



EVANSTON INSURANCE COMPANY

BLANKET RENTAL RESIDENT LIABILITY POLICY

Administrative Office

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EVANSTON INSURANCE COMPANY

POLICY INDEX

READ YOUR POLICY CAREFULLY.

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INSURING AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy and any endorsements, we agree to provide the insurance coverages as shown on the Declarations Page, which is part of this policy.

By accepting this policy, you agree that the statements on the Declarations Page and any application and affirmations are your agreements and representations. This policy is issued in reliance upon the truth of your representations. It includes all agreements existing between you and us or any of our representatives.

DEFINITIONS

Throughout this policy, most words and phrases that have special meanings appear in **bold**. The pronouns “we”, “our”, “us”, “you” and “your” are defined, but do not appear in **bold**. This section defines some of the more general terms used in this policy. Bold terms that are not listed in this section are defined within the sections they appear.

You and your refer to the ‘Insured’ named on the Declarations Page. The words we, us and our, refer to the company, shown on the Declarations Page, which is providing this insurance.

1. **Covered property** means the **resident premises** that you report to us on a monthly basis for coverage under this policy. **Covered property** does not include personal property, whether owned by you or others, on the premises.
2. **Insured location** means: (a.) the **resident premises**; and (b.) the part of other premises, structures and grounds contained within continuous common grounds owned or operated by you and used by the **resident** as a residence.
3. **Mold** means any species of fungus, including but not limited to mildew, **mold**, or other microbes.
4. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, on the **insured location** which results, during the policy period, in **property damage** to the **insured location**.
5. **Pathogenic organisms** mean any bacteria, yeasts, mildew, virus, microbes, fungi, **mold**, or their spores, mycotoxins or other metabolic products.
6. **Property damage** means physical injury to, destruction of, or loss of use of any part of the **insured location**.
7. **Remediation** means to evaluate, measure, test, treat, contain, dispose of, or remove **pathogenic organisms**.
8. **Resident** means the individual(s) listed on the written rental agreement and any person related to these individuals by blood, marriage or adoption (including a ward or foster child) who resides in the **resident premises**.
9. **Resident premises** means the rental housing or apartments (units) owned or managed by you and where the **resident** resides, and which is specifically scheduled to this policy.

COVERAGE

We will pay for **property damage** to the **insured location** caused by an **occurrence** covered by this policy for which a **resident** becomes legally liable, resulting in any of the following perils.

Covered Perils

1. fire;
2. smoke;
3. explosion originating in the **resident premises**. Explosion does not mean arcing, breakage of water pipes or breakage or operation of pressure relief devices. Loss by explosion from steam boilers or steam pipes is not covered;
4. falling objects that damage or penetrate the roof or wall of the **resident premises**. Damage to the falling object itself is not covered;
5. riot or civil commotion;
6. overflow, discharge or leakage of water in the **resident premises** from:
 - a. a bathtub, sink, shower or toilet;
 - b. a clothes washing machine or dishwasher;
 - c. a refrigerator;
 - d. any other appliance owned by the **resident** of the **resident premises**.
 - e. aquariums; or
 - f. waterbeds.

We also pay for tearing out and replacing any part of **covered property** necessary to repair the appliance from which the water escaped.

However, this cause of loss does not include loss:

1. to **covered property**:
 - a. caused by constant or repeated seepage or leakage over a period of weeks, months or years;
 - b. caused by the presence or condensation of humidity, moisture or vapor;
 - c. caused by water or water-borne material that backs up through sewers or drains;
 - d. water or water-borne material below the surface of the ground, including water that exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure; or
2. caused by overflow that occurs outside the **covered property**;
3. to the appliance from which the water escaped;
4. for water damage involving any heating, ventilating or air conditioning unit;
5. for water damage involving a sump, sump pump, automatic fire protective sprinkler system or related equipment.

What We Pay

Covered losses will be settled at replacement cost without deduction for depreciation subject to the limitation below. We may repair or replace any part of the damaged property with material or property of like kind and quality and value.

In the event that **pathogenic organisms** or radon are detected or discovered and have resulted from or been caused by a covered cause of loss, the most we will pay for repair or replacement of property damaged by the pathogenic organism or radon and **remediation** is \$5,000.

If the **resident premises** is uninhabitable due to a covered loss we will pay loss of rental income. The most we will pay for loss of rental income is 1,000 per month, per unit and \$3,000 per **occurrence**. Payment will be made for the shortest time to repair or replace such premises. This is not additional coverage.

Our total limit of liability for all damages resulting from any one covered loss, regardless of the number of units damaged, will be no more than the limit for 'Blanket Rental Resident Liability' shown on the Declarations Page.

Deductible

We will pay for any covered loss only when it exceeds the applicable deductible shown on the Declarations Page.

EXCLUSIONS

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.

1. Intentional destructive loss, meaning any loss arising out of any act committed by or at the direction of any person with the intent to cause a loss. This includes vandalism.
2. Defective, deferred or faulty maintenance, construction, building materials, fixtures or appliances.
3. Wear and tear, marring, deterioration.
4. Inherent vice, latent defect, mechanical breakdown, manufacturer's defect or mechanical failure.
5. War or any warlike operation. This includes declared and undeclared war, civil war, insurrection, revolution, rebellion, civil commotion or any consequence thereof.
6. Governmental action, meaning seizure or destruction of property by order of governmental authority.
7. Nuclear hazard, meaning any nuclear reaction, radiation, or radioactive contamination. These are excluded all whether controlled or uncontrolled or how ever caused, or any consequence of any of these.

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 you for more than the amount of your interest at the time of loss; or
- b. for more than the applicable limit of liability shown on the Declarations Page.

2. Your Duties After Loss

In case of a loss, coverage will be forfeited if you fail to comply with the following duties. These duties must be performed either by you or your representative.

- a. Give prompt notice to us or our agent;
- b. Protect the property from further damage;
- c. Make reasonable and necessary repairs to protect the property;
- d. Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of the claim;
- f. As often as we reasonably require:
 - i. show the damaged property;
 - ii. provide us with records and documents we request and permit us to make copies; and
 - iii. submit to examination under oath, while not in the presence of any other named 'Insured', **resident** or occupant and sign the same;
- g. Send to us, within 60 days after our request, your signed, sworn proof of loss that sets forth to the best of your knowledge and belief:

- i. the time and cause of loss;
- ii. your interest and that of all others in the property involved and all liens on the property;
- iii. other insurance that may cover the loss;
- iv. changes in title or occupancy of the property during the term of the policy;
- v. specifications of damaged buildings and detailed repair estimates;
- vi. an inventory of damaged property.

3. Loss Payment

We will adjust all losses with you. After we receive your proof of loss, the loss will be payable 30 days after the earliest of the following:

- a. we reach an agreement with you;
- b. there is an entry of final judgment; or
- c. there is a filing of an appraisal award with us.

You may not abandon property covered to us.

4. Monthly Reporting

Within 2 days after the close of each month, you must report such information as mutually agreed to identify each **resident premises** being added or deleted from the policy and the effective date of addition and deletion. Coverage for any individual **resident premises** will not be effective unless we receive monthly reporting and the appropriate premium has been paid for such **resident premises**.

Coverage may not be backdated prior to the later of the first day of the reporting month or the inception date of the lease agreement. Failure to report an individual **resident premises** shall void coverage for such **resident premises**.

5. Transfer of Interest

We do not provide any coverage under this policy if you sell, assign, transfer or pledge the insured property unless prior written consent has been obtained from us. In the event of your death, this policy will remain in effect until the end of the policy period for:

- a. your legal representative while acting within the scope of duties of a legal representative;
or
- b. any person having proper custody of the insured property until a legal representative is appointed.

6. Subrogation

You 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, you must sign and deliver all related papers and cooperate with us.

7. Misrepresentation or Fraud

All insurance provided by this policy will be null and void if you, at any time, either intentionally conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

8. Legal Action Against Us

- a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.
- b. No suit or action may be brought against us unless the action is brought within 12 months after the date you first have knowledge of the loss.
- c. Nothing in this policy gives any person or organization the right to join us as defendants in a suit brought against you.

9. Appraisal

In the event that you or we dispute the amount of your covered loss, either may demand an appraisal in writing. If you or we demand an appraisal, you and we will each appoint and pay a competent and disinterested appraiser. If the two appraisers cannot agree on the amount of the loss, the appraisers or a judge of the local court of record will select an umpire who will decide any differences. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount. You will pay the appraiser you choose and we will pay the appraiser we choose. The expense of the umpire and all other expenses of the appraisal will be shared equally by you and us.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

10. Notice of Cancellation

If this policy is cancelled, you may be entitled to a premium refund. The premium for each month is fully earned on the first day of the month for which the premium has been paid. If you have paid for a subsequent month, you may cancel this policy prior to the first day of that month by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the policy to be cancelled.

If you cancel the policy prior to the first day of a month, we will return the unused part of your premium, subject to our minimum earned premium.

We may cancel this policy by delivering or mailing notice of cancellation to the first named 'Insured' at the last address shown in our records at least:

- a. ten (10) days before the cancellation takes effect if:
 - i. the cancellation is for nonpayment of premium; or
 - ii. this policy has been in effect for less than sixty (60) days and is not a renewal policy.
- b. thirty (30) days before the cancellation takes effect in all other cases.

Proof of mailing of this notice to the first named 'Insured' will be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice will become the end of the policy period.

If we cancel the policy, we will return the unused part of your premium.

11. Nonrenewal

We may elect not to renew this policy. We may do so by delivering or mailing to the first named 'Insured' at the mailing address shown on the Declarations Page, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

12. Other Insurance

This coverage is excess coverage over any policy that may respond for the **resident** that caused the loss.

13. Policy Period

This policy applies only to loss that occurs during the policy period as shown on the Declarations Page.

14. Conformity to Statute

Any provision of this policy that conflicts with applicable law or regulation is hereby amended to conform to the minimum requirements of the law or regulation.

15. Policy Changes

No change or waiver may be affected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the adjustment as of the effective date of the change. When we broaden coverage during the policy period, without charge, the policy will automatically provide the broadened coverage when effective in your state.

16. Severability

If any part of the policy is found to be unenforceable or conflicts with applicable law, the rest and remainder of the policy remains in full force and effect.

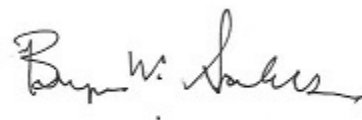
This Policy is signed at the Home Office of the company by its president and secretary.

EVANSTON INSURANCE COMPANY

Rosemont, Illinois



Kathleen Anne Sturgeon
Secretary



Bryan W. Sanders
President