fuel products from the underground storage tank to the point of combustion.

All other provisions of this policy apply.



NOTICE OF PRIVACY POLICY

Liberty Mutual* values you as a customer and takes your personal privacy seriously. When you request a rate quotation, apply for insurance, request changes to your insurance policy or submit a claim, you disclose information about yourself or members of your family. This notice tells you how we treat the information we collect about you.

1. INFORMATION WE MAY COLLECT

We collect information about you from:

- Applications or other forms you complete, and information you provide to us over the telephone;
- Your business dealings with us and other companies;
- Your employer or association for Liberty Mutual Group products;
- Consumer reporting agencies, Motor Vehicle Departments, inspection services and medical providers; and
- Visits to our Liberty Mutual website.

2. TYPES OF INFORMATION WE MAY DISCLOSE

We may disclose the following about you:

- Information from your application or other forms, such as your name, date of birth, address, social security number, vehicle and driver information;
- Information about your transactions with us, our affiliates or others, such as your insurance coverages, payment history, and certain claims information; and
- Information we receive from third parties, such as your motor vehicle records and claims history.

3. TO WHOM INFORMATION MAY BE DISCLOSED

We do not disclose personal information about you to anyone unless allowed by law. We are allowed by law to provide information to:

- A third party that performs services for us, such as claims investigations, medical examinations, inspections, and appraisals or for roadside assistance or the repair of your vehicle if you have a claim;
- Our affiliated companies and reinsurers;
- Insurance regulators and reporting agencies;
- Consumer reporting agencies to obtain loss history information, motor vehicle reports, or credit report information where permitted by law;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions or to confirm your compliance with compulsory motor vehicle liability insurance laws;
- Law enforcement agencies or other government authorities to report suspected illegal activities;
- A person or organization conducting insurance actuarial, or research studies;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement with banks, credit unions, and affinity partners, or providers of annuity and financial products and services offered through us to our customers; and
- As otherwise permitted by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. These safeguards comply with applicable laws. We retain your information for as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies. Any information we share with third parties, such as those organizations which perform a service for us or market our products, is subject to appropriate confidentiality protections and may be used only for the purposes intended.

*This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates that provide personal automobile, homeowners, life insurance and annuities: Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Company of America, Liberty Northwest Insurance Corporation, Liberty Life Assurance Company of Boston, Liberty County Mutual Insurance Company (Texas only), Liberty Lloyds of Texas Insurance Company, LM Property and Casualty Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Personal Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, LM General Insurance Company, American States Preferred Insurance Company, Consolidated Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company and Wausau Business Insurance Company.

EXHIBIT B

000001
Liberty Mutual
PO Box 970
Mishawaka IN 46546



Kathryn E McFarland
Ryan T McFarland
5698 E Gateway Dr
Boise ID 83716-9040

Thank you for being a Liberty Mutual Home Customer since 2012!

This package contains your homeowners renewal. Please look over this information and keep it with your important documents. Also, you are receiving exclusive group savings through your affiliation with the Alumni Association of the University of Michigan.

Remember, you can download our mobile app or visit LibertyMutual.com/register 24 hours a day to get information and manage your Liberty Mutual account.

If you have any questions about your coverage, available discounts or product offerings, please call us at 1-800-225-8285.

Sincerely,
Your Liberty Mutual Service Team



CONTACT US

Questions About
Your Policy

By Phone

For service:
1-800-225-8285
Mon - Fri 8AM-10PM EST
Sat 8AM-8PM EST
Sun 11AM-5PM EST

Visit Us Online

LibertyMutual.com

To Report a Claim

By Phone

1-800-2CLAIMS
(1-800-225-2467)

Online

LibertyMutual.com/Claims

Sign Up for eService

- Pay your bill
 - Go paperless
 - View your policy
 - File or view a claim
- Manage your policy 24/7 at
LibertyMutual.com/register

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CONTINUE TO THE NEXT PAGE
FOR A GUIDE TO YOUR
HOME RENEWAL PACKET



A GUIDE TO YOUR HOME RENEWAL PACKET

PAGE	SECTION
1	Policy Declarations Includes important information about your policy, including insurance information as well as your discounts and benefits.
1	Coverage Information Includes important coverage information. Please review this section in detail to ensure you are fully covered. Contact us with any questions.
4-16	Important Notices & Policy Forms This section includes any notices and policy forms that may change your coverages.



Named Insured:

1. Kathryn E McFarland
2. Ryan T McFarland

Policy Number:

H37-268-002117-70 6 3

Policy Period:

12/07/2016 to 12/07/2017

Mailing Address:

5698 E Gateway Dr
Boise ID 83716-9040

Affinity:

Alumni Association of the
University of Michigan

THIS IS NOT YOUR HOME INSURANCE BILL. YOU WILL BE BILLED SEPARATELY.

000176



Questions about your Policy?

Call 1-800-225-8285

Policy Number:

H37-268-002117-70 6 3

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



ACTION REQUIRED:

PLEASE REVIEW AND KEEP FOR YOUR RECORDS.

Policy Declarations

Total 12 Month Premium: \$557.00

Your discounts and benefits have been applied. Includes state sales tax and local surcharge where applicable.

Through your affiliation with the Alumni Association of the University of Michigan your policy includes exclusive group savings on your home insurance.

Policy
Declarations

Insurance Information

Named Insured:	Kathryn E McFarland Ryan T McFarland	Policy Number:	H37-268-002117-70 6 3
Mailing Address:	5698 E Gateway Dr Boise ID 83716-9040	Policy Period:	12/07/2016-12/07/2017 12:01 a.m. standard time at the address of the Named Insured at Insured Location.
Insured Location:	Same as Mailing address above Declarations Effective: 12/07/2016		

DISCOUNTS AND BENEFITS SECTION

Your discounts and benefits have been applied to your total policy premium.

- Inflation Protection Discount
- Early Shopper Discount
- Multi Policy Discount - Auto
- Paperless Policy Discount
- Basic Home Safety
- Claims Free Discount
- Recent Home Buyer Discount
- Mortgage Billing Discount

Coverage Information

Standard Policy with HomeProtector Plus™

SECTION I COVERAGES	LIMITS	PREMIUM
A. Dwelling with Expanded Replacement Cost	\$ 221,600	
B. Other Structures on Insured Location	\$ 22,160	
C. Personal Property with Replacement Cost	\$ 166,200	
D. Loss of Use of Insured Location	Actual Loss Sustained	
SECTION II COVERAGES	LIMITS	PREMIUM
E. Personal Liability (each occurrence)	\$ 300,000	
F. Medical Payments to Others (each person)	\$ 1,000	



Want to Add a Coverage?

Call 1-800-225-8285 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:

H37-268-002117-70 6 3

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



Coverage Information continued

POLICY DEDUCTIBLES

Losses covered under Section I are subject to a deductible of : \$1,000

Total Standard Policy with HomeProtector Plus™	\$ 557
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ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS	PREMIUM
Credit Card, Fund Transfer, Forgery	\$	1,000	\$ 0
Coverage E increased limit			INCL
Total Additional Coverages			\$ 0

Total 12 Month Policy Premium: \$557.00

Additional Coverages and Products Available*

We've reviewed your policy and have identified additional optional coverages and products that can add valuable protection. Talk to your agent about purchasing the following coverages and products and whether they meet your needs.

- **Home Computer and Smartphone:** If your smartphone or other devices are not insured, repairing or replacing them can be expensive. Did you know you can insure multiple devices for up to \$10,000 with a deductible of \$50.00?
- **Identity Fraud Expense:** A stolen identity can be scary and expensive. We'll provide counseling, and pay up to \$30,000 for expenses such as lost wages and attorney fees incurred to recover your identity.
- **Water Backup and Sump Pump Overflow:** Water damage can ruin your possessions. If your sump pump fails, or you suffer water damage from a sewer or drain backup, we'll pay for covered home and personal property losses.

*These optional coverages are subject to policy provisions, limitations, and exclusions. Daily limits or a deductible may apply. For a complete explanation, please consult your agent today.

Mortgage Information

Mortgagee 1:
WELLS FARGO BANK
ITS SUCCESSORS
AND/OR ASSIGNS
LOAN NO. 0295372833
PO Box 100515
Florence, SC 29502



Questions about your Policy?
Call 1-800-225-8285

Policy Number:
H37-268-002117-70 6 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



Policy Forms and Endorsements: The following forms and endorsements are applicable to your policy

LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)	Home Protector Plus (FMHO-1183)
Credit Card, Fund Transfer, Forgery (HO 04 53 04 91)	Protective Devices (FMHO 4172 1014)
Amendmt Pol Definitions (FMHO-2934 7/04)	Amendatory Mold End (FMHO 3370 1112)
Seepage Exclusion End (FMHO 3391 1112)	Special Provisions - Idaho (FMHO6100ID 0416)
No SecII/Limit I-Daycare (HO 04 96 04 91)	Inflation Protection (FMHO-2835 11 03)
Lead Poisoning Exclusion (FMHO-976 05/92)	Fuel Storage Exclusion (FMHO-1097 1/97)

Important Messages

Flood Insurance: Your Homeowners policy **does not** provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

LibertyGuard® Deluxe Homeowners Policy Declarations provided and underwritten by Liberty Insurance Corporation (a stock insurance company), Boston, MA.

David H. Long
President

Mark C. Touhey
Secretary

Ty Harris
Authorized Representative

This policy, including endorsements listed above,
is countersigned by:



Important Information Regarding Changes to Your Homeowners Policy

Please review the changes to your homeowners' policy as detailed below. These changes are included in the Special Provisions endorsement provided with your enclosed renewal. This revised endorsement replaces the previous Special Provisions effective with this renewal.

The summary that follows is for information purposes only and does not provide coverage. We have described the changes we believe are most significant. Your new Special Provisions, combined with the previous policy forms you received, provide complete details of your coverage. If the below summary conflicts with the applicable policy language, the policy language prevails.

The following highlights the changes to your policy :

- The definition of "business" is revised to allow for small incidental business exposures and to state that short-term rental is not considered a business;
- "Short-term rental" is added as a defined term. Rental is considered short-term if the total number of days rented during the policy period does not exceed 31;
- Vandalism and Malicious Mischief is revised to include arson. In addition, the allowable vacancy is extended from 30 to 60 days.
- The Water Damage exclusion is updated to specifically state seiche, storm surge and water released from a dam, levee or dike are not covered. Water driven by wind is updated to include hurricane or similar storms.
- Your personal property is covered when located in the residence including the portion of the residence rented as a short-term rental, provided the total number of days rented during the policy period does not exceed 31 days.

Property in your home that is currently occupied by a long-term tenant continues to be covered.

- Coverage D – Loss of Use is updated to state how coverage applies under specific conditions, such as a short-term rental. In addition, \$5,000 of coverage is added for rent you may lose due to cancellation of short-term rental reservations in place at the time of loss.
- Debris Removal is updated to cover debris removal expenses only if they are actually incurred.
- Personal Liability and Medical Payments to Others is covered for up to two roomers and boarders when a portion of your residence is rented to others for use as a private residence. The policy is now updated to specifically include short-term rentals as part of this coverage.
- Damage to Property of Others is updated to provide up to \$500 damage to property of a short-term renter when a covered loss occurs.

If you have any questions or would like to review the changes to your policy, your Liberty Mutual representative will be happy to assist you. Please contact us at the number on the enclosed Declarations page.

Thank you for insuring with Liberty Mutual. We appreciate your business.



PROTECTIVE DEVICES

For a premium discount, we acknowledge the installation of fire, theft, or water protective system or device approved by us on the "residence premises." You agree to maintain the approved system or device in working order and to let us know promptly of any change made to the system or device or if it is removed. We reserve the right of modifying or removing the discount based on our knowledge of how the system or device is maintained by you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - IDAHO

DEFINITIONS

Item 2. "Business" is deleted and replaced by the following:

2. "Business" includes:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) or (3) below, for which no "insured" receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period.
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity; or
 - (3) A "short term rental".

Under 4. "Insured location" item e. is deleted and replaced by the following:

- e. Vacant land, including that which is vacant except for a fence, owned by or rented to an "insured" other than farmland;

The following definition is added:

"Short term rental" means one or more rentals, in whole or in part, of the "residence premises" for up to a combined total of 31 days during the policy period.

SECTION I - PROPERTY COVERAGES

COVERAGE A – Dwelling

For form **HO 00 03**, item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

COVERAGE B – Other Structures

In all forms other than **HO 00 04** and **HO 00 06**, item 2. is deleted and replaced by the following:

2. Rented to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C - Personal Property

The following is added under items 1. and 2.:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the "insured" for use of the "residence premises".

Special Limits of Liability

For form **HO 00 03**, the introductory paragraph is amended to read :

Special Limits of Liability. These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
- Accessories or antennas; or
 - Tapes, wires, records, discs or other media;
for use with any electronic apparatus described in this item 10.
11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
- Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - Is away from the "residence premises"; and
 - Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- Accessories and or antennas; or
- Tapes, wires, records, discs or other media;
for use with any electronic apparatus described in this item 11.

For form HO 00 03, the following limits are added:

- \$5000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
- \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall to-wall carpet), tapestry, wall-hanging or other similar article.
- \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
- \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverages contained in introductory paragraph and Subparagraphs 10. through 15. are deleted and do not apply.

Property Not Covered

Item 3. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:
- Their equipment and accessories; or
 - Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - Accessories or antennas; or
 - Tapes, wires, records, discs or other media;
for use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.



We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverage contained in the final two subparagraphs of item 3. (a. and b.) are deleted.

Item 6. is deleted and replaced by the following:

6. Property in a location on the "residence premises", when the location is rented to others by an "insured.

This exclusion does not apply to property of an "insured";

- a. located on the "residence premises" when the "residence premises" is rented in whole or in part as a "short term rental"; or
- b. located in a sleeping room rented to others by an "insured" on the "residence premises".

For form HO 00 03, the following item is added as personal property items not covered:

10. Water or steam

COVERAGE D – Loss Of Use is deleted and replaced by the following:

COVERAGE D - Loss of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense. Additional Living Expense means any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or to permanently relocate your household elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others by you not fit to live in, we cover your Loss of Rent. Loss of Rent means the rental income to you of that part of the "residence premises" rented to others at the time of loss, less any expenses that do not continue while the premises is not fit to live in.

This coverage does not apply to:

- a. The "residence premises" or that part of the "insured location" that is not rented or leased at the time of the loss; or
- b. to any increase in rent or lease payment that occurs after the time of the loss.

We will pay up to \$5,000 to reimburse your Loss of Rent when a "short term rental" is cancelled because of a covered loss.

Payment will be for the shortest time required to repair or replace that part of the premises rented.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Loss of Rent as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement, other than a "short term rental" as provided under 2. above.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverages contained in **Coverage D – Loss of Use** are deleted and do not apply.

ADDITIONAL COVERAGES

Item 1. **Debris Removal** is deleted and replaced by the following:

1. **Debris Removal.** We will pay the reasonable expense you incur for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay the reasonable expense you incur, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

For form **HO 00 03**, item 7. **Loss Assessment** is deleted in its entirety.

For form **HO 00 03**, the following is added to Item 8. **Collapse**.

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied or used for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

Item 9. **Glass or Safety Glazing Material** is deleted and replaced by the following:

9. **Glass or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been

broken, except as provided in **a.(3)** above; or

- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this ADDITIONAL COVERAGE **9.** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For forms **HO 00 01** and **HO 00 08**, we will pay up to \$100 for loss under this coverage.

This coverage does not increase the limit of liability that applies to the damaged property.

(This is ADDITIONAL COVERAGE **8.** In forms **HO 00 01** and **HO 00 08.**)

For form **HO 00 03**, item **10. Landlord's Furnishings** is deleted in its entirety.

The following ADDITIONAL COVERAGE is added to all forms except **HO 00 08**. With respect to form **HO 00 04**, the words 'covered building' used below, refer to property covered under ADDITIONAL COVERAGE **10.** Building Additions and Alterations.

12. Ordinance or Law

- a. You may use up to 10% of the limit of liability that applies to COVERAGE A (or for form **HO 00 04**, you may use up to 10% of the limit of liability that applies to Building Additions and Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a PERIL INSURED AGAINST;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a PERIL INSURED AGAINST to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a PERIL INSURED AGAINST.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

(This is ADDITIONAL COVERAGE **11.** in forms **HO 00 01** and **HO 00 06.**)

SECTION I - PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

For form **HO 00 03**, the following is added to item **2.b**

(4) Footing(s)

For all forms other than **HO 00 04** and **HO 00 06**, item **2.d.** is deleted and replaced by the following:

- d. Vandalism and malicious mischief, including fire caused by arson and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

For form **HO 00 03**, the following is added to item **2.e.**:

- (10) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

For form **HO 00 03**, the final paragraph of Item **2.** is further revised as follows:

If any of these cause sudden and accidental water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

SECTION I – EXCLUSIONS

Item 1. Ordinance or Law is deleted and replaced by the following:

1. Ordinance or Law, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion **1.a.** does not apply to the amount of coverage that may be provided for under **ADDITIONAL COVERAGES**, **Glass or Safety Glazing Material** or **Ordinance or Law**;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

(This is exclusion **1.a.** in form **HO 00 03.**)

Item 2. Earth Movement is deleted and replaced by the following:

2. Earth Movement, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:

- a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
- b. Landslide, mud slide, or mud flow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding; caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by fire or explosion ensues, we will pay only for the ensuing loss.

(This is Exclusion **1.b.** in Form **HO 00 03.**)

Item 3. is deleted and replaced by the following:

3. Water Damage, meaning:

- a. (1) Flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or
(2) release of water held by a dam, levee, dike or by a water or flood control device or structure;
- b. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
- c. Water which escapes or overflows from sewers or drains located off the "residence premises";
- d. Water which escapes or overflows from drains or related plumbing appliances on the "residence premises". However, this exclusion does not apply to overflow and escape caused by malfunction on the "residence premises", or obstruction on the residence premises, of a drain or plumbing appliance on the "residence premises"; or
- e. Water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

(This is exclusion 1.c. in Form HO 00 03.)

Item 4. Power Failure is deleted and replaced by the following:

4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the "residence premises," we will pay for the loss or damage caused by that PERIL INSURED AGAINST. (This is exclusion 1.d. in form HO 00 03.)

For form HO 00 03, the following is added as item 2.d.

- d. **Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:
 - (1) does not result in the penetration of water through the metal roof covering; or
 - (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I – CONDITIONS

2. Your Duties After Loss.

Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss.

3. Loss Settlement

Under Form HO 00 06, Item b.(2) is deleted and replaced by the following:

- (2) If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The following paragraph is added and applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

Loss Settlement does not include payment for any actual or perceived decrease in market or resale value resulting from loss to or repair of your covered property.

SECTION II - EXCLUSIONS

Under 1. COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others

Item a. is deleted and replaced by the following:

- a. Which is expected or intended by one or more the "insureds", even if the resulting "bodily injury" or "property damage"
- (1) is of a different kind, quality, or degree than initially expected or intended; or
 - (2) is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

Item c. is deleted and replaced by the following:

- c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of the "residence premises":
- (1) As a "short term rental" for use only as a residence;
 - (2) In part, unless intended for use as a residence more than two roomers or boarders; or
 - (3) In part, as an office, school, studio or private garage;

Under 2. COVERAGE E - Personal Liability, Item f. is deleted in all forms and Endorsement **HO 24 73**.

SECTION II – ADDITIONAL COVERAGES

For form **HO 00 03**, item 1.c. under **Claims Expenses** is amended as follows:

- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Under 3. **Damage to Property to Others**, item d. is deleted and replaced by the following:

- d. To property owned by or rented to a tenant of an "insured" or a resident in your household. This does not apply to "short term rentals"; or

For form **HO 00 03**, item 4. **Loss Assessment** is deleted in its entirety.

SECTIONS I AND II - CONDITIONS

2. **Concealment or Fraud** is deleted and replaced by the following:

2. Concealment or Fraud

- a. Under SECTION I - PROPERTY COVERAGES, with respect to all "insureds" covered under this policy, we provide no coverage for loss under SECTION I – PROPERTY COVERAGES if, whether before or after a loss, one or more "insureds" have:
- (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements; relating to this insurance.



- b. Under SECTION II - LIABILITY COVERAGES, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:
 - (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements; relating to this insurance.
- 5. **Cancellation.** Paragraphs **b.(1)** and **b.(2)** are deleted and replaced by the following:
 - b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect. If delivered by United States mail, the 10 day notification period begins to run 5 days following the date of postmark;
 - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect.

All other provisions of this policy apply.



Information about Homeowners Rate Determination

When determining your premium, we consider many factors, such as your credit history, claims history, and property characteristics. You may request that Liberty Mutual re-evaluate your current homeowners insurance rate with up-to-date information using the same factors prior to your policy's expiration. If your community adds new fire protection (fire stations) or access to new hydrants close to your home, you should contact us to evaluate possible saving opportunities.

Policy rate re-evaluation is limited to one request per policy period, and may result in a quoted premium either higher or lower. If you would like your policy re-evaluated, please call us at 1-800-787-1147 and a representative will be happy to assist you.



NOTICE OF PRIVACY POLICY

Liberty Mutual* values you as a customer and takes your personal privacy seriously. When you request a rate quotation, apply for insurance, request changes to your insurance policy or submit a claim, you disclose information about yourself or members of your family. This notice tells you how we treat the information we collect about you.

1. INFORMATION WE MAY COLLECT

We collect information about you from:

- Applications or other forms you complete, and information you provide to us over the telephone;
- Your business dealings with us and other companies;
- Your employer or association for Liberty Mutual Group products;
- Consumer reporting agencies, Motor Vehicle Departments, inspection services and medical providers; and
- Visits to our Liberty Mutual website.

2. TYPES OF INFORMATION WE MAY DISCLOSE

We may disclose the following about you:

- Information from your application or other forms, such as your name, date of birth, address, social security number, vehicle and driver information;
- Information about your transactions with us, our affiliates or others, such as your insurance coverages, payment history, and certain claims information; and
- Information we receive from third parties, such as your motor vehicle records and claims history.

3. TO WHOM INFORMATION MAY BE DISCLOSED

We do not disclose personal information about you to anyone unless allowed by law. We are allowed by law to provide information to:

- A third party that performs services for us, such as claims investigations, medical examinations, inspections, and appraisals or for roadside assistance or the repair of your vehicle if you have a claim;
- Our affiliated companies and reinsurers;
- Insurance regulators and reporting agencies;
- Consumer reporting agencies to obtain loss history information, motor vehicle reports, or credit report information where permitted by law;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions or to confirm your compliance with compulsory motor vehicle liability insurance laws;
- Law enforcement agencies or other government authorities to report suspected illegal activities;
- A person or organization conducting insurance actuarial, or research studies;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement with banks, credit unions, and affinity partners, or providers of annuity and financial products and services offered through us to our customers; and
- As otherwise permitted by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. These safeguards comply with applicable laws. We retain your information for as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies. Any information we share with third parties, such as those organizations which perform a service for us or market our products, is subject to appropriate confidentiality protections and may be used only for the purposes intended.

*This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates that provide personal automobile, homeowners, life insurance and annuities: Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Company of America, Liberty Northwest Insurance Corporation, Liberty Life Assurance Company of Boston, Liberty County Mutual Insurance Company (Texas only), Liberty Lloyds of Texas Insurance Company, LM Property and Casualty Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Personal Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, LM General Insurance Company, American States Preferred Insurance Company, Consolidated Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company and Wausau Business Insurance Company.

EXHIBIT C

Ryan McFarland

From: Ryan McFarland <ryan@mcfarlandritter.com>
Sent: Saturday, March 25, 2017 4:21 PM
To: 'KEVIN.LEIN@LIBERTYMUTUAL.COM'
Subject: McFarland, Claim #: 035084431
Attachments: Proof of Loss (Contents).pdf; McFarland Non Salv.pdf

Kevin,

Please see the attached for proof of loss for contents. I am asking for \$5,680.69. Please advise what additional information you need from me. The attached documents have been uploaded into the claim center.

Thanks,
Ryan

Ryan McFarland
Legal Counsel
P.O. Box 1335
Meridian, ID 83642
p. 208.895.1291
c. [208.789.1643](tel:208.789.1643)
f. [208.895.1270](tel:208.895.1270)
mcfarlandritter.com



McFARLAND  **RITTER**

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Content Items List With Images

McFarland / 035084431

Prepared for: Unknown
Prepared on: Mar 15, 2017
Prepared by: Elizabeth Byce
Carrier: State Farm
Loss Type: Water

Inside This Report

Garage
Bonus Room



McFarland Ryan

035084431

Room: Garage

#1 1 BATHROOM CABINET:24"X18" KEERH1ZU (R - VAULT20 {FE9RQ5UN})

Replacement



#2 1 TABLE-TENNIS TABLE KJNRE7XK

Replacement

General Notes

Rust, table top peeling off



McFarland Ryan

035084431

#3 1 METAL QUEEN BEDFRAME KQZWAN5K

Replacement



#4 1 QUEEN MATTRESS KKY0EGYV

Replacement



#5 1 QUEEN BOXSPRING KPUM82RK (R - VAULT20 {FE9RQ5UN})

Replacement



McFarland Ryan

035084431

#6 2 METAL FOLDING CHAIRS K8AMWWUA (R - VAULT20 {FE9RQ5UN})

Replacement



#7 1 MATTRESS PAD K81E9QMD (R - VAULT20 {FE9RQ5UN})

Replacement



#8 2 BED PILLOWS K7YFMHN4 (R - VAULT20 {FE9RQ5UN})

Replacement



#9 1 SMALL DECOR PILLOW K92KV5GK

Replacement



McFarland Ryan

035084431

#10 1 GREEN METAL STAND 14349897

Replacement



#11 1 WOOD PIECE WITH BROKEN SHELVES 14349898

Replacement



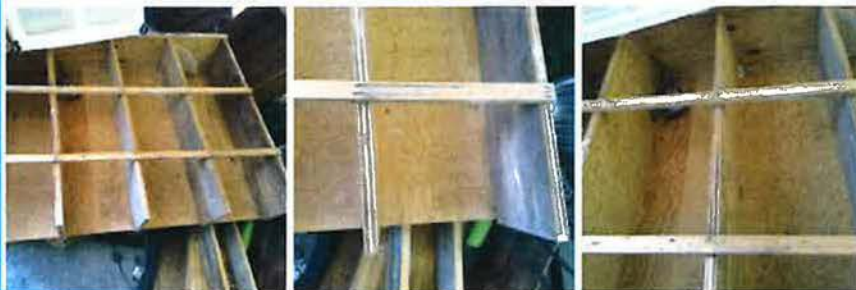
#12 1 BB GUN 14349899

Replacement



#13 1 WOODEN BUILT IN SHELF 14349900

Replacement



McFarland Ryan

035084431

#14 1 VACUUM HOSE 14349901

Replacement



#15 1 CRAFTSMAN SHOP VAC 14349902

Replacement



#16 1 METAL CHAIR WITH BAMBOO 14349903

Replacement



#17 1 3 PIECE CHRISTMAS TREE AND POOL NOODLE 14349904

Replacement



McFarland Ryan

035084431

#18 1 SAW, OILS, CABLE 14349905

Replacement



#19 1 WORK BENCH 14350216

Replacement



#20 1 METAL CABINET 14350217

Replacement



#21 1 AIR CONDITIONER 14350218

Replacement



McFarland Ryan

035084431

#22 1 SHOP LIGHTS 14350219

Replacement



#23 1 3 DRAWER STORAGE CONTAINER 14350220

Replacement



#24 1 BOOKCASE 14350221

Replacement



#25 1 20 CANS OF ASSORTED FOOD 14350222

Replacement



Total Line Items In Garage Location: 25

McFarland Ryan

035084431

Room: Bonus Room

#26 1 AREA RUG K7AN401U

Replacement



#27 2 HIGH BACK CHAIRS K79KJ828

Replacement



#28 1 14326621

Replacement



Total Line Items In Bonus Room Location: 3

Total Line Items Per Job: 28

Description	Value	Contents - Proof of Loss	Supporting Documentation
Bathroom Cabinet	\$ 179.00	http://www.homedepot.com/p/Glacier-Bay-Hampton-24-in-W-x-21-in-D-x-33-5-in-H-Vanity-Cabinet-Only-in-White-HWN24D/202696858	
Table Tennis Table	\$ 199.99	http://www.dickssportinggoods.com/p/dtga-master-series-112100-indoor-table-tennis-table-165ga/20121001btg28.colors=Black	
Metal Queen Bedframe	\$ 120.00	http://www.icpenney.com/extreme-bed-frame/prod_luma?pid=19e21dd&catid=cat100240132&deptId=dept2000011&urlState=/q/queen-mattresses/N-bwo3vD1nohcd211&inx	
Queen Mattress	\$ 1,075.00	http://www.icpenney.com/sera-7ertapedic-sunnyjune-firm-mattress-box-springs/prod_luma?pid=pp5007228710&catid=cat100240132&deptId=dept2000011&urlState=/q/queen-firm-mattress-box-springs/mat	
Queen Boxspring	\$ -	See above	
Metal Folding Chairs (2)	\$ 72.00	http://www.homedepot.com/p/Flath-Furniture-Hercules-Series-Triple-Braced-Double-Hinged-Black-Metal-Folding-Chair-HF3MC309ASBK/301092602	
Mattress Pad	\$ 29.99	http://www.icpenney.com/icpenney-home-classic-mattress-pad/prod_luma?pid=pp5002370276&catid=SearchResults&searchTerms=mattress%20pad	
Bed Pillows (2)	\$ 48.00	http://www.icpenney.com/icpenney-home-classic-3-pack-pillows/prod_luma?pid=pp5005630513&catid=SearchResults&searchTerms=pillows&N=4294944061	
Small Décor Pillow	\$ 18.99	http://www.icpenney.com/festival-stripe-decorative-pillow/prod_luma?pid=pp5004110299&catid=SearchResults&searchTerm=decorative%20pillow	
Green Metal Stand	\$ -	See Christmas Tree, below	
Wood Piece with Broken Shelves	\$ 7.48	http://www.homedepot.com/p/Lewis-Hyman-16-in-L-x-5-in-W-Profile-Espresso-Shelf-Kit-9085822/206337927	
BB Gun	\$ 129.99	http://www.dickssportinggoods.com/p/black-ops-ignite-m4-viper-airsoft-gun-black/15bosubickpsm4vsraq28.colors=Black	
Wooden Built in Shelf	\$ 166.34	http://www.homedepot.com/p/Rubbermaid-4-Shelf-48-in-x-16-in-Laminate-Storage-Shelves-in-Black-with-47-in-Upright-and-Extension-Kit-1917612/205853705	
Vacuum Hose	\$ 13.98	http://www.homedepot.com/p/HDX-3-5-ft-Connector-Hose-for-Automatic-Cleaners-69200/203796281	
Craftsman Shop Vac (5.0 HP)	\$ 79.99	http://www.sears.com/craftsman-xsp-12-gallon-5-5-peak-hp-wet-dry/p-009120060007?alsoSellerId=Sears&ordNo=1&blockNo=1&blockType=G1	
Metal Chair with Bamboo	\$ 267.02	http://www.etsy.com/listing/454337838/rare-beautiful-original-mid-century?ref=market	
Christmas Tree	\$ 139.50	http://www.homedepot.com/p/GE-7-5-ft-Pre-Lit-LED-Just-Cut-Frasier-Fir-Artificial-Christmas-Tree-with-FZ-Light-Technology-and-Warm-White-LED-Lights-D1675HO/206768296	
Pool Noodle	\$ 1.98	http://www.homedepot.com/p/Swim-Ways-55-in-x-2-375-in-Swim-Noodle-12329/204847998	
Saws	\$ 12.99	https://www.amazon.com/husky-12-Combination-Handsaw-Hacksaw/dp/B00669M0TU/ref=cm_cr_dp_product_top?ie=UTF8	
Motor Oil (2)	\$ 23.98	https://www.zoro.com/castrol-castrol-2t-snowmobile-oil-401540/L05430321/?acld=CwKfAlwh99GRChc2n3CDqUjSIAAhW5ay8_BuI8eBArGvixWAs4WBCderD4eI8TdeP4Fv8cWcW_w8l	
Cable	\$ 16.97	http://www.homedepot.com/p/CKE-TECH-50-ft-18-Gauge-RG-6-Coaxial-Cable-Black-RG6-COAX-CABLE-Black-50-ft/203717795	
Work Bench	\$ 109.99	http://www.homedepot.com/p/Husky-42-in-DIY-Workbench-with-Full-Length-Steel-Shelves-SO-3828/204065014	
Metal Cabinet	\$ 275.00	http://www.uline.com/Product/Detail/H-1105GR/Storage-Cabinets/Industrial-Metal-Storage-Cabinet-36-x-18-x-72-Unassembled-Gray?productId=1105GR&acld=C0KQIwotIGBRDyB5	
Window Air Conditioner	\$ 189.00	http://www.homedepot.com/p/Friedlairs-5-000-BTU-Window-Air-Conditioner-FR1051351/206673485	
Shop Light (3)	\$ 38.91	http://www.homedepot.com/p/Lithonia-Lighting-3-Light-White-T12-Fluorescent-Shop-Light-1233-SHOPLIGHT/203081577	
3-Drawer Storage Container	\$ 46.99	http://www.wayfair.com/Sterilite-3-Drawer-Storage-Chest-29308001-L1365-K-YEH1070.html?ref=GX103069596603-YEH1070&device=8&pid=168793564323&targetId=168793564323&acld=C0KQIwotIGB	
Bookcase	\$ 17.09	http://www.target.com/p/3-shelf-bookcase-espresso-room-essentials/L-A-73969216	
20 cans, assorted foods	\$ 170.00	http://www.cannery.blogspot.com/	
Area Rug	\$ 59.00	http://www.target.com/p/roma-overdyed-rug-threshold/L-A-52334701	
High Back Chairs (2)	\$ 899.98	https://www.rwlliv.com/Furniture/Living-Room/Chairs/Stationary/Fabric/812018/Nightingale-Grey-Wing-Chair-Andrea-View.jsp	
Leather Reclining Sofa	\$ 999.99	https://www.crowlley.com/Furniture/Living-Room/Sofas/Reclining/0813-3000M-8177/110102981/Crown-Leather-Match-Manual-Reclining-Sofa-Siena-View.jsp	
Sub Total:	\$ 5,359.14		
6% sales tax	\$ 321.55		
Total	\$ 5,680.69		

[vhw8PRHAGBgc0rcnw.dz](#)

[KVR3AkvC8PBHAG](#)

EXHIBIT D

Ryan McFarland

From: Ryan McFarland <ryan@mcfarlandritter.com>
Sent: Tuesday, April 25, 2017 9:36 AM
To: 'KEVIN.LEIN@LIBERTYMUTUAL.COM'
Subject: RE: McFarland, Claim #: 035084431

Kevin,

What is the status of my claim for the contents of my cabin dwelling?

Also, I have endorsed Check No. 40759272 for \$10,261.14 as partial payment of MAI Industries, LLC dba ServePro of Boise's invoices. Please be advised, however, that I do not accept this check as payment in full. Pursuant to my letter to Bronte Vallejo dated March 11, 2017, I am preparing a Complaint for the following:

- (1) Declaration that the Policy covers the entire costs of mitigation and restoration;
- (2) Payment of the approximately \$4,000 difference between the amount of ServePro's mitigation invoices and the above-referenced check;
- (3) The difference between the repair costs (TBD) and the approximately \$13,000 check Liberty Mutual previously provided to me;
- (4) The value of my contents claim if not adequately addressed per my prior submission and as requested above.

I will forward the Complaint to you when it is prepared, and have it duly served on Liberty Mutual following filing in State Court in Idaho. If you or your legal department would like to discuss this matter, please advise.

Sincerely,
Ryan

Ryan McFarland
Legal Counsel
P.O. Box 1335
Meridian, ID 83642
p. 208.895.1291
c. [208.789.1643](tel:208.789.1643)
f. [208.895.1270](tel:208.895.1270)
mcfarlandritter.com



McFARLAND  **RITTER**

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From: Ryan McFarland [mailto:ryan@mcfarlandritter.com]
Sent: Saturday, March 25, 2017 4:21 PM
To: 'KEVIN.LEIN@LIBERTYMUTUAL.COM' <KEVIN.LEIN@LIBERTYMUTUAL.COM>
Subject: McFarland, Claim #: 035084431

Kevin,

Please see the attached for proof of loss for contents. I am asking for \$5,680.69. Please advise what additional information you need from me. The attached documents have been uploaded into the claim center.

Thanks,
Ryan

Ryan McFarland
Legal Counsel
P.O. Box 1335
Meridian, ID 83642
p. 208.895.1291
c. [208.789.1643](tel:2087891643)
f. [208.895.1270](tel:2088951270)
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McFARLAND  **RITTER**

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McFarland Ritter PLLC
Ryan T. McFarland, ISB No. 7347
P.O. Box 1335
Meridian, ID 83680
Telephone: 208.895.1291
Facsimile: 208.895.1270
Email: ryan@mcfarlandritter.com

Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

STATEMENT OF MATERIAL FACTS
IN SUPPORT OF PLAINTIFFS'
MOTION FOR PARTIAL SUMMARY
JUDGMENT

Plaintiffs Ryan McFarland and Kathryn McFarland (“Mr. and Mrs. McFarland” or, “the McFarlands”), by and through their attorneys of record, McFarland Ritter PLLC, respectfully file this Statement of Material Facts in Support of their Motion for Partial Summary Judgment against Defendant Liberty Mutual Group, Inc. (“Defendant”).

1. Mr. and Mrs. McFarland have owned the real property that is the subject of this above-captioned Action, and improvements thereon, since 2010. Affidavit of Ryan T. McFarland in Support of Plaintiffs’ Motion for Partial Summary Judgment (hereinafter the “R. McFarland Aff.”), ¶ 2.

2. The dwelling on the Cabin property consists of a main house with a kitchen, bathroom, and bedroom, and a detached Garage with the Bonus Room above it. R. McFarland Aff., ¶ 2.

3. The Cabin property also contains a non-dwelling “other structure” that houses a geothermal well. R. McFarland Aff. ¶ 2.

4. In or about September 2010, Mrs. McFarland contacted Defendant via telephone to inquire about purchasing a homeowner’s insurance policy for the Property. Affidavit of Kathryn E. McFarland in Support of Plaintiff’s Motion for Partial Summary Judgment (hereinafter the “K. McFarland Aff.”), ¶ 2. Mrs. McFarland described the Cabin property to the Defendant’s representative, and explained that the dwelling includes a kitchen, bath and a bedroom, as well as the detached Garage and Bonus Room. Mrs. McFarland also described the separate geothermal well structure. *Id.* at ¶¶ 3-4.

5. Until the water event giving rise to the Claim, Mr. and Mrs. McFarland furnished the Bonus Room with a bed, couch, and two wing-backed chairs; the Garage housed a ping-pong table, desk, books, clothing and other personal property. Both the Garage and Bonus Room were heated and had lighting for continuous, protracted use as part of the dwelling. R. McFarland Aff. ¶ 3; K. McFarland Aff., ¶ 5.

6. Defendant issued the Policy to the McFarlands in 2010. R. McFarland Aff., ¶ 4.

7. Since the Policy was issued, it has been renewed annually and Mr. and Mrs. McFarland have always paid the premium timely and in full. R. McFarland Aff., ¶ 5.

8. The most current version of the Policy insures the “Dwelling” up to a limit of \$221,600.00, and “Other Structures” up to \$22,160.00. R. McFarland Aff., ¶ 6, Exh. A. The

Policy also provides coverage for the Personal Property “owned or used by an ‘insured’ while it is anywhere in the world” up to \$166,200.00. R. McFarland Aff., ¶ 7, Exh. B.

9. The Policy does not define “dwelling;” instead, the Policy merely identifies it as a location on the “Residence premises.” R. McFarland Aff., ¶ 6, Exh. A. At best, the Policy defines “dwelling” in the negative, by distinguishing it from “Other Structures,” which are *non-dwelling* structures on the property: “We cover other structures on the ‘residence premises’ *set apart from the dwelling* by clear space.” (emphasis added). *Id.*

10. The Cabin is heated by geothermal water, which is piped through radiant heaters in the Bonus Room and Garage. R. McFarland Aff. ¶ 8.

11. On or about February 15, 2017, the radiant heater in the Bonus Room failed, resulting in 180-degree (approximately) water pouring onto the floor and walls of the Bonus Room, and streaming onto the ceiling of the Garage below. No one was at the Property at the time the heater burst, so for approximately two days voluminous amounts of water and steam destroyed the insulation, drywall, doors, overhead Garage doors, and plumbing and electrical components of the Bonus Room and Garage. Most of the contents of these rooms were destroyed, including a queen bed, leather reclining sofa, ping pong table, desk, bookshelves and other miscellaneous personal property. R. McFarland Aff. ¶ 9.

12. On February 17, 2017, Mr. McFarland discovered the failed radiant heater and enormous water leak and immediately shut off the water, which meant the Cabin also had neither heat nor water. R. McFarland Aff. ¶ 10.

13. Also on February 17, 2017, Mr. McFarland submitted the Claim to Defendant. R. McFarland Aff. ¶ 11.

14. Defendant's claims agent immediately admitted that the Claim was covered under the Policy, and instructed Mr. McFarland to contact a disaster remediation company because Defendant did not have a contract remediation company in the area. R. McFarland Aff. ¶ 11.

15. On February 18, 2017, Mr. McFarland contacted ServPro to begin water remediation efforts. R. McFarland Aff. ¶ 12. That same day, ServPro and Mr. McFarland jointly contacted Defendant and obtained pre-approval to commence the remediation work. Defendant further authorized ServPro to provide a power generator and portable heating and drying equipment to the Property, and consented to Mr. McFarland hiring a plumbing professional to restore water and heat to the Cabin while bypassing the damaged Bonus Room and Garage. *Id.* Mr. McFarland, ServPro, and the plumber commenced work that day. *Id.*

16. On February 25, 2017, Defendant's contracted field adjuster inspected the Property and told Mr. McFarland that the water damage to the Garage and Bonus Room was quite extensive, and the Garage overhead doors and man-doors would need to be replaced. R. McFarland Aff. ¶ 13.

17. On or about March 8, 2017, Defendant issued partial payment to ServPro for \$10,261.14, and to Mr. and Mrs. McFarland in the amount of \$13,206.36. R. McFarland Aff. ¶ 14. The amount paid to ServPro did not satisfy all of ServPro's charges, but left a balance of \$4,329.17 to be paid by Mr. and Mrs. McFarland. *Id.*

18. On or about March 11, 2017, a claims agent for Defendant called Mr. McFarland to inform him that the applicable coverage limit for the structural damage under the Claim was the lower limit applicable to "other Structures on Insured Location." R. McFarland Aff. ¶ 15.

19. That same day, March 11, 2017, Mr. McFarland sent a letter to Defendant demanding payment in full for the structural damages and repair work because the Garage and

Bonus Room are, in fact, part of the Cabin dwelling, as Mrs. McFarland had advised Defendant at the time she applied for insurance. R. McFarland Aff. ¶ 16. Mr. McFarland also informed Defendant that the total value of the Claim was not yet known because Mr. McFarland was still obtaining repair estimates and assessing the value of their personal property loss. *Id.*

20. On March 14, 2017, Defendant's claim agent called Mr. McFarland to report that Defendant was rejecting Mr. and Mrs. McFarland's demand for full payment. R. McFarland Aff. ¶ 17.

21. On or about March 15, 2017, ServPro provided Mr. and Mrs. McFarland with an inventory list of the Personal Property that ServPro had removed from the Garage and Bonus Room and deemed "non-salvageable". R. McFarland Aff. ¶ 18.

22. On or about March 25, 2017, after totaling the value of such property, Mr. McFarland submitted ServPro's "non-salvageable" property list, along with proof of the property loss value (\$5,680.69), to Defendant via both Defendant's on-line claims website (the "Claims Center" at <https://eservice.libertymutual.com>) and via e-mail. R. McFarland Aff. ¶ 19, Exh. C.

23. Receiving no response from Defendant regarding the Personal Property element of his Claim, Mr. McFarland sent a follow-up e-mail to Defendant on April 25, 2017. R. McFarland Aff. ¶ 20, Exh. D.

24. Defendant never responded to Mr. and Mrs. McFarland's Personal Property Claim until after this lawsuit was filed. McFarland Aff. ¶ 21.

25. Defendant has paid no more than the \$23,467.50 in payments made on or about March 8, 2017, the total Defendant contends it is liable for. McFarland Aff. ¶ 22. The remaining amount necessary to pay ServPro, to restore the damaged Cabin, and restore the Personal Property is in excess of \$20,000.00. *Id.*

DATED THIS 26th day of September, 2017.

By /s/ Ryan T. McFarland

Ryan T. McFarland, ISB No. 7347

Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of September, 2017, I caused to be served a true copy of the foregoing STATEMENT OF MATERIAL FACTS IN SUPPORT OF PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt

/s/ Ryan T. McFarland

Ryan T. McFarland

Robert A. Anderson, ISB No. 2124
Robby J. Perucca, ISB No. 7001
ANDERSON, JULIAN & HULL LLP
C. W. Moore Plaza
250 South Fifth Street, Suite 700
Post Office Box 7426
Boise, Idaho 83707-7426
Telephone: (208) 344-5800
Facsimile: (208) 344-5510
E-Mail: raanderson@ajhlaw.com

Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546


**DEFENDANT'S MOTION FOR
SUMMARY JUDGMENT**

COMES NOW Defendant Liberty Insurance Corporation (incorrectly sued as Liberty Mutual Group, Inc.), by and through its counsel of record, Anderson, Julian & Hull LLP, and pursuant to IRCP 56, hereby moves this Court for its Order dismissing the Plaintiffs' claims in this matter as a matter of law. This Motion is supported by a Declaration of Kevin Lein and memorandum of law.

Oral argument is requested.

DATED this 15th day of October, 2017.

ANDERSON, JULIAN & HULL LLP

By 

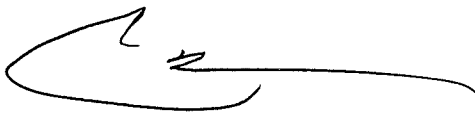
Robby J. Perucca, Of the Firm
Attorneys for Defendant

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 15th day of October, 2017, I served a true and correct copy of the foregoing **DEFENDANT'S MOTION FOR SUMMARY JUDGMENT** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

- | | |
|-------------------------------------|----------------------------|
| <input type="checkbox"/> | U.S. Mail, postage prepaid |
| <input type="checkbox"/> | Hand-Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |
| <input type="checkbox"/> | E-Mail |
| <input checked="" type="checkbox"/> | E-File |



Robby J. Perucca

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E-Mail: raanderson@ajhlaw.com

Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546

**MEMORANDUM IN SUPPORT OF
DEFENDANT'S MOTION FOR
SUMMARY JUDGMENT**

COMES NOW Defendant Liberty Insurance Corporation (incorrectly sued as Liberty Mutual Group, Inc.), by and through its counsel of record, Anderson, Julian & Hull LLP, and hereby submits its Memorandum in Support of its Motion for Summary Judgment as follows:

I.

FACTUAL BACKGROUND

This case involves an insurance policy interpretation dispute between the parties. The McFarlands are insureds with respect to a Liberty Insurance Corporation (hereinafter “Liberty Mutual”) homeowner’s insurance policy, Policy No. H37-268-805898-70, with coverage dates between December 7, 2016 and December 7, 2017. *See Affidavit of Ryan T. McFarland in Support of Plaintiffs’ Motion for Summary Judgment, Exhibits A & B.* On or about February 17, 2017, the McFarlands reported a loss to Liberty Mutual with regard to their property located at 138 Castle Mountain Drive, Garden Valley, Idaho. *See Declaration of Kevin Lein, ¶ 3.* On or around February 15, 2017, a radiant heater located on the second level of the detached garage on the property apparently burst, spreading water on the floor and walls of the second floor space, as well as onto the ceiling of the first level of the garage and space below. *Id.*

After the loss was reported, Liberty Mutual immediately began its investigation and adjustment of the claim, including having a field adjuster inspect the loss location. *Id.*, ¶ 4. By March 9, 2017, Liberty Mutual had tendered \$10,261.14 to ServPro and \$13,206.26 to the McFarlands in connection with the loss. *Id.*

On or about March 11, 2017, Liberty Mutual informed the McFarlands of their coverage associated with the loss. *Id.*, ¶ 5. Liberty Mutual determined that since the damage occurred to a detached garage on the property, coverage available for the loss was under Coverage B, “Other Structures.” *Id.* As a result, coverage for the loss was limited to the \$22,350 (plus 5% for debris removal) available under Coverage B, as set forth in the Declarations. *Id.* Liberty Mutual further informed the McFarlands that, as a result of the payments already made in connection with the loss, their coverage under Coverage B, including debris removal, had been exhausted.

Id. On or about March 11, 2017, the McFarlands sent a letter to Liberty Mutual disputing the payment, asserting that coverage for the loss should have been under Coverage A, associated with the “Dwelling.” *Id.*, ¶ 6.

On or about March 25, 2017, the McFarlands submitted a proof of loss associated with the personal property located in the garage which was allegedly damaged in connection with the loss. *Id.*, ¶ 7, Exhibit A. On or about April 3, 2017, Liberty’s adjuster sent an email to Mr. McFarland requesting further information in order to fully process the personal property claim. *Id.*, ¶ 8. Upon receiving no response, the adjuster followed up again with Mr. McFarland by email on April 24, 2017. *Id.*, Exhibit B.

On or about April 25, 2017, Mr. McFarland sent Liberty’s adjuster an email asking about the status of his contents claim and noting that he was planning on filing a civil Complaint regarding the insurance claim. *Id.*, ¶ 9, Exhibit C. On or about April 28, 2017, Liberty’s adjuster responded to Mr. McFarland, noting his prior attempts to communicate with McFarland regarding the contents claim and once again explaining the additional information needed to process the claim. *Id.*, ¶ 10, Exhibit D.

To date, the McFarlands have never responded to Liberty Mutual’s request for further information in order to process the contents claim. *Id.*, ¶ 11. The information requested, such as the purchase date of the items, is critical to determining the value of each of the items. Information such as photographs assists in establishing ownership of the items. *Id.* The McFarlands’ contents claim remains open and Liberty Mutual is willing to continue adjusting the claim once the McFarlands cooperate with the reasonable requests for further documentation. *Id.*

On July 10, 2017, The McFarlands filed a Complaint against Liberty Mutual, asserting claims for breach of contract, bad faith, violation of the Idaho Consumer Protection Act, and unjust enrichment. Plaintiffs' primary argument supporting all of their claims is that Liberty Mutual wrongfully adjusted the claim under Coverage B (Other Structures) as opposed to Coverage A (Dwelling). Plaintiffs assert that they suffered \$21,000 in damages in connection with the loss that were not paid out under their Policy due to Liberty Mutual's coverage determination.

II.

ARGUMENT

The Plaintiffs have also filed a summary judgment motion in this matter. As a result, the Court will be considering cross motions for summary judgment. A review of the factual record set forth in both motions indicates that the material facts at issue are not in significant dispute. Both parties are seeking a determination, as a matter of law, as to whether the February 15, 2017, loss should have been adjusted under Coverage A or Coverage B. Liberty Mutual believes that the Policy is unambiguous and that it correctly applied the terms and conditions of the Policy in adjusting the loss. Further, Liberty Mutual contends that it did not breach any duty owed to the Plaintiffs in connection with the contents claim, as the Plaintiffs have not yet completed their proof of loss on that claim. As a result, summary judgment dismissal of all of the Plaintiffs' claims is appropriate.

A. Primary Policy Terms at Issue

Coverage A under Section I "Property Coverages," identifies what property is being covered under the policy's Dwelling coverage. *See Policy, Exhibit A* to Affidavit of Ryan

McFarland in Support of Plaintiffs' Motion for Summary Judgment, p. 1. This section of the Policy provides:

Coverage A – Dwelling

We cover:

1. The dwelling on the “residence premises” shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the “residence premises” used to construct, alter or repair the dwelling or other structures on the “residence premises.”

This coverage does not apply to land, including land on which the dwelling is located.

Id. The “residence premises” is defined as: “(a) the one family dwelling, other structures, and grounds; or (b) that part of any other building where you reside and which is shown as the ‘residence premises’ in the Declarations. *Id.*, Policy, p. 1. “Residence premises” also means a two family dwelling where you reside in at least one of the family units and which is shown as the ‘residence premises’ in the Declarations.” *Id.*

Coverage B identifies what property is being covered under the policy’s “Other Structures” coverage. This section provides:

Coverage B – Other Structures

We cover other structures on the “residence premises” set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used on whole or in part for “business”; or

2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

Id., *Policy*, p. 2.

In connection with making a claim for loss of personal property under the Policy, the insured has several duties, including:

...

- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory.
- f. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies...

Policy, Section I – Conditions, p. 8.

B. The McFarlands' Loss Associated with their Detached Garage Falls Squarely Under Coverage B

The Plaintiffs' primary argument supporting their determination that the loss should have been adjusted under Coverage A is that the term "residence premises" is defined under the Policy as "the one family dwelling ... or ... That part of any other building where you reside and which is shown as the 'residence premises' in the Declarations." The McFarlands contend that the detached garage is technically part of the "dwelling" because it contains living space in the form of an upstairs bedroom and recreational/work/reading area which they consider part of their residence. The specific facts being relied upon by the McFarlands include:

1. The garage/separate living space shares the same address as the rest of the home;
2. The garage has a bedroom, complete with bed and couch;

3. Household members regularly occupy and sleep in the bedroom above the garage;
4. The recreational/work/reading space is routinely used for its stated purposes;
5. The bedroom and recreational/work/reading space is heated and had lighting for regular, continuous, protracted use.

See Memorandum in Support of Plaintiffs' Motion for Summary Judgment, pp. 6-7. The McFarlands believe that the definition of "residence premises" is ambiguous as to whether the garage (containing a second floor bathroom and recreational space) constitutes a "dwelling" or "other building." The McFarlands contend that, in the face of such ambiguity, coverage must be construed in their favor. However, this argument ignores the fact that the policy itself clearly identifies and describes what property is covered under Coverage A and what property is covered under Coverage B.

In construing an insurance policy, the Court must look to the plain meaning of the words to determine if there are any ambiguities. *Cascade Auto Glass, Inc. v. Idaho Farm Bureau Ins. Co.*, 141 Idaho 660, 662–63, 115 P.3d 751, 753–54 (2005). "Where the policy language is clear and unambiguous, coverage must be determined, as a matter of law, according to the plain meaning of the words used." *Clark v. Prudential Property and Cas. Ins. Co.*, 138 Idaho 538, 541, 66 P.3d 242, 245 (2003) (citing *Mutual of Enumclaw Ins. Co. v. Roberts*, 128 Idaho 232, 235, 912 P.2d 119, 122 (1996)).

In resolving this question of law, the Court must construe the policy "as a whole, not by an isolated phrase." *Selkirk Seed Co. v. State Ins. Fund*, 135 Idaho 434, 437, 18 P.3d 956, 959 (2000). An insurance policy provision is ambiguous only if "it is reasonably subject to conflicting interpretations." *North Pac. Ins. Co. v. Mai*, 130 Idaho 251, 253, 939 P.2d 570, 572 (1997) (citing *City of Boise v. Planet Ins. Co.*, 126 Idaho 51, 55, 878 P.2d 750, 754 (1994)).

Liberty Mutual contends that the Plaintiffs' argument that Coverage A applies to the loss requires tortured reasoning. The primary problem with the McFarlands' reliance on the

definition of the term “residence premises” to support their legal analysis is that this term was not intended to differentiate claims covered under Coverage A, as compared to Coverage B. The definitions under the Policy do not themselves confer coverage, but instead, are intended to be read in the context of the entire applicable description of covered property and corresponding insuring agreement.

In that context, the “residence premises” is a broad concept, which includes the dwelling, other structures **and** the grounds or that part of any other building.... where the insureds reside. Thus, that definition establishes the broader parameter of what constitutes the “residence premises.” However, the Coverage A section of the insuring agreement makes it crystal clear that Coverage A only applies to a portion of the ‘residence premises,’ that being the dwelling located on the ‘residence premises’ shown in the Declarations, including structures attached to the dwelling.

From there, Coverage B is clear that it applies to another portion of the ‘residence premises,’ that being the other structures on the ‘residence premises’ set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.” There is nothing in Coverage B that dictates what use the structure must have. As a result, “other structures” can constitute garages, storage sheds, barns, pool houses, etc., regardless of whether such separate structures are utilized by the insureds as additional living space.

The Plaintiffs’ argument in this matter essentially represents an attempt to write into the Policy some type of use requirement for the structures in order to differentiate a particular structure under Coverage A or B. There is no such use requirement in the insuring agreements, only that the insured must reside at the “residence premises” in general and the other structures

are separated from the dwelling for Coverage B purposes. Ultimately, although there may be multiple buildings located on the “residence premises,” the use to which the buildings are put does not dictate coverage under Coverage A or B. It simply strains reasoning for Plaintiffs to claim that their detached garage falls under Coverage A because they placed a bed, couch or ping-pong table in it.

Moreover, Liberty Mutual conducted legal research of any appellate court decisions interpreting the phrases “residence premises” and “dwelling” under a homeowner’s policy to determine if an insured had ever made the type of argument advocated by the Plaintiffs in this matter. It could not find a case on point or any case where an appellate court interpreted the policy language in a manner consistent with that advocated by the Plaintiffs in this matter. Rather, most of the appellate cases interpreting these phrases have focused on whether an insured must reside at the residence premises in order for coverage under a homeowner’s policy to be effective.

Not only are the coverage distinctions between Coverage A and B clear and unambiguous, the term “dwelling” is also unambiguous. Once again, the term “residence premises” utilizes the phrase “one family dwelling,” as in one distinct dwelling on the premises. Merriam-Webster defines the term “dwelling” as “a shelter (such as a house) in which people live.” *Merriam-Webster* (11th ed. 2009). The term is simply not reasonably susceptible to conflicting interpretations. Moreover, the Court must review the policy as a whole in conducting its analysis. In doing so, it is clear that the one family dwelling is intended to be covered under Coverage A and other buildings or structures which have been placed on the premises (but are detached from the dwelling) are intended to be covered under Coverage B.

The Court should apply the clear and unambiguous terms of the policy to the loss and determine that it was appropriate for Liberty Mutual to adjust the loss at issue under Coverage B.

C. There has been no Breach of any Legal Duty with Respect to the Personal Property Claim

As described above, the Plaintiffs began the process of submitting a proof of loss related to personal property allegedly damaged in the water leak event. However, the Plaintiffs never submitted the additional requested information regarding the age of the items or photographs of the damaged property. *See Lein Declaration*, ¶¶ 7-11. Plaintiffs clearly had the duty under the Policy to provide this information. *See Policy*, Section I – Conditions, p. 8. As a result, Liberty Mutual has not yet received a complete proof of loss from the Plaintiffs regarding this issue.

Under Idaho law, an insured submits a sufficient proof of loss when the insured provides the insurer with sufficient information to allow the insurer a reasonable opportunity to investigate and determine its liability. *Greenough v. Farm Bureau Mut. Ins. Co. of Idaho*, 142 Idaho 589, 593, 130 P.3d 1127, 1131 (2006). A sufficient proof of loss must also provide the basis whereby the insurer can calculate the amount of the loss pursuant to the policy. *See, e.g., Weinstein v. Prudential Property and Cas. Ins. Co.*, 149 Idaho 299, 328, 233 P.3d 1221, 1250 (2010) (citations omitted). Where the insured fails to meet their burdens and responsibilities under the policy, the insured cannot assert a claim for breach of contract. *See Greenough*, supra.

In this matter, Liberty Mutual needed information regarding the age of the items to be able to fairly calculate their value and needed photos to establish that the McFarlands owned the items. Without this information, Liberty Mutual could not calculate the amount of the loss and fully adjust the claim. The McFarlands have not yet met their burdens under the policy. As a result, there is no legal basis to assert a breach of contract cause of action based on the

adjustment of the contents claim. Liberty Mutual's burden to complete the adjustment of the loss has not yet arisen until the McFarlands meet their burden of providing a full proof of loss.

Moreover, Liberty Mutual attempted to follow up with Plaintiffs on several occasions utilizing the same email address under which Mr. McFarland submitted the proof of loss. There can be no reasonable dispute that Liberty Mutual has attempted to communicate with the Plaintiffs so that it could fully adjust the loss. The Court should find that since the Plaintiffs did not complete their proof of loss, Liberty Mutual did not breach the contract and is not liable for any other claims associated with the personal property claim.

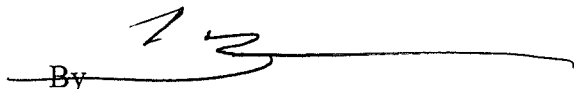
III.

CONCLUSION

For the foregoing reasons, Defendant Liberty Mutual respectfully requests that the Court grant summary judgment in its favor with regard to all claims asserted in Plaintiffs' Complaint.

DATED this 13th day of October, 2017.

ANDERSON, JULIAN & HULL LLP

By 

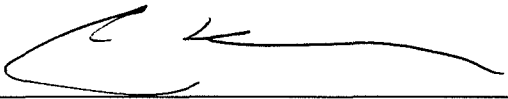
Robby J. Perucca, Of the Firm
Attorneys for Defendant

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 13th day of October, 2017, I served a true and correct copy of the foregoing **MEMORANDUM IN SUPPORT OF DEFENDANT'S MOTION FOR SUMMARY JUDGMENT** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

- | | |
|-------------------------------------|----------------------------|
| <input type="checkbox"/> | U.S. Mail, postage prepaid |
| <input type="checkbox"/> | Hand-Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |
| <input type="checkbox"/> | E-Mail |
| <input checked="" type="checkbox"/> | E-File |



Robby J. Perucca

Robert A. Anderson, ISB No. 2124
Robby J. Perucca, ISB No. 7001
ANDERSON, JULIAN & HULL LLP
C. W. Moore Plaza
250 South Fifth Street, Suite 700
Post Office Box 7426
Boise, Idaho 83707-7426
Telephone: (208) 344-5800
Facsimile: (208) 344-5510
E-Mail: raanderson@ajhlaw.com

Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546

**AMENDED DECLARATION OF
KEVIN LEIN IN SUPPORT OF
DEFENDANT'S MOTION FOR
SUMMARY JUDGMENT**

KEVIN LEIN, under the penalty of perjury, hereby declares and states as follows:

1. I am above the age of 18 and I have personal knowledge of the facts set forth in this Declaration and make the same on the basis of such personal knowledge and belief.
2. I am employed by Liberty Mutual as an Inside Claims Specialist. I was one of the adjusters involved in the investigation and adjustment of Ryan and Kathryn McFarland's loss.

3. On or about February 17, 2017, the McFarlands reported a loss to Liberty Mutual with regard to their property located at 138 Castle Mountain Drive, Garden Valley, Idaho. My understanding of the loss was that, on or around February 15, 2017, a radiant heater located on the second level of the detached garage on the property burst, spreading water on the floor and walls of the second floor space, as well as onto the ceiling of the first level of the garage and space below.

4. After the loss was reported, Liberty Mutual immediately began its investigation and adjustment of the claim, including having a field adjuster inspect the loss location. By March 9, 2017, Liberty Mutual had tendered \$10,261.14 to ServPro and \$13,206.26 to the McFarlands in connection with the loss.

5. On or about March 11, 2017, Liberty Mutual informed the McFarlands of their coverage associated with the loss. Liberty Mutual determined that since the damage occurred to a detached garage on the property, coverage available for the loss was under Coverage B, "Other Structures." As a result, coverage for the loss was limited to the \$22,350 (plus 5% for debris removal) available under Coverage B, as set forth in the Declarations. Liberty Mutual further informed the McFarlands that their coverage under Coverage B, including debris removal, had been exhausted.

6. On or about March 11, 2017, the McFarlands sent a letter to Liberty Mutual disputing the payment, asserting that coverage for the loss should have been under Coverage A, associated with the "Dwelling."

7. On or about March 25, 2017, the McFarlands submitted a proof of loss associated with the personal property allegedly damaged in the garage in connection with the loss. A true and correct copy of the email sent by ryan@mcfarlandritter.com is attached hereto as Exhibit A.

8. On or about April 3, 2017, I sent an email to Mr. McFarland, also at ryan@mcfarlandritter.com, requesting further information in order to fully process the personal property claim. Upon receiving no response, I followed up again with Mr. McFarland by email on April 24, 2017. True and correct copies of these communications are attached hereto as Exhibit B.

9. On or about April 25, 2017, Mr. McFarland sent me an email asking about the status of his contents claim and noting that he was planning on filing a civil Complaint regarding the insurance claim. A true and correct copy of this email correspondence is attached hereto as Exhibit C.

10. On or about April 28, 2017, I responded to Mr. McFarland at his same email address, noting my prior attempts to communicate with him regarding the contents claim and once again explaining the additional information needed to process the claim. A true and correct copy of this email is attached hereto as Exhibit D.

11. Mr. McFarland has never responded to Liberty Mutual's request for further information in order to process the contents claim. The information requested, such as the purchase date of the items, is critical to determining the value of each of the items. Information such as photographs assists in establishing ownership of the items. The McFarlands' contents claim remains open and Liberty Mutual is willing to continue adjusting the claim once the McFarlands cooperate with the reasonable requests for further documentation.

DATED this 13 day of October, 2017.

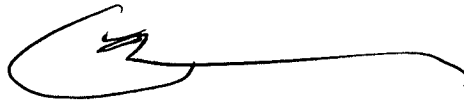

KEVIN LEIN

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 18th day of October, 2017, I served a true and correct copy of the foregoing **AMENDED DECLARATION OF KEVIN LEIN IN SUPPORT OF DEFENDANT'S MOTION FOR SUMMARY JUDGMENT** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

- | | |
|-------------------------------------|----------------------------|
| <input type="checkbox"/> | U.S. Mail, postage prepaid |
| <input type="checkbox"/> | Hand-Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |
| <input type="checkbox"/> | E-Mail |
| <input checked="" type="checkbox"/> | CM/ECF System |



Robby J. Perucca

From: Ryan McFarland [mailto:ryan@mcfarlandritter.com]
Sent: Saturday, March 25, 2017 4:21 PM
To: 'KEVIN.LEIN@LIBERTYMUTUAL.COM' <KEVIN.LEIN@LIBERTYMUTUAL.COM>
Subject: McFarland, Claim #: 035084431

Kevin,

Please see the attached for proof of loss for contents. I am asking for \$5,680.69. Please advise what additional information you need from me. The attached documents have been uploaded into the claim center.

Thanks,
Ryan

Ryan McFarland
Legal Counsel
P.O. Box 1335
Meridian, ID 83642
p. 208.895.1291
c. 208.789.1643
f. 208.895.1270
mcfarlandritter.com



McFARLAND  RITTER

This e-mail message is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify me immediately if you have received this message in error, and delete the message.



Contents - Proof of Loss

Supporting Documentation

Description	Value	Supporting Documentation
Bathroom Cabinet	\$ 179.00	http://www.homedepot.com/p/Glacier-Bay-Hampton-24-In-W-x-21-In-D-x-33-5-In-H-Vanity-Cabinet-Only-In-White-HWH240/202696858
Table Tennis Table	\$ 199.99	http://www.dicksportingoods.com/p/stiga-master-series-st2100-indoor-table-tennis-table/16sgau2prst2100tstr7&color=Black
Metal Queen Bedframe	\$ 120.00	http://www.icpenney.com/extreme-bed-frame/prod_jump?ppid=19e21dd&catid=cat100240132&deptId=dept20000011&urlState=/p/queen-mattresses/N-bwo3VD1nohs4Z1r741nx
Queen Mattress	\$ 1,075.00	http://www.icpenney.com/serta-serapedic-sunnylune-firm-mattress-box-springs/prod_jump?ppid=ppr5007228710&catid=cat100240132&deptId=dept20000011&urlState=/p/queen-firm-mattressbox-springs-mat
Queen Boxspring	\$ -	See above
Metal Folding Chairs (2)	\$ 72.00	http://www.homedepot.com/p/Flash-Furniture-Hercules-Series-Triple-Braced-Double-Hinged-Black-Metal-Folding-Chair-HF3MC309ASBK/301092602
Mattress Pad	\$ 29.99	http://www.icpenney.com/icpenney-home-classic-mattress-pad/prod_jump?ppid=pp5002370276&catid=SearchResults&searchTerm=mattress%20pad
Bed Pillows (2)	\$ 48.00	http://www.icpenney.com/icpenney-home-classic-2-pack-pillows/prod_jump?ppid=pp5005630513&catid=SearchResults&searchTerm=pillows&N=4294944063
Small Décor Pillow	\$ 18.99	http://www.icpenney.com/carnival-stripe-decorative-pillow/prod_jump?ppid=pp5004110299&catid=SearchResults&searchTerm=decorative%20pillow
Green Metal Stand	\$ -	See Christmas Tree, below
Wood Piece with Broken Shelves	\$ 7.48	http://www.homedepot.com/p/Lewis-Hyman-16-In-L-x-5-In-W-Profile-Espresso-Shelf-Kit-9085822/206337927
BB Gun	\$ 129.99	http://www.dicksportingoods.com/p/black-ops-ignite-m4-viper-airsoft-gun-black/15bpublckosm4vpsaq7&color=Black
Wooden Built In Shelf	\$ 166.34	http://www.homedepot.com/p/Rubbermaid-4-Shelf-48-In-x-16-In-Laminate-Storage-Shelves-In-Black-with-47-In-Upright-and-Extension-Kit-1937612/205853705
Vacuum Hose	\$ 13.98	http://www.homedepot.com/p/HDX-3-5-ft-Connector-Hose-for-Automatic-Cleaners-69200/203796281
Craftsman Shop Vac (5.0 HP)	\$ 79.99	http://www.sears.com/craftsman-xsp-12-gallon-5-5-peak-hp-wet-dry/p-00912006000P?plpSellerId=Sears&prdNo=1&blockNo=1&blockType=G1
Metal Chair with Bamboo	\$ 267.02	https://www.etsy.com/listing/454337838/rare-beautiful-original-mid-century?ref=market
Christmas Tree	\$ 139.50	http://www.homedepot.com/p/GE-7-5-ft-Pre-Lit-LED-Just-Cut-Frasier-Fir-Artificial-Christmas-Tree-with-EZ-Light-Technology-and-Warm-White-LED-Lights-01675HD/206768296
Pool Noodle	\$ 1.98	http://www.homedepot.com/p/Swim-Ways-55-In-x-2-375-In-Swim-Noodle-12329/204347998
Saws	\$ 12.99	https://www.amazon.com/Husky-12-Combination-Bowsaw-Hacksaw/dp/B00E69M0TU/ref=cm_cr_arpd_product_top?ie=UTF8
Motor Oil (2)	\$ 23.98	https://www.zoro.com/castrol-castrol-2t-snowmobile-oil-001540/J/G5430321/?gclid=CjwKEAjwh9PGBRCfo2n3ODrvUcSIAAhpW5op8-8vLE8ebArGysxYwAs4YBCderDMgIL8T6dPkFvBoCwC7w_wcB
Cable	\$ 16.97	http://www.homedepot.com/p/CE-TECH-50-ft-18-Gauge-RG-6-Coaxial-Cable-Black-RG6-COAX-CABLE-Black-50-ft/203717795
Work Bench	\$ 109.99	http://www.homedepot.com/p/Husky-42-In-DIY-Workbench-with-Full-Length-Steel-Shelves-50-382B/204065014
Metal Cabinet	\$ 275.00	https://www.uline.com/Product/Detail/H-1105GR/Storage-Cabinets/Industrial-Metal-Storage-Cabinet-36-x-18-x-72-Unassembled-Gray?pricode=WY816&gadtype=pla&id=H-1105GRQ&pclid=CJ0KEQIwqtIGBRD8yft9
Window Air Conditioner	\$ 189.00	http://www.homedepot.com/p/Frigidaire-5-000-BTU-Window-Air-Conditioner-FFRE053351/206673485
Shop Light (3)	\$ 38.91	http://www.homedepot.com/p/Lithonia-Lighting-2-Light-White-T12-Fluorescent-Shop-Light-1233-SHOPLIGHT/203081577
3-Drawer Storage Container	\$ 46.99	https://www.wayfair.com/Sterilite-3-Drawer-Storage-Chest-29308001-L365-K-YEH1070.html?refid=GX103069596603-YEH1070&device=c&pid=168793564323&targetid=pla-168793564323&gclid=CJ0KEQIwqtIGBF
Bookcase	\$ 17.09	http://www.target.com/p/3-shelf-bookcase-esspresso-room-essentials/-A-23969216
20 cans, assorted foods	\$ 120.00	http://gccannery.blogspot.com/
Area Rug	\$ 59.00	http://www.target.com/p/roma-overdyed-rug-threshold/-A-52334701
High Back Chairs (2)	\$ 899.98	https://www.rcwillev.com/Furniture/Living-Room/Chairs/Stallionary/Fabric/4812018/Nightingale-Grey-Wing-Chair---Andrea-View.jsp
Leather Reclining Sofa	\$ 999.99	https://www.rcwillev.com/Furniture/Living-Room/Sofas/Reclining/0813-3000M-B122/110102983/Brown-Leather-Match-Manual-Reclining-Sofa---Sienna-View.jsp
Sub Total:	\$ 5,359.14	
6% sales tax	\$ 321.55	
Total	\$ 5,680.69	

000235

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IKV8hAvE8P8HAQ

From: [Lein, Kevin](#)
To: ryan@mcfarlandritter.com
Subject: Personal Property Claim Claim#:035084431
Date: Monday, April 03, 2017 2:48:42 PM
Attachments: [image002.png](#)
[Personal Property Worksheet.xls](#)

Hello,

Thank you for sending in your personal property claim. There is however some information I need before I can process this. To be able to process a personal property claim I need;

1. Description of the Item (Item, brand, etc.)
2. Age of the Item (years and months)
3. Estimated Replacement cost
4. Photos of the damaged item.

Your list you sent already contains the description as well as the estimated replacement cost, so all I need is the age of each item, and a photo of it.

From our inspection I do already have photos of;

1. Leather Reclining Sofa
2. Wooden Built in Shelf
3. Assorted Canned Food
4. Shop Vacuum

Please provide photos, showing damage, of any other item that you are claiming that would need to be replaced due to the water damage. We do have a photo of the window AC unit, and our field adjuster noted that it was not damaged.

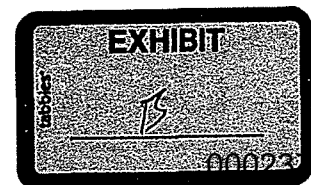
I have attached our personal property worksheet for you to use if you would like, if not you can just give me the ages to go along with the list you already put together.

Thank you,

Kevin Lein
Inside Claims Specialist
Liberty Mutual Insurance
PO Box 515097
Los Angeles, CA 90051
Direct Dial: 407-391-2115 or 866-542-2287 ext. 74697
Office Fax: 888-801-5220



AUTO | HOME | LIFE



From: [Lein, Kevin](#)
To: ryan@mcfarlandritter.com
Subject: FW: Personal Property Claim Claim#:035084431
Date: Monday, April 24, 2017 4:29:49 PM
Attachments: [Image002.png](#)
[Personal Property Worksheet.xls](#)

Hello,

I just wanted to send this email again asking for additional information to process your personal property claim.

Please let me know if you have any questions.

Kevin Lein

From: Lein, Kevin
Sent: Monday, April 03, 2017 2:49 PM
To: 'ryan@mcfarlandritter.com' <ryan@mcfarlandritter.com>
Subject: Personal Property Claim Claim#:035084431

Hello,

Thank you for sending in your personal property claim. There is however some information I need before I can process this. To be able to process a personal property claim I need;

1. Description of the Item (Item, brand, etc.)
2. Age of the Item (years and months)
3. Estimated Replacement cost
4. Photos of the damaged item.

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I have attached our personal property worksheet for you to use if you would like, if not you can just give me the ages to go along with the list you already put together.

Thank you,

Kevin Lein
Inside Claims Specialist
Liberty Mutual Insurance
PO Box 515097
Los Angeles, CA 90051
Direct Dial: 407-391-2115 or 866-542-2287 ext. 74697
Office Fax: 888-801-5220



From: [Lein, Kevin](#)
To: [ClaimsCommunication](#)
Subject: Claim#:035084431 - Inbound: RE: McFarland, Claim #: 035084431
Date: Friday, April 28, 2017 11:14:09 AM
Attachments: [image002.png](#)
[image006.png](#)

From: Ryan McFarland <ryan@mcfarlandritter.com>
Sent: Tuesday, April 25, 2017 3:36:16 PM
To: Lein, Kevin
Subject: RE: McFarland, Claim #: 035084431

Kevin,

What is the status of my claim for the contents of my cabin dwelling?

Also, I have endorsed Check No. 40759272 for \$10,261.14 as partial payment of MAI Industries, LLC dba ServePro of Boise's invoices. Please be advised, however, that I do not accept this check as payment in full. Pursuant to my letter to Bronte Vallejo dated March 11, 2017, I am preparing a Complaint for the following:

- (1) Declaration that the Policy covers the entire costs of mitigation and restoration;
- (2) Payment of the approximately \$4,000 difference between the amount of ServePro's mitigation invoices and the above-referenced check;
- (3) The difference between the repair costs (TBD) and the approximately \$13,000 check Liberty Mutual previously provided to me;
- (4) The value of my contents claim if not adequately addressed per my prior submission and as requested above.

I will forward the Complaint to you when it is prepared, and have it duly served on Liberty Mutual following filing in State Court in Idaho. If you or your legal department would like to discuss this matter, please advise.

Sincerely,
Ryan

Ryan McFarland
Legal Counsel
P.O. Box 1335
Meridian, ID 83642
p. 208.895.1291
c. [208.789.1643](tel:208.789.1643)
f. [208.895.1270](tel:208.895.1270)
mcfarlandritter.com



McFARLAND & RITTER

This e-mail message is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify me immediately if you have received this message in error, and delete the message.



From: [Lein, Kevin](#)
To: ryan@mcfarlandritter.com
Subject: FW: Personal Property Claim Claim#:035084431
Date: Friday, April 28, 2017 11:14:03 AM
Attachments: [image002.png](#)
[image004.png](#)
[Personal Property Worksheet.xls](#)

Please let this email serve as a response to your 4/25/17 email.

As you can see below from my 4/24/17 email we are still missing information from you to be able to process your personal property claim. As you can see from my 4/3/17 email I have requested additional information needed to process this portion of your claim and have provided a worksheet for your convenience that also lists this required information. Please provide this information and as soon as I receive it I will be happy to begin processing your personal property claim.

In regards to the rest of your email pertaining to your potential legal complaint, I will look out for the complaint once you file it and act accordingly once it is received.

Thank you very much for your time,

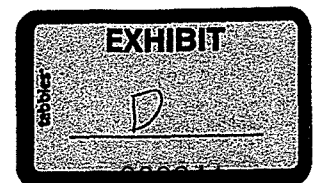
Kevin Lein
Inside Claims Specialist
Liberty Mutual Insurance
PO Box 515097
Los Angeles, CA 90051
Direct Dial: 407-391-2115 or 866-542-2287 ext. 74697
Office Fax: 888-801-5220



From: Lein, Kevin
Sent: Monday, April 24, 2017 4:30 PM
To: 'ryan@mcfarlandritter.com' <ryan@mcfarlandritter.com>
Subject: FW: Personal Property Claim Claim#:035084431

Hello,

I just wanted to send this email again asking for additional information to process your personal property claim.



Please let me know if you have any questions.

Kevin Lein

From: Lein, Kevin
Sent: Monday, April 03, 2017 2:49 PM
To: 'ryan@mcfarlandritter.com' <ryan@mcfarlandritter.com>
Subject: Personal Property Claim Claim#:035084431

Hello,

Thank you for sending in your personal property claim. There is however some information I need before I can process this. To be able to process a personal property claim I need;

1. Description of the Item (Item, brand, etc.)
2. Age of the Item (years and months)
3. Estimated Replacement cost
4. Photos of the damaged item.

Your list you sent already contains the description as well as the estimated replacement cost, so all I need is the age of each item, and a photo of it.

From our inspection I do already have photos of;

1. Leather Reclining Sofa
2. Wooden Built in Shelf
3. Assorted Canned Food
4. Shop Vacuum

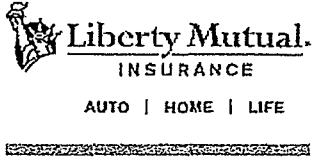
Please provide photos, showing damage, of any other item that you are claiming that would need to be replaced due to the water damage. We do have a photo of the window AC unit, and our field adjuster noted that it was not damaged.

I have attached our personal property worksheet for you to use if you would like, if not you can just give me the ages to go along with the list you already put together.

Thank you,

Kevin Lein
Inside Claims Specialist
Liberty Mutual Insurance
PO Box 515097
Los Angeles, CA 90051
Direct Dial: 407-391-2115 or 866-542-2287 ext. 74697
Office Fax: 888-801-5220

000242



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Robby J. Perucca, ISB No. 7001
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Facsimile: (208) 344-5510
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Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546

**MEMORANDUM IN OPPOSITION
TO PLAINTIFFS' MOTION FOR
SUMMARY JUDGMENT**

COMES NOW Defendant Liberty Insurance Corporation (incorrectly sued as Liberty Mutual Group, Inc.), by and through its counsel of record, Anderson, Julian & Hull LLP, and hereby submits its Memorandum in Opposition to Plaintiffs' Motion for Summary Judgment as follows:

I.

INTRODUCTION

Defendant has previously filed a competing summary judgment motion in this matter which addresses the same insurance contract interpretation issues raised in the Plaintiffs' motion. Rather than repeating those arguments here, Defendant incorporates the arguments and authorities set forth in its summary judgment briefing as if more fully set forth herein. The purpose of the Defendant's opposition memorandum is to address some of the specific legal arguments raised in the Plaintiffs' summary judgment filing. The material facts in this matter are basically undisputed. The Plaintiffs ask the Court to find that the terms of their homeowner's policy unambiguously dictate that the damage to the detached garage should be adjusted under Coverage A, while Defendant seeks a determination that it was correct in adjusting the claim under Coverage B.

II.

ARGUMENT

A. The Policy Terms Differentiating Coverage Between Coverage A and B are Unambiguous and Should be Applied as Written

The first flaw in the Plaintiffs' summary judgment argument is the contention that the policy terms at issue must be strictly construed against Liberty. Defendant has previously detailed how the coverage language under Coverages A and B are not ambiguous or subject to conflicting interpretations. However, the provisions are also not to be "strictly construed" in favor of the Plaintiffs.

Under Idaho law, a provision in an insurance contract is strictly construed in favor of the insured only where the provision seeks to exclude coverage. *See, e.g., Moss v. Mid-America*

Fire & Marine Ins. Co., 103 Idaho 298, 300, 647 P.2d 754, 756 (1982). Here, Defendant is not relying on an exclusion to limit coverage. Rather, its position is that coverage for the detached garage on Plaintiffs' property is clearly governed under Coverage B. The dispute in this matter revolves around a grant of coverage under the policy, not an exclusion. As such the Court should follow the rule of construction such that, "[w]here the policy language is clear and unambiguous, coverage must be determined, as a matter of law, according to the plain meaning of the words used." *Clark v. Prudential Property and Cas. Ins. Co.*, 138 Idaho 538, 541, 66 P.3d 242, 245 (2003).

The Plaintiffs' coverage argument in this matter relies primarily on the Idaho Supreme Court's holding in *Arreguin v. Farmers Ins. Co. of Idaho*, 145 Idaho 459, 180 P.3d 498 (2008). In that case, the insurer had denied coverage for a fire claim associated with a detached garage based almost exclusively on the application of an "outbuilding" exclusion. The analysis in *Arreguin* focused on whether the term "outbuildings" in the exclusion was ambiguous. The primary issue the Idaho Supreme Court identified was that the term "outbuildings" could reasonably encompass all structures on the property, including those structures covered under the "dwelling" or the "separate structures" sections of the policy. *Id.*, at 462. As a result, the Court found that the term was "not necessarily subject to a single reasonable definition." *Id.*

Of note, the Court pointed out that if the insurer had intended the "Outbuildings" provision to exclude coverage for the detached garage, it could have used more precise language, such as when the insurer defined the "separate structures" covered under the contract. *Id.* Ultimately, the Court found that it was compelled to strictly construe the exclusionary provision in favor of the insured and refused to apply the exclusion in a manner which would have resulted in no coverage for the loss. *Id.*, at 463.

The coverage issue in this matter is not similar to that identified in *Arreguin*. First, this case does not involve the interpretation of an exclusion. Next, the result in *Arreguin* was driven by the Idaho Supreme Court's determination that a policy term was ambiguous. Plaintiffs do not charge that the Liberty policy is ambiguous. Rather, Plaintiffs assert that a plain reading of the Policy dictates that their detached garage is "covered under the 'Dwelling' limits of the Policy." *Memorandum in Support of Plaintiffs' Motion for Partial Summary Judgment*, p. 5. While there is a disagreement between the parties as to the proper coverage governing the loss, Defendant submits that the issue litigated in this case does not involve poorly defined language which must be strictly construed in favor of the Plaintiffs.

Defendant has clearly articulated how the term "dwelling" is unambiguous under the Policy. The mere fact that a term is undefined in a policy does not make that term ambiguous. *Melichar v. State Farm Fire & Cas. Co.*, 152 P.3d 587, 592 (2007). The Policy makes it clear that there can be only "one family dwelling" on the residence premises and Coverage A and B are clearly differentiated such that Coverage A can only apply to the dwelling, while Coverage B only applies to structures set apart from the dwelling.

A review of the Plaintiffs' summary judgment briefing reveals that the true thrust of the Plaintiffs' argument is an attempt to create an ambiguity in the insuring agreement where none exists. Ultimately, there is no legal basis to reach the coverage determination sought by the Plaintiffs in this matter. As a result, summary judgment in Plaintiffs' favor is not appropriate.

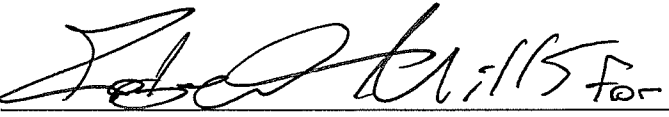
III.

CONCLUSION

For the foregoing reasons, Defendant respectfully requests that the Court grant its summary judgment motion and deny the Plaintiffs' motion.

DATED this 26th day of October, 2017.

ANDERSON, JULIAN & HULL LLP

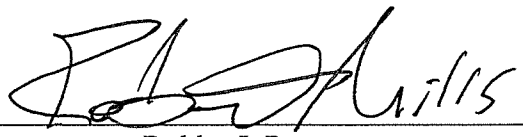
By 
Robby J. Perucca, Of the Firm
Attorneys for Third Party Defendant GAF

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 26th day of October, 2017, I served a true and correct copy of the foregoing **MEMORANDUM IN OPPOSITION TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

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| <input checked="" type="checkbox"/> | E-File |


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Attorneys for Defendant

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP, INC.,

Defendant.

Case No. CV01-17-12546

**REPLY MEMORANDUM IN
SUPPORT OF DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT**

COMES NOW Defendant, by and through its counsel of record, Anderson, Julian & Hull
LLP, and hereby submits its Reply Memorandum in Support of its Motion for Summary
Judgment as follows:

A. Personal Property Loss

The Plaintiffs assert that the parties' missed communications regarding the Personal Property loss does not absolve Defendant of its contractual liability to cover such loss. Defendant has never argued that it's absolved of all responsibility to cover the loss. Rather, Defendant has argued that the Plaintiffs have not yet submitted a full proof of loss which would allow Defendant to adjust the loss under the coverage provided.

Under Idaho law, an insured submits a sufficient proof of loss when the insured provides the insurer with sufficient information to allow the insurer a reasonable opportunity to investigate and determine its liability. *Greenough v. Farm Bureau Mut. Ins. Co. of Idaho*, 142 Idaho 589, 593, 130 P.3d 1127, 1131 (2006). A sufficient proof of loss must also provide the basis whereby the insurer can calculate the amount of the loss pursuant to the policy. *See, e.g., Weinstein v. Prudential Property and Cas. Ins. Co.*, 149 Idaho 299, 328, 233 P.3d 1221, 1250 (2010) (citations omitted).

Once again, in connection with making a claim for loss of personal property under the Policy, the insured has several duties, including:

...

e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory.

f. As often as we reasonably require:

(1) Show the damaged property;

(2) Provide us with records and documents we request and permit us to make copies...

Policy, Section I – Conditions, p. 8.

Defendant cannot fairly calculate the amount of the personal property loss without knowing when the items were purchased. Defendant has requested that information and Plaintiff has not yet responded. Defendant also fairly requested photographs of the damaged items as part of the proof of loss. Clearly, some type of miscommunication occurred between the parties in the process of adjusting the loss. However, the evidence in the record undeniably shows that Defendant did not breach the insurance contract or commit bad faith with regard to the adjustment of the personal property claim.

In fact, Plaintiffs have been made plainly aware that if they would simply submit the requested information, their personal property claim would be adjusted under the Policy. Indeed, there should be no reason to continue to litigate this issue. Ultimately, however, summary judgment dismissal of the Plaintiffs' claims regarding the personal property loss is appropriate.

B. Detached Garage Loss

In responding to Defendants' Motion for Summary Judgment, the Plaintiffs did not significantly add to the analysis of the disputed coverage issue. It is a little unclear, however, whether the Plaintiffs are advocating that the term "dwelling" under the Policy is ambiguous. It appears that the Plaintiffs are arguing both.

Plaintiffs do not dispute the proposition that a policy term is not ambiguous merely because it is not defined. Plaintiffs also do not take issue with the common, Merriam-Webster definition of a "dwelling." They merely argue that people can live in multiple buildings on one piece of property, meaning that a dwelling can be one or multiple units. The primary problem with this argument is two-fold: (1) Coverage A under the Policy does not provide coverage for dwellings (as in plural) – it provides coverage for a single "dwelling," and (2) the term


“residence premises,” which is utilized in defining coverage under both Coverage A and B, clearly notes that there can be only “one family dwelling.”

Once again, under the Plaintiffs’ interpretation of the Policy, there would be little to any circumstance where Coverage B becomes applicable in adjusting a loss. Plaintiffs’ illogical argument is that if six separate structures exist on a property, all separated by clear space, they all fall under Coverage A if the structures are used by the family in some way that can be argued to constitute living space.

Ultimately, the Plaintiffs are attempting to create complexity where none exists. There is one dwelling on the property, which is covered under Coverage A. There is a garage on the property which is separated from the dwelling by clear space and which is covered under Coverage B. The Court should find that summary judgment dismissal of the Plaintiffs’ breach of contract and bad faith claims is appropriate.

DATED this 2^d day of November, 2017.

ANDERSON, JULIAN & HULL LLP

By 

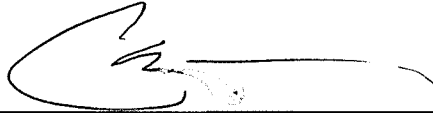
Robby J. Perucca, Of the Firm
Attorneys for Defendant

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 2nd day of November, 2017, I served a true and correct copy of the foregoing **REPLY MEMORANDUM IN SUPPORT OF DEFENDANT'S MOTION FOR SUMMARY JUDGMENT** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff

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Robby J. Perucca

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Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

REPLY IN SUPPORT OF PLAINTIFFS’
MOTION FOR PARTIAL SUMMARY
JUDGMENT

Plaintiffs Ryan McFarland and Kathryn McFarland (“Mr. and Mrs. McFarland” or, “the McFarlands”), by and through their attorneys of record, McFarland Ritter PLLC, respectfully file this Reply in Support of their Motion for Partial Summary Judgment against Defendant Liberty Mutual Group, Inc. (“Defendant”).

I. INTRODUCTION

There is no dispute over the material facts relevant to the McFarlands’ Motion for Partial Summary Judgment. Defendants have not only not raised an issue, but they have filed their own cross-motion for summary judgment. As the motions for summary judgment deal exclusively with the interpretation and application of the insurance policy at issue (the “Policy”), this Court

can decide that meaning as a matter of law. The issue for the Court to decide is whether the claim at issue (the “Claim”), which was caused by a water leak resulting in extensive damage to the McFarland’s bonus room (the “Bonus Room”) and garage (the “Garage”) – part of the cabin dwelling – is covered under the Policy limits applicable to “dwelling” or to the much lower Policy limits for “other structures.” The facts that (i) that the McFarlands dwell in the Bonus Room and garage, and (ii) the McFarland advised Defendant that the Bonus Room and Garage are part of the cabin “dwelling” prior to when the McFarlands purchased the Policy, and (iii) the Policy does not define “dwelling,” make this decision all but mandated under applicable case law: coverage under the higher “dwelling” limits of the Policy is called for.

II. ARGUMENT

A. There Is No Genuine Issue of Material Fact.

The McFarlands set forth the facts relevant to this Motion for Summary judgment in their moving papers; in summary, they are as follows:

- The dwelling on the Cabin property consists of a main house with a kitchen, bathroom, and bedroom, and a detached Garage with the Bonus Room above it.
- In or about September 2010, Mrs. McFarland contacted Defendant via telephone to inquire about purchasing a homeowner’s insurance policy for the Property. Mrs. McFarland described the Cabin property to the Defendant’s representative, and explained that the dwelling includes a kitchen, bath and a bedroom, as well as the detached Garage and Bonus Room.
- Until the water event giving rise to the Claim, Mr. and Mrs. McFarland furnished the Bonus Room with a bed, couch, and two wing-backed chairs; the Garage housed a ping-pong table, desk, books, clothing and other personal property. Both the Garage and Bonus Room were heated and had lighting for continuous, protracted use as part of the dwelling.

- Defendant issued the Policy to the McFarlands in 2010, and since its issuance, it has been renewed annually.
- The most current version of the Policy insures the “Dwelling” up to a limit of \$221,600.00, and “Other Structures” up to \$22,160.00. The Policy also provides coverage for the Personal Property “owned or used by an ‘insured’ while it is anywhere in the world” up to \$166,200.00.
- The Policy does not define “dwelling;” instead, the Policy merely identifies it as a location on the “Residence premises.” At best, the Policy defines “dwelling” in the negative, by distinguishing it from “Other Structures,” which are non-dwelling structures on the property.
- The Cabin is heated by geothermal water, which is piped through radiant heaters in the Bonus Room and Garage.
- On or about February 15, 2017, the radiant heater in the Bonus Room failed, resulting in 180-degree (approximately) water pouring onto the floor and walls of the Bonus Room, and streaming onto the ceiling of the Garage below. No one was at the Property at the time the heater burst, so for approximately two days voluminous amounts of water and steam destroyed the insulation, drywall, doors, overhead Garage doors, and plumbing and electrical components of the Bonus Room and Garage. Most of the contents of these rooms were destroyed, including a queen bed, leather reclining sofa, ping pong table, desk, bookshelves and other miscellaneous personal property.
- On February 17, 2017, Mr. McFarland discovered the failed radiant heater and enormous water leak and immediately shut off the water, and then submitted the Claim to Defendant.

- Defendant immediately admitted that the Claim was covered under the Policy, and instructed Mr. McFarland to contact a disaster remediation company
- The next day, Mr. McFarland contacted ServPro to begin water remediation efforts, and ServPro and Mr. McFarland jointly contacted Defendant and obtained pre-approval to commence the remediation work. Defendant authorized ServPro to provide a power generator and portable heating and drying equipment to the Property, and consented to Mr. McFarland hiring a plumbing professional to restore water and heat to the Cabin while bypassing the damaged Bonus Room and Garage. Mr. McFarland, ServPro, and the plumber commenced work that day.
- On or about March 11, 2017, a claims agent for Defendant called Mr. McFarland to inform him that the applicable coverage limit for the structural damage under the Claim was the lower limit applicable to “other Structures on Insured Location.”
- On or about March 25, 2017, after totaling the value of their non-salvageable personal property (the “Personal Property,”), Mr. McFarland submitted the list of Personal Property, along with its value to Defendant via both Defendant’s on-line claims website (the “Claims Center” at <https://eservice.libertymutual.com>) and via e-mail. Defendant never provided a response to Mr. McFarland’s Personal Property claim, nor did Defendant provide a response to Mr. McFarland’s follow-up email of April 25, 2017.

Because there is no dispute about the above facts, and Defendants have even filed their own cross-motion, summary judgment is appropriate: “When the parties file cross-motions for summary judgment ‘relying on the same facts, issues, and theories, the parties essentially stipulate that there is no genuine issue of material fact which would preclude the district court from entering summary judgment.’” *Stafford v. Klosterman*, 134 Idaho 205, 206, 998 P.2d 1118,

1119 (2000) (citing *Eastern Idaho Agr. Credit Ass'n v. Neibaur*, 130 Idaho 623, 626, 944 P.2d 1386, 1389 (1997)); *Intermountain Forest Management, Inc. v. Louisiana Pacific Corp.*, 136 Idaho 233, 235, 31 P.3d 921, 923 (2001); *Brown v. Perkins*, 129 Idaho 189, 191, 923 P.2d 434, 436 (1996).

B. Applicable Law Requires Entry of Summary Judgment in Favor of the McFarlands.

In their moving papers, the McFarlands set forth the well-settled Idaho case law which applies here, including:

- Determining the meaning of the language in an insurance policy is a question of law over which Idaho courts exercise free review, “including whether an insurance policy is ambiguous.” *Farm Bureau Mut. Ins. Co. of Idaho v. Schrock*, 252 P.3d 98, 102 (Idaho 2011) (internal citation omitted).

- If the language of an insurance policy is clear, then the language will be given its plain and ordinary meaning. *Farm Bureau Ins. Co. of Idaho v. Kinsey*, 234 P.3d 739, 743 (Idaho 2010).

- The “burden is on the insurer to use clear and precise language if it wishes to restrict the scope of its coverage.” *Moss v. Mic-America Fire & Marine Ins. Co.*, 647 P.2d 754, 756 (Idaho 1982).

- A plain reading of this Policy, including application of the common meaning of “Dwelling” (because it is not otherwise defined) makes the Garage and Bonus Room covered under the “Dwelling” limits of the Policy. The McFarlands regularly reside – dwell – in the Bonus Room and Garage, which Mrs. McFarland explained to the Defendant’s representative when she first inquired about the Policy. Prior to the water damage, the Bonus Room above the Garage was furnished with a bed and couch so that family members could routinely occupy and

sleep in that space. The Garage was regularly used as a recreational and work space and included Personal Property such as a ping-pong table, desk, books and clothing. Both the Garage and Bonus Room were heated and had lighting for regular use as part of the dwelling. These undisputed facts plainly show that the Garage and Bonus Room are part of the “dwelling” making the correct coverage limit for the damages \$221,600.00.

- Although Mr. and Mrs. McFarland maintain that the Policy is unambiguous, this Court may find it ambiguous, such that it is unclear whether the Garage and Bonus Room is part of the “dwelling” or an “other structure.” That finding may be more likely in light of Defendant’s cross-motion for summary judgment which asks the Court to decide the language means the opposite of what the McFarlands urge.

- If the Policy is subject to conflicting interpretation, then it is ambiguous (*Schrock*, 252 P.3d at 102), and if it is ambiguous, then it is to be construed in favor of the McFarlands:

If confronted with ambiguous language, the reviewing court must determine what a reasonable person would understand the language to mean. Furthermore, [b]ecause insurance policies are contracts of adhesion that are not usually subject to negotiation between the parties, **any ambiguity in a policy is construed strongly against the insurer**. To this end, where language may be given two meanings, one of which permits recovery while the other does not, **the policy should be given the construction most favorable to the insured**.

Schrock, 252 P.3d at 102 (emphasis added) (internal citations and quotations marks omitted); *see also Arreguin*, 180 P.3d at 500 (a provision that seeks to exclude coverage must be strictly construed in favor of insured).

- The *Arreguin* case is virtually identical to this one. There, Miguel Arreguin purchased a homeowner’s policy from Farmers Insurance Company of Idaho. *Arreguin*, 180 P.3d at 499. When Arreguin’s detached garage sustained damage from a fire, he submitted a claim on

the policy which Farmers denied based on its conclusion that the garage was an “outbuilding,” which was not covered under the policy. *Id.* Arreguin sued Farmers and won, the Idaho Supreme Court finding that “outbuildings” was “reasonably subject to at least two differing interpretations and thus is ambiguous.” *Id.* at 462, 501. The Court held:

We are compelled to strictly construe the exclusionary provision in favor of the insured and the insurance company bears the burden to use clear and precise language when restricting the scope of coverage. It is unclear whether “outbuildings” covers the buildings defined in separate structures or the attached structures defined under dwelling. Unlike the other clear and detailed exclusionary provisions, the “Outbuildings” provision fails to reference any other part of the contract. Therefore, because Farmers has not met its burden to use clear and precise language in this particular exclusionary provision, we hold the “Outbuildings” exclusionary provision is ambiguous and reverse the district court’s grant of summary judgment to Farmers.

- Defendants are also liable for the McFarlands Personal Property claim, inasmuch as the Policy “cover[s] personal property owned or used by an ‘insured’ while it is anywhere in the world.”

C. Defendants Have Not Provided the Court Any Legitimate Basis for Denying Summary Judgment to the McFarlands.

Defendant’s arguments against summary judgment are unsustainable. Defendant makes only two arguments, to which the McFarlands respond as follows:

First, Defendant argues that *a provision in an insurance agreement is strictly construed against the insurance company only when it is an exclusion.* Defendant’s Memorandum in Opposition to Plaintiffs’ Motion for Summary Judgment (hereinafter, “Memo in Opp.”), at 2. This argument is misplaced for two reasons: it is wrong as a matter of law, and it is disingenuous. As the Idaho Supreme Court has made clear, *any ambiguity* in a policy is construed against the insurer, not just ambiguities that exclude coverage:

If confronted with ambiguous language, the reviewing court must determine what a reasonable person would understand the language to mean. Furthermore, [b]ecause insurance policies are contracts of adhesion that are not usually subject to negotiation between the parties, **any ambiguity in a policy is construed strongly against the insurer.**

Schrock, 252 P.3d at 102 (emphasis added) (internal citations and quotations marks omitted).

The argument is disingenuous because the reason this lawsuit exists is Defendant's *exclusion of coverage* using the Policy's "dwelling" and "other structures" language. Defendants do not exclude coverage *entirely* – they have paid the limits applicable to "other structures" – but they have excluded from coverage a material amount of the claim – an amount that *would be* (and to the McFarland's point, *should be*) covered by the "dwelling" Policy limits. Thus, even if the Court were willing to entertain Defendant's argument, it still fails because the Court is being asked to determine the degree, or amount, of exclusion.

Next, Defendant argues that *Plaintiffs do not charge that the Liberty policy is ambiguous*. Memo in Opp., at 4. This argument misreads the McFarlands' Motion for Summary Judgment. The McFarlands principally argue that the Policy is unambiguous and that "dwelling" coverage limits apply, but the McFarlands argue in the alternative that the Policy may be ambiguous because of Defendant's failure to define "dwelling." The use of alternative arguments is appropriate. *See Hoffman v. United Silver Mines, Inc.*, 775 P.2d 132, 137-38 (Ct. App. 1989) (both parties argued, in the alternative, that the agreement there at issue was ambiguous. The District Court agreed, as did the Idaho Court of Appeals).

Finally, Defendant appears to be arguing that *the language "one family dwelling" means that there can be only structure insured as a "dwelling" on the property*. See Memorandum in Support of Defendant's Motion for Summary Judgment, filed October 13, 2017, at 4-5.

Defendant's Reply Memorandum in Support of Defendant's Motion for Summary Judgment.

There are at least two problems with that argument:

- The Policy does not actually say there can only be one dwelling structure.
Defendant's attempt to insert that language on summary judgment points to the ambiguity of the Policy.
- The "one family dwelling" in the Policy language is distinguished from a "two family dwelling where you reside in at least one of the family units." *Id.* at 5.
Thus the word "one" in the Policy refers to the number of families, not the number of structures.

There is only a one family dwelling on the Property: the main house and the detached bonus room, as the McFarlands advised Defendant prior to when the Policy was issued. Defendant did not restrict the Bonus Room from coverage as a "dwelling" when the Policy was issued; Defendant's attempt to do so after the Claim was filed constitutes a breach of contract.

III. CONCLUSION

Based on the foregoing, Mr. and Mrs. McFarland respectfully request that this Court grant partial summary judgment in favor of Mr. and Mrs. McFarland on their breach of contract claim by finding that the policy limits applicable to the "Dwelling" apply to the Claim, and further, that Defendant is liable for the Personal property claim. Mr. and Mrs. McFarland will hereafter establish the amount of damages and their other claims.

DATED THIS 2nd day of November 2017.

By /s/ Ryan T. McFarland
Ryan T. McFarland, ISB No. 7347
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2nd day of November 2017, I caused to be served a true copy of the foregoing REPLY IN SUPPORT OF PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt

/s/Ryan T. McFarland
Ryan T. McFarland

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY MUTUAL GROUP INC.,

Defendant.

Case No. CV01-17-12546

MEMORANDUM DECISION AND
ORDER ON CROSS MOTIONS FOR
SUMMARY JUDGMENT

Cross-motions for summary judgment came before the Court for hearing on November 9, 2017. Plaintiff's Motion for Partial Summary Judgment was filed September 26, 2017; Defendant's Motion for Summary Judgment was filed October 13, 2017.

Appearances: Ryan McFarland for Plaintiffs Ryan and Kathryn McFarland
Rob Perucca for Defendant Liberty Mutual Group Inc.

FACTUAL AND PROCEDURAL BACKGROUND

Plaintiffs Ryan and Kathryn McFarland (the "McFarlands") own real property with a main house, a detached garage with a bedroom above, and a structure containing a geothermal well. In 2010, Liberty Mutual Group Inc. ("Liberty Mutual") issued the McFarlands an insurance policy ("Policy") on the real property. The Policy has been renewed annually and the McFarlands have always paid their premiums on time and in full.

The current version of the policy contains differing coverages depending on the type of real property damaged.

Under Coverage A, the Policy covers up to \$221,600.00. The original Coverage A language was amended by an Amendatory Endorsement, which “supersedes all other endorsements which have been made part of [the] policy”. The Amendatory Endorsement includes this language related to Coverage A, Dwelling, is:

COVERAGE A - Dwelling

Item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;¹

Otherwise, the Policy does not further define “Dwelling,” but does define “residence premises” as:

“Residence premises” means:

- a. The one family dwelling, other structures, and grounds; or
- b. That part of any other building; where you reside and which is shown as the "residence premises" in the Declarations. "Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the “residence premises” in the Declarations....

Under Coverage B, the Policy covers up to \$22,160.00, and the language related to Coverage B, Other Structures is:

COVERAGE B - Other Structures

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

¹ Policy, Amendatory Endorsement, p. 1.

The Coverage C of the Policy also provides coverage for the personal property of an insured up to \$166,200.00 ("Coverage C").

The main house is heated by geothermal water piped through radiant heaters. This same geothermal water is also piped through a detached structure that consists of what I will refer to as a Bonus Room and Garage. The Bonus Room is in the same structure as the Garage but above the Garage. It is undisputed that only one family lives on the entirety of the property at issue.

In February 2017, the radiant heater in the Bonus Room failed, resulting in hot water pouring onto the floor and walls of the Bonus Room and falling on the ceiling of the garage below. No one was at the property at this time, so the water continued to run for about two days, destroying the Bonus Room, Garage, and many personal items. The McFarlands submitted a claim to Liberty Mutual for the damages. Liberty Mutual agreed the damages were covered under the Policy. In March 2017, Liberty Mutual issued partial payment to a contractor for work on the Property in the amount of \$10,261.14 and paid the McFarlands \$13,206.36, for a total of \$23,467.50 paid under the Policy.

Following the payment, Liberty Mutual contacted the McFarlands and indicated the lower policy payout in Coverage B applied to damages to the Bonus Room/Garage. The McFarlands then sent a letter to Liberty Mutual indicating the Bonus Room was part of a cabin dwelling. The letter stated the McFarlands had told Liberty Mutual about the cabin at the time the Policy was purchased. The McFarlands indicated total damages were yet unknown because they were still receiving estimates for remaining repair work. Liberty Mutual responded that it would not cover the full cost of repairs because it went above the limit in Coverage B.

Prior to any other communication, the McFarlands received a Garage and Bonus Room list of "non-salvageable" items. The McFarlands valued the items and submitted this list of items and proof of the property loss value of \$5,680.69 to Liberty Mutual, both through its website and by email. The McFarlands assert the amount necessary to pay for the repair costs which were not reimbursed by Liberty Mutual and other damages to personal property is in excess of \$20,000. Liberty Mutual has not paid any additional funds to the McFarlands.

On July 10, 2017, the McFarlands filed a Complaint alleging (1) Breach of Contract; (2) Breach of the Covenant of Good Faith and Fair Dealing; (3) Bad Faith; and (4) Violation of the Idaho Consumer Protection Act against Liberty Mutual; and (5) Unjust Enrichment. On September 26, 2017, the McFarlands filed a Motion for Partial Summary Judgment on the breach of contract claim, requesting the Court find Coverage A with the higher policy limit covers the damages to the Garage/Bonus Room.² The McFarlands filed a supporting memorandum, statement of facts, and affidavits.³ Defendants filed an opposition on October 26, 2017.⁴ McFarlands replied on November 2, 2017.⁵

On October 13, 2017, Liberty Mutual filed a Motion for Summary Judgment with supporting Memorandum and affidavit,⁶ requesting the Court find Coverage B applies so Liberty Mutual has fulfilled its obligations under the insurance policy. The McFarlands filed a response brief with supporting affidavit.⁷ Liberty Mutual replied on November 2, 2017.⁸

The Court heard oral argument on both motions on November 9, 2017. The Court has considered all material filed in support of and opposition to the motions, and considers the matters fully submitted for consideration.

LEGAL STANDARD

Summary judgment is an appropriate remedy if the nonmoving party's "pleadings, affidavits, and discovery documents . . . read in a light most favorable to the

² Plaintiff's Motion for Partial Summary Judgment, filed Sep. 26, 2017.

³ Memorandum in Support of Plaintiff's Motion for Partial Summary Judgment ("Pls' Memo"), filed Sep. 26, 2017; Statement of Material Fact in Support of Plaintiff's Motion for Partial Summary Judgment, filed Sep. 26, 2017; Affidavit of Katheryn E. McFarland in Support of Plaintiff's Motion for Partial Summary Judgment ("Katheryn Aff"), filed Sep. 26, 2017; Affidavit of Ryan McFarland in Support of Plaintiff's Motion for Partial Summary Judgment ("Ryan Aff"), filed Sep. 26, 2017.

⁴ Memorandum in Opposition to Plaintiff's Motion for Summary Judgment ("Def's Response"), October 26, 2017.

⁵ Reply in Support of Plaintiff's Motion for Partial Summary Judgment ("Pl's Reply"), filed Nov. 2, 2017.

⁶ Defendant's Motion for Summary Judgment, filed Oct. 13, 2017; Memorandum In Support of Defendant's Motion for Summary Judgment (Def's Memo"), filed Oct. 13, 2017; Amended Declaration of Kevin Lein in Support of Defendant's Motion for Summary Judgment ("Lein Aff"), filed Oct. 18, 2017.

⁷ Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment ("Pls' Response"), filed Oct. 26, 2017; Affidavit of Ryan T. McFarland in Support of Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment ("Second Ryan Aff"), filed Oct. 26, 2017.

⁸ Reply Memorandum in Support of Defendant's Motion for Summary Judgment ("Def's Reply"), filed Nov. 2, 2017.

nonmoving party, demonstrate no material issue of fact such that the moving party is entitled to a judgment as a matter of law.” *Thomson v. City of Lewiston*, 137 Idaho 473, 476, 50 P.3d 488, 491 (2002). The court must construe the evidence liberally and draw all reasonable inferences in favor of the nonmoving party. *Hei v. Holzer*, 139 Idaho 81, 84-85, 73 P.3d 94, 97-98 (2003). If the facts, with inferences favorable to the nonmoving party, are such that reasonable persons could reach differing conclusions, summary judgment is not available. *Hayward v. Jack’s Pharmacy Inc.*, 141 Idaho 622, 625, 115 P.3d 713, 716 (2005).

The moving party bears the initial burden of proving the absence of a genuine issue of material fact, and then the burden shifts to the nonmoving party to come forward with sufficient evidence to create a genuine issue of material fact. See *Sanders v. Kuna Joint School Dist.*, 125 Idaho 872, 874, 876 P.2d 154, 156 (1994). When the nonmoving party bears the burden of proving an element at trial, the moving party may establish a lack of genuine issue of material fact by establishing the lack of evidence supporting the element. *Id.* (concluding moving party’s burden “may be met by establishing the absence of evidence on an element that the nonmoving party will be required to prove at trial”). “Such an absence of evidence may be established either by an affirmative showing with the moving party’s own evidence or by a review of all the nonmoving party’s evidence and the contention that such proof of an element is lacking.” *Id.* at fn. 2. A party must properly support an assertion of fact or address another party’s assertion of fact as outlined in I.R.C.P. 56(c), or the Court may make any appropriate orders as outlined under I.R.C.P. 56(e).⁹ Evidence may consist of affidavits or depositions, but “the Court will consider only that material ... which is based upon personal knowledge and which would be admissible at trial.” *Harris v. State, Dep’t of Health & Welfare*, 123 Idaho 295, 297-98, 847 P.2d 1156, 1158-59 (1992). If the

⁹ On July 1, 2016, significant changes were made to the Idaho Rules of Civil Procedure (“I.R.C.P.”). The Idaho Supreme Court has indicated that the changes to the rules are, “to simplify, clarify and modernize the language, and to create a consistent structure and format,” as opposed to making significant substantive changes. There is no caselaw interpreting this new language. Though this language is substantially different in format and content from the former rule, the Court notes that it contains sufficient similarities so that, in general, existing caselaw may be used to guide the Court’s interpretation of the summary judgment motion. Where there is a conflict between existing caselaw and the new language of the rule, such conflict will be noted and discussed.

evidence reveals no disputed issues of material fact, then only a question of law remains on which the court may then enter summary judgment as a matter of law. *Purdy v. Farmers Ins. Co. of Idaho*, 138 Idaho 443, 445, 65 P.3d 184, 186 (2003).

ANALYSIS

The Defendant does not dispute the damages to the Garage/Bonus Room or that they fall within the insurance policy. However, the parties disagree whether the Garage/Bonus Room falls within the “Other Structures” section (Coverage B) with a lower coverage limit, or is part of the “Dwelling” section (Coverage A) with a higher policy limit. Plaintiffs request the Court find the terms of the insurance policy unambiguously state the damage to the garage should be adjusted under Coverage A. Defendant argues the terms unambiguously require adjusting the claim under Coverage B. Additionally, the McFarlands claim they are entitled to payment under Coverage C for personal property damage.

1. Contract Interpretation

The unambiguous, plain language of a contract is controlling. *Cont'l Nat'l Am. Group v. Allied Mut. Ins. Co.*, 95 Idaho 251, 253, 506 P.2d 478, 480 (1973). Whether a contract is ambiguous is a question of law. See e.g., *Howard v. Perry*, 141 Idaho 139, 142, 106 P.3d 465, 468 (2005). For a contract term to be ambiguous, there must be at least two different reasonable interpretations. *Armstrong v. Farmers Ins. Co. of Idaho*, 143 Idaho 135, 139 P.3d 737 (2006); *Moss v. Mid-Am. Fire & Marine Ins. Co.*, 103 Idaho 298, 300, 647 P.2d 754, 756 (1982). “A contract is not rendered ambiguous on its face because one of the parties thought that the words used had some meaning that differed from the ordinary meaning of those words.” *Swanson v. Beco Const. Co.*, 145 Idaho 59, 63, 175 P.3d 748, 752 (2007).

In defining the terms of coverage on insurance policies, the “burden is on the insurer to use clear and precise language if it wishes to restrict the scope of its coverage.” *Moss v. Mid-Am. Fire & Marine Ins. Co.*, 103 Idaho 298, 300, 647 P.2d 754, 756 (1982). Policies must be construed strongly against the insurer because “insurance policies are contracts of adhesion, not subject to negotiation between the parties.” *Id.* (external citations omitted). Therefore, provisions seeking to exclude coverage “must be strictly construed in favor of the insured.” *Id.* (external citations omitted).

2. Count 1, Breach of Contract

a. Applicable Coverage for damages to Bonus Room/Garage (Coverage A or Coverage B)

Plaintiff argues a plain language reading of the policy requires the application of Coverage A to the damages because it covers damages to “dwellings.” The McFarlands argue the following facts classify the Bonus Room and Garage as a “dwelling:”

1. The Bonus Room above the garage was furnished with a bed, chairs, and couch so that family members could routinely occupy and sleep in that space.
2. The Garage was regularly used as a recreational and work space and included personal property including a ping-pong table, desk, books, and clothing.
3. Both Garage and Bonus Room were heated and had lighting for regular use.

Liberty Mutual argues Plaintiff’s interpretation of the contract terms attempts to “write into the Policy some type of use requirement for the structures in order to differentiate [Coverage],”¹⁰ when the plain language addresses structures separate from the dwelling.

Above, the Court identified the relevant portions of the insurance policy. Coverage A applies to “the dwelling on the ‘residence premises’...including structures attached to the dwelling, and attached wall-to-wall carpeting.” In contrast, Coverage B applies to “other structures on the ‘residence premises’ set apart from the dwelling by clear space.” The provision further clarifies this language indicating Coverage B “includes structures connected to the dwelling by only a fence, utility line, or similar connection.”

The Policy defines “dwelling” by reference to “residence premises.” Under the Policy terms, “Residence premises” means: “The one family dwelling, other structures, and grounds.”¹¹ Under this definition, the subsection of the policy applies to a one-family dwelling. Additionally, Coverage A’s used of “The dwelling” indicates the policy intends for a dwelling on the residence premises to be a single structure. This is further clarified

¹⁰ Def’s Memo., p. 8.

¹¹ This does not include the other definition of “residence dwelling,” which is not applicable to the facts in this case.

by Coverage B, indicating all “other structures... set apart from the dwelling by clear space” are to fall within Coverage B’s distinct coverage. Therefore, the policy indicates “dwelling” is a singular structure and Coverage A provides for coverage of a singular dwelling. This dwelling is not covered by subsection b of the amended Coverage A because it is not a two-family residence (which this court would view as a duplex under the plain meaning of the terms of the Policy).

“Dwelling” is defined as “a shelter (such as a house) in which people live;”¹² “a house, apartment, or other place of residence;”¹³ and “a place where people live.”¹⁴ Thus, the term dwelling is synonymous with house. The Court finds the Bonus Room and Garage do not fit within this meaning. Although the Bonus Room and Garage are used for recreation and sleeping, the structure does not function as a house does. The Bonus Room/Garage do not provide a means to cook and to bathe. To expand on the definition to include any structure in which an insured spends recreational time or sleeps occasionally, unreasonably expands the definition of dwelling. Therefore, the term dwelling is subject to only one reasonable interpretation which is the house in which the McFarlands live or reside.

Therefore, the Court finds the terms of the insurance policy, when construed as a whole, are unambiguous. The Court find Coverage B applies to damages to the detached Bonus Room and Garage. Therefore, the Court DENIES Plaintiffs’ Motion for Summary Judgment on Count 1 to apply Coverage A. The Court GRANTS Defendant’s Motion for Summary Judgment on Count 1 and applies Coverage B. Since no material issue of fact remains that the Defendant has paid the policy limit for Coverage B, the Court DISMISSES the portion of Count 1 alleging Breach of Contract and additional damages for the Bonus Room/Garage.

¹² MERRIAM-WEBSTER, *dwelling*, <https://www.merriam-webster.com/dictionary/dwelling> (last visited on Nov. 2, 2017).

¹³ GOOGLE, *Dwelling*, <https://www.google.com/search?q=dwelling&ie=utf-8&oe=utf-8> (last visited on Nov. 2, 2017).

¹⁴ CAMBRIDGE DICTIONARY, *dwelling*, <https://dictionary.cambridge.org/us/dictionary/english/dwelling> (last visited on Nov. 2, 2017).

b. Damage to Personal Property (Coverage C)

Coverage C states the Policy covers “personal property owned or used by an ‘insured’ while it is anywhere in the world.”¹⁵ Under the Policy, an insured making a claim for personal property loss must:

- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- f. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other “insured,” and sign the same;¹⁶

Liberty Mutual does not dispute that it is liable for the personal property damages suffered by the McFarlands and agrees this loss falls within Coverage C. However, Liberty Mutual asserts the McFarlands failed to comply with requests for additional information in order to fully process the claim. The McFarlands deny receiving any emails related to the Property Loss Claim. This Court acknowledges there seems to be a breakdown in communication preventing the resolution of the claim for personal property damage, although the claim has not been paid or denied.

Liberty Mutual maintains the property loss “claim remains open and Liberty Mutual is willing to continue adjusting the claim once the McFarlands cooperate with the reasonable request for further documentation.”¹⁷ Therefore, the Court finds there is a genuine issue of fact on the Count 1, the breach of contract claim related to Coverage C, that precludes summary judgment.

However, in the Response to Defendant’s motion Plaintiff requested “partial summary judgment finding Defendant contractually liable for the Personal Property claim.”¹⁸ Therefore, the Court finds the Policy requires Liberty Mutual to pay for the personal property damage from the radiant heater failure and the Plaintiffs must provide

¹⁵ Policy, p. 2.
¹⁶ Policy, p. 8.
¹⁷ Lein Aff, ¶ 11.
¹⁸ Pl’s Response, p. 8.

additional evidence for the Defendant to adjudicate such claim. However, until such claim is paid or denied, the Court cannot enter a declaratory judgment about whether there was a breach of the Policy.

3. Counts Two through Five

The Complaint includes the following Counts: (2) Breach of the Covenant of Good Faith and Fair Dealing; (3) Bad Faith; and (4) Violation of the Idaho Consumer Protection Act against Liberty Mutual; and (5) Unjust Enrichment.

Although the Court DISMISSED the breach of contract claim asserting Liberty Mutual breached the contract by assessing the claim under Coverage B rather than Coverage A, the Court did not dismiss the breach of contract claim for the property loss claim.

Neither party made arguments related to these claims other than Defendant's bare request to dismiss these claims. "[T]he trial court is not required to search the record looking for evidence that may create a genuine issue of material fact; the party opposing the summary judgment is required to bring that evidence to the court's attention." See *Coeur d'Alene Mining Co. v. First Nat'l Bank of North Idaho*, 118 Idaho 812, 800 P.2d 1026 (1990). The party opposing summary judgment is required to bring forth evidence showing a genuine issue of material fact but the Court finds Defendant's did not make any argument discussing the dismissal of Claims Two through Five. Therefore, Court finds a mere request is insufficient to obtain relief at summary judgment so summary judgment is DENIED on Counts Two through Five.

CONCLUSION


Based on the foregoing, Plaintiff's Motion for Partial Summary Judgment, filed September 26, 2017, and Defendants' Motion for Summary Judgment, filed October 13, 2017, are DENIED in part and GRANTED in part.

IT IS HEREBY ORDERED Count 1 for breach of contract and Plaintiffs' motion to apply the \$221,600.00 limit under Coverage A is DENIED; Count 1 for breach of contract and Defendant's motion to apply the \$22,160.00 limit under coverage B is GRANTED; so the portion of Count 1 alleging breach of contract of Coverage A is DISMISSED;

IT IS FURTHER ORDERED Coverage C requires Liberty Mutual to reimburse the McFarlands for personal property damages resulting from the radiant heater failure but the McFarlands must provide additional information for Liberty Mutual to adjudicate this portion of the Claim. Summary Judgment is DENIED as to the portion of Count 1 alleging breach of contract of Coverage C because a material issue of fact remains for trial.

Summary Judgment is DENIED as to Counts Two through Five.

ORDERED Signed: 11/9/2017 05:27 PM



Lynn Norton
District Judge

CERTIFICATE OF SERVICE

I certify that on November 13, 2017, I served a copy of the attached to:

Ryan Mcfarland ryan@mcfarlandritter.com	By email
Robert Anderson Rob Perucca service@ajhlaw.com	By email

By: *Jessie Kosen*
Deputy Clerk Signed: 11/13/2017 09:36 AM



McFarland Ritter PLLC
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Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant.

Case No. CV01-17-12546

PARTIAL JUDGMENT, CERTIFIED AS
FINAL PURSUANT TO RULE 54(B)

JUDGMENT IS ENTERED AS FOLLOWS:

[REDACTED]

Plaintiffs' claim for breach of contract as to the limit of Defendant's liability for structural damage, is entered in favor of Liberty Insurance Corporation and against Ryan McFarland and Kathryn McFarland, and such claim is hereby DISMISSED.

Signed: 1/18/2018 09:03 AM

DATED this ____ day of January 2018

By: *Lynn Norton*
The Honorable Lynn Norton
District Judge

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above partial judgment it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above partial judgment is a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

DATED this day of January, 2018

The Honorable Lynn Norton – District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of January 2018, I caused to be served a true copy of the foregoing PARTIAL JUDGMENT, CERTIFIED AS FINAL PURSUANT TO RULE 54(B) by the method indicated below, and addressed to each of the following:

Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
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Via e-mail

Ryan McFarland
MCFARLAND RITTER PLLC
ryan@mcfarlandritter.com

Via e-mail

By: *Jamie Kowen*
Deputy Clerk Signed: 1/22/2018 10:07 AM



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Attorneys for Plaintiffs

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant.

Case No. CV01-17-12546

ORDER TO DISMISS

The Stipulation to Dismiss having been filed by the Parties, and good causing appearing from the record herein,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the following claims made by Plaintiffs in the above-captioned action are dismissed without prejudice, with the parties to bear their own costs and attorneys' fees:

Claim A (Breach of Contract, as it relates to Plaintiffs' claim for personal property only);

Claim B (Breach of Covenant of Good Faith and Fair Dealing);

Claim C (Bad Faith);

Claim D (Violation of the Idaho Consumer Protection Act); and

Claim E (Unjust Enrichment).

Signed: 1/18/2018 08:58 AM

DATED this ____ day of January 2018

By: 

The Honorable Lynn Norton
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of January 2018, I caused to be served a true copy of the foregoing ORDER TO DISMISS by the method indicated below, and addressed to each of the following:

Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
raanderson@ajhlaw.com

Via e-mail

Ryan McFarland
MCFARLAND RITTER PLLC
ryan@mcfarlandritter.com

Via e-mail

By: *Jamie Hosen*
Deputy Clerk Signed: 1/22/2018 10:01 AM



IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant.

Case No. CV01-17-12546

JUDGMENT

JUDGMENT IS ENTERED AS FOLLOWS:

The following claims of the Complaint are dismissed without prejudice:

Claim A, Breach of Contract, but only the portion that claims relief for Plaintiffs' personal property;

Claim B, Breach of Covenant of Good Faith and Fair Dealing, in its entirety;

Claim C, Bad Faith, in its entirety;

Claim D, Violation of the Idaho Consumer Protection Act, in its entirety;
and

Claim E, Unjust Enrichment, in its entirety.

Each party is to bear its own costs and attorneys' fees for these claims.

ORDERED Signed: 2/7/2018 05:36 PM



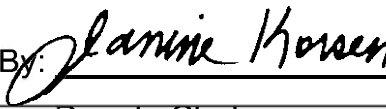
Lynn Norton
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 8th 2018 , I served a true copy of the foregoing JUDGMENT by the digital service addressed to each of the following:

Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
raanderson@ajhlaw.com

Ryan McFarland
MCFARLAND RITTER PLLC
ryan@mcfarlandritter.com

By: 

Deputy Clerk Signed: 2/8/2018 01:29 PM



IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant.

Case No. CV01-17-12546

FINAL JUDGMENT

JUDGMENT IS ENTERED AS FOLLOWS:

For the Defendant Liberty Insurance Corporation on the remaining portion of Claim A, Breach of Contract. Therefore, Claim A, Breach of Contract, as to the limit of Defendant's liability for structural damage is DISMISSED.

ORDERED Signed: 2/7/2018 05:36 PM



Lynn Norton
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 8th 2018 , I served a true copy of the foregoing JUDGMENT by the digital service addressed to each of the following:

Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
raanderson@ajhlaw.com

Ryan McFarland
MCFARLAND RITTER PLLC
ryan@mcfarlandritter.com

By: *Jamie Hansen*
Deputy Clerk Signed: 2/8/2018 01:32 PM



ORIGINAL

McFarland Ritter PLLC
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Email: ryan@mcfarlandritter.com

Attorneys for Plaintiffs

NO. _____
A.M. _____ FILED P.M. 5:03

FEB 14 2018

CHRISTOPHER D. RICH, Clerk
By JAMIE MARTIN
DEPUTY

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs/Appellant,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant/Respondent.

Case No. CV01-17-12546

NOTICE OF APPEAL

TO: THE ABOVE NAMED RESPONDENT Liberty Insurance Corporation, AND THE
PARTY'S ATTORNEYS, Anderson, Julian & Hull LLP, PO Box 7426, Boise, Idaho 83707-
7426 AND THE CLERK OF THE ABOVE ENTITLED COURT

NOTICE IS HEREBY GIVEN THAT:

1. The above named appellants Ryan McFarland and Kathryn McFarland
(collectively, the "McFarlands") appeal against the above named Respondent to the Idaho
Supreme Court from the Final Judgment entered in the above entitled action on the 8th day of
February, Honorable Judge Lynn Norton presiding. A copy of the Judgment or order being
appealed is attached to this notice.

CV01-17-12546
NOTA
Notice of Appeal
548762



2. That the party has a right to appeal to the Idaho Supreme Court, and the judgment described in paragraph 1 above is appealable pursuant to Rule 11(a)(3) I.A.R.

3. A preliminary statement of the issues on appeal which McFarlands then intend to assert in the appeal; provided, any such list of issues on appeal shall not prevent the appellant from asserting other issues on appeal is as follows:

- Did Liberty Insurance Corporation breach its contract of insurance, as a matter of law, by determining that the damaged structure at issue was not part of the "dwelling," as defined in the contract of insurance?
- Was the contract of insurance between Liberty Mutual Corporation ambiguous as to the meanings of "dwelling" and "other structure," requiring the Court to strictly construe the coverage limitations against Liberty Insurance Corporation?
- Did the District Court err in entering judgment in favor of Liberty Insurance Corporation on Claim A, Breach of Contract?

4. No order sealing all or any portion of the record has been entered.

5. A reporter's transcript is not being requested.

6. The appellant requests the following documents to be included in the clerk's

(agency's) record in addition to those automatically included under Rule 28, I.A.R.:

- Statement of Material Facts in Support of Plaintiff' Motion for Partial Summary Judgment, filed by the McFarlands on September 26, 2017.
- Affidavit of Ryan T. McFarland in Support of Plaintiffs' Motion for Partial Summary Judgment, filed by the McFarlands on September 26, 2017.
- Affidavit of Kathryn E. McFarland in Support of Plaintiffs' Motion for Partial Summary Judgment, filed by the McFarlands on September 26, 2017.
- Memorandum in Support of Plaintiffs' Motion for Partial Summary Judgment, filed by the McFarlands on September 26, 2017.
- Reply in Support of Plaintiffs' Motion for Partial Summary Judgment, filed by the McFarlands on November 2, 2017.
- Memorandum Decision and Order on Cross Motions for Summary Judgment, entered by the Court on November 30, 2017.
- Final Judgment, entered by the Court on February 8, 2018.

7. The appellant requests the following documents, charts, or pictures offered or admitted as exhibits to be copied and sent to the Supreme Court: **NONE**.

8. I certify:

(a) That a copy of this notice of appeal has been served on each reporter of whom a transcript has been requested as named below at the address set out below: **NONE**.


(b) That the clerk of the district court or administrative agency has been paid the estimated fee for preparation of the reporter's transcript (**NO TRANSCRIPT IS REQUESTED**).

(c) That the estimated fee for preparation of the clerk's record has been paid.

(d) That the appellate filing fee has been paid.

(e) That service has been made upon all parties required to be served pursuant to Rule 20.

DATED THIS 14th day of February 2018.

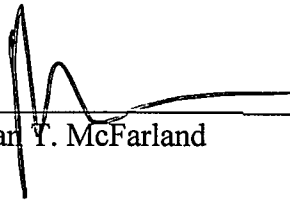
By 
Ryan T. McFarland, ISB No. 7347
Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of February 2018, I caused to be served a true copy of the foregoing NOTICE OF APPEAL by the method indicated below, and addressed to each of the following:

Robert A. Anderson
Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
PO Box 7426
Boise, ID 83707-7426
raanderson@ajhlaw.com

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Telecopy:
- iCourt



Ryan Y. McFarland

FILED By: Signed: 2/8/2018 01:32 PM *Jamie Hosen* Deputy Clerk
Fourth Judicial District, Ada County
CHRISTOPHER D. RICH, Clerk

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs,

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Defendant.

Case No. CV01-17-12546

FINAL JUDGMENT

JUDGMENT IS ENTERED AS FOLLOWS:

For the Defendant Liberty Insurance Corporation on the remaining portion of Claim A, Breach of Contract. Therefore, Claim A, Breach of Contract, as to the limit of Defendant's liability for structural damage is DISMISSED.

ORDERED Signed: 2/7/2018 05:36 PM



Lynn Norton
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 8th 2018 , I served a true copy of the foregoing JUDGMENT by the digital service addressed to each of the following:

Robby J. Perucca
ANDERSON, JULIAN & HULL LLP
raanderson@ajhlaw.com

Ryan McFarland
MCFARLAND RITTER PLLC
ryan@mcfarlandritter.com

By: *Jamie Hosen*
Deputy Clerk Signed: 2/8/2018 01:32 PM



Robert A. Anderson, ISB No. 2124
Robby J. Perucca, ISB No. 7001
ANDERSON, JULIAN & HULL LLP
C. W. Moore Plaza
250 South Fifth Street, Suite 700
Post Office Box 7426
Boise, Idaho 83707-7426
Telephone: (208) 344-5800
Facsimile: (208) 344-5510
E-Mail: raanderson@ajhlaw.com

Attorneys for Defendant/Respondent

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

**RYAN MCFARLAND and KATHRYN
MCFARLAND,**

Plaintiffs/Appellants,

vs.

LIBERTY INSURANCE CORPORATION,

Defendant/Respondent.

Case No. CV01-17-12546

**DEFENDANT'S/RESPONDENTS'
REQUEST FOR ADDITIONAL
CLERK'S RECORD**

TO: THE ABOVE-NAMED PLAINTIFFS/APPELLANTS, THEIR ATTORNEYS OF RECORD, AND THE CLERK OF THE ABOVE-ENTITLED COURT:


NOTICE IS HEREBY GIVEN that the Defendant/Respondent in the above-entitled proceeding hereby requests, pursuant to Rule 19, I.A.R., the inclusion of the following material in the Clerk's Record in addition to that required to be included by the I.A.R. and Plaintiffs/Appellant's Notice of Appeal:

1. Defendant's Motion for Summary Judgment, filed October 13, 2017.
2. Memorandum in Support of Defendant's Motion for Summary Judgment, filed October 13, 2017.
3. Amended Declaration of Kevin Lein, in Support of Defendant's Motion for Summary Judgment, filed October 18, 2017.
4. Reply Memorandum in Support of Defendant's Motion for Summary Judgment, filed November 2, 2017.
5. Memorandum in Opposition to Plaintiffs' Motion for Summary Judgment, filed October 26, 2017.

I certify that a copy of this Request was served upon the Clerk of the District Court and upon all parties required to be served pursuant to I.A.R. 20.

DATED this 27th day of February, 2018.

ANDERSON, JULIAN & HULL LLP

By 

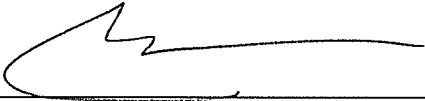
Robby J. Perucca, Of the Firm
Attorneys for Defendant/Respondent

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 27th day of February, 2018, I served a true and correct copy of the foregoing **DEFENDANT'S/RESPONDENT'S REQUEST FOR ADDITIONAL CLERK'S RECORD** by delivering the same to each of the following attorneys of record, by the method indicated below, addressed as follows:

Ryan T. McFarland
McFarland Ritter PLLC
P.O. Box 1355
Meridian, ID 83680
Tel: (208)895-1291
Fax: (208)895-1270
Email: ryan@mcfarlandritter.com
Attorneys for Plaintiff/Appellants

- | | |
|-------------------------------------|----------------------------|
| <input type="checkbox"/> | U.S. Mail, postage prepaid |
| <input type="checkbox"/> | Hand-Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |
| <input type="checkbox"/> | E-Mail |
| <input checked="" type="checkbox"/> | E-File |



Robby J. Perucca

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
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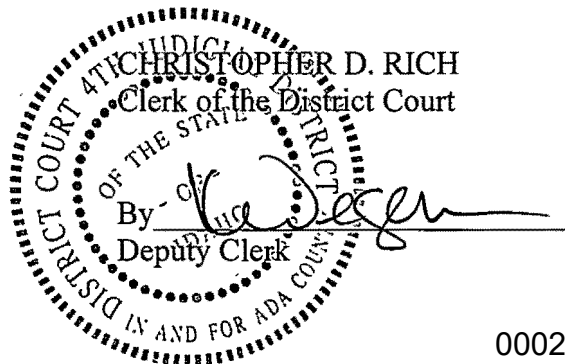
Supreme Court Case No. 45781

CERTIFICATE OF EXHIBITS

I, CHRISTOPHER D. RICH, Clerk of the District Court of the Fourth Judicial District of
the State of Idaho in and for the County of Ada, do hereby certify:

There were no exhibits offered for identification or admitted into evidence during the
course of this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said
Court this 30th day of March, 2018.



IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

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MCFARLAND,

Plaintiffs-Appellants,

vs.

LIBERTY INSURANCE
CORPORATION,

Defendant-Respondent.

Supreme Court Case No. 45781

CERTIFICATE OF SERVICE

I, CHRISTOPHER D. RICH, the undersigned authority, do hereby certify that I have personally served or mailed, by either United States Mail or Interdepartmental Mail, one copy of the following:

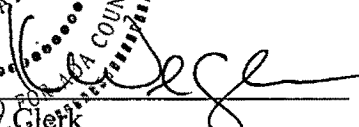
CLERK'S RECORD

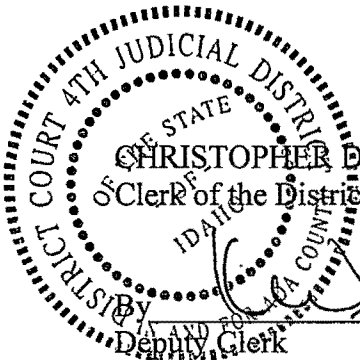
to each of the Attorneys of Record in this cause as follows:

RYAN T. MCFARLAND
ATTORNEY FOR APPELLANT
MERIDIAN, IDAHO

ROBBY J. PERUCCA
ATTORNEY FOR RESPONDENT
BOISE, IDAHO

Date of Service: MAR 30 2018

CHRISTOPHER D. RICH
Clerk of the District Court
BY 
Deputy Clerk



IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

RYAN MCFARLAND and KATHRYN
MCFARLAND,

Plaintiffs-Appellants,

vs.

LIBERTY INSURANCE
CORPORATION,


Defendant-Respondent.

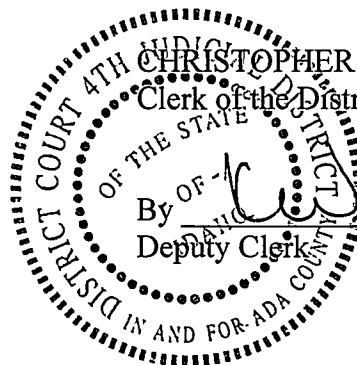
Supreme Court Case No. 45781

CERTIFICATE TO RECORD

I, CHRISTOPHER D. RICH, Clerk of the District Court of the Fourth Judicial District of the State of Idaho, in and for the County of Ada, do hereby certify that the above and foregoing record in the above-entitled cause was compiled under my direction and is a true and correct record of the pleadings and documents that are automatically required under Rule 28 of the Idaho Appellate Rules, as well as those requested by Counsel.

I FURTHER CERTIFY, that the Notice of Appeal was filed in the District Court on the 14th day of February, 2018.

CHRISTOPHER D. RICH
Clerk of the District Court
By 
Deputy Clerk



CERTIFICATE TO RECORD

000297