

# Provisions of standard homeowners policy - Duties after Loss

<p>Each time there is a loss to any building insured under Coverage A (Dwelling), the amount of insurance applicable to that building for loss by fire will be reduced by the amount of the loss. As repairs are made, the amount of insurance will be reinstated up to the limit of liability shown on the declarations page.</p> <p>Art. 6.13. Policy a Liquidated Demand. A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. The provisions of this article shall not apply to personal property.</p> <p>2. <b>Residential Community Property Clause.</b> This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses, unless excluded by endorsement attached to this policy until the expiration of the policy or until cancelled in accordance with the terms and conditions of this policy.</p> <p>3. <b>Duties After Loss.</b></p> <p>a. <b>Your Duties After Loss.</b> In case of a loss to covered property caused by a peril insured against, you must:</p> <ol style="list-style-type: none"> <li>(1) give prompt written notice to us of the facts relating to the claim.</li> <li>(2) notify the police in case of loss by theft.</li> <li>(3) (a) protect the property from further damage.</li> <li>(b) make reasonable and necessary repairs to protect the property.</li> <li>(c) keep an accurate record of repair expenses.</li> <li>(4) furnish a complete inventory of damaged personal property showing the quantity, description and amount of loss. Attach all bills, receipts and related documents which you have that justify the figures in the inventory.</li> <li>(5) as often as we reasonably require:             <ol style="list-style-type: none"> <li>(a) provide us access to the damaged property.</li> <li>(b) provide us with pertinent records and documents we request and permit us to make copies.</li> <li>(c) submit to examination under oath and sign and swear to it.</li> <li>(6) send to us, if we request, your signed sworn proof of loss within 91 days of our request on a standard form supplied by us. We must request a signed sworn</li> </ol> </li> </ol>	<p>proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this policy.</p> <ol style="list-style-type: none"> <li>(a) This proof of loss shall state, to the best of your knowledge and belief:             <ol style="list-style-type: none"> <li>(i) the time and cause of loss;</li> <li>(ii) the interest of the insured and all others in the property involved including all liens on the property;</li> <li>(iii) other insurance which may cover the loss;</li> <li>(iv) the actual cash value of each item of property and the amount of loss to each item.</li> </ol> </li> <li>(b) If you elect to make claim under the Replacement Cost Coverage of this policy, this proof of loss shall also state, to the best of your knowledge and belief:             <ol style="list-style-type: none"> <li>(i) the replacement cost of the described dwelling;</li> <li>(ii) the replacement cost of any other building on which loss is claimed;</li> <li>(iii) the full cost of repair or replacement of loss without deduction for depreciation.</li> </ol> </li> </ol> <p><b>Our Duties After Loss:</b></p> <p>(1) Within 15 days after we receive your written notice of claim, we must:</p> <ol style="list-style-type: none"> <li>(a) acknowledge receipt of the claim.</li> </ol> <p>If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.</p> <ol style="list-style-type: none"> <li>(b) begin any investigation of the claim.</li> <li>(c) specify the information you must provide in accordance with "Your Duties After Loss" (item 3.a. above).</li> </ol> <p>We may request more information, if during the investigation of the claim such additional information is necessary.</p> <p>(2) After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:</p> <ol style="list-style-type: none"> <li>(a) within 15 business days, or</li> <li>(b) within 30 days if we have reason to believe the loss resulted from arson.</li> </ol>	<p>(3) If we do not approve payment of your claim or require more time for processing your claim, we must:</p> <ol style="list-style-type: none"> <li>(a) give the reasons for denying your claim, or</li> <li>(b) give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after requesting more time.</li> </ol> <p>4. <b>Loss Settlement.</b> Covered property losses are settled as follows:</p> <p>a. Our limit of liability and payment for covered losses to personal property, wall to wall carpeting, cloth, awnings and fences will not exceed the smallest of the following:</p> <ol style="list-style-type: none"> <li>(1) the actual cash value at the time of the loss determined with proper deduction for depreciation;</li> <li>(2) the cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or</li> <li>(3) the specified limit of liability of the policy.</li> </ol> <p>b. Our limit of liability for covered losses to dwelling and other structure(s) under Coverage A (Dwelling), except wall to wall carpeting, cloth awnings and fences, will be at replacement cost settlement subject to the following:</p> <ol style="list-style-type: none"> <li>(1) If, at the time of loss, the Coverage A (Dwelling) limit of liability is 80% or more of the full replacement cost of the dwelling, we will pay the repair or replacement cost of the damaged building structure(s), without deduction for depreciation.</li> <li>(2) If, at the time of loss, the Coverage A (Dwelling) limit of liability is less than 80% of the full replacement cost of the dwelling, we will pay only a proportionate share of the full replacement cost of the damaged building structure(s). Our share is equal to: <p style="text-align: center;">Replacement Cost of the Loss x Coverage A (Dwelling) Limit of Liability 80% of Replacement Cost of the Dwelling</p> </li> <li>(3) If, at the time of loss, the actual cash value of the damaged building structure(s) is greater than the replacement cost determined under (1) or (2) above, we will pay the actual cash value up to the applicable limit of liability.</li> </ol>
<p>In determining the amount of insurance required to equal 80% of the full replacement cost of the dwelling, do not include the value of excavations, underground pipes, and wiring and foundations which are below the surface of the ground.</p> <p>We will pay only the actual cash value of the damaged building structure(s) until repair or replacement is completed. Repair or replacement must be completed within 365 days after loss unless you requested in writing that this time limit be extended for an additional 180 days. Upon completion of repairs or replacement, we will pay the additional amount claimed under replacement cost coverage, but our payment will not exceed the smallest of the following:</p> <ol style="list-style-type: none"> <li>(1) the limit of liability under this policy applying structure(s);</li> <li>(2) the cost to repair or replace that part of the building structure(s) damaged, with material of like kind and quality and for the same use and occupancy on the same premises; or</li> <li>(3) the amount actually and necessarily spent to repair or replace the damaged building structure(s).</li> </ol> <p>5. <b>Loss to a Pair or Set.</b> In case of loss to an item which is part of a pair or set, the measure of loss shall be a reasonable and fair proportion of the total value of the pair or set. The importance of the item will be considered in assessing the loss. Such loss will not be considered a total loss of the pair or set.</p> <p>6. <b>Salvage Rights.</b> If we notify you that we will pay your claim or part of your claim, the notice must also state whether we will or will not take all or any part of the damaged property. We must bear the expense of our salvage rights.</p> <p>7. <b>Appraisal.</b> If you and we fail to agree on the actual cash value, amount of loss or the cost of repair or replacement, either can make a written demand for appraisal. Each will then select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. 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 or a district court of a judicial district where the loss occurred. The two appraisers will then set the amount of loss, stating separately the actual cash value and loss to each item. If you or we request that they do so, the appraisers will also set:</p> <ol style="list-style-type: none"> <li>a. the full replacement cost of the dwelling.</li> </ol>	<p>(3) If we do not approve payment of your claim or require more time for processing your claim, we must:</p> <ol style="list-style-type: none"> <li>(a) give the reasons for denying your claim, or</li> <li>(b) give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after requesting more time.</li> </ol> <p>4. <b>Loss Settlement.</b> Covered property losses are settled as follows:</p> <p>a. Our limit of liability and payment for covered losses to personal property, wall to wall carpeting, cloth, awnings and fences will not exceed the smallest of the following:</p> <ol style="list-style-type: none"> <li>(1) the actual cash value at the time of the loss determined with proper deduction for depreciation;</li> <li>(2) the cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or</li> <li>(3) the specified limit of liability of the policy.</li> </ol> <p>b. Our limit of liability for covered losses to dwelling and other structure(s) under Coverage A (Dwelling), except wall to wall carpeting, cloth awnings and fences, will be at replacement cost settlement subject to the following:</p> <ol style="list-style-type: none"> <li>(1) If, at the time of loss, the Coverage A (Dwelling) limit of liability is 80% or more of the full replacement cost of the dwelling, we will pay the repair or replacement cost of the damaged building structure(s), without deduction for depreciation.</li> <li>(2) If, at the time of loss, the Coverage A (Dwelling) limit of liability is less than 80% of the full replacement cost of the dwelling, we will pay only a proportionate share of the full replacement cost of the damaged building structure(s). Our share is equal to: <p style="text-align: center;">Replacement Cost of the Loss x Coverage A (Dwelling) Limit of Liability 80% of Replacement Cost of the Dwelling</p> </li> <li>(3) If, at the time of loss, the actual cash value of the damaged building structure(s) is greater than the replacement cost determined under (1) or (2) above, we will pay the actual cash value up to the applicable limit of liability.</li> </ol>	<p>0227600000</p> <p>9</p>

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# Provisions of standard auto policy relating to Duties after Loss

3. Amount stated in the Declarations of this policy.

The most we will pay for loss to equipment listed in Exclusion 4, is \$1500. Our payment of loss will be reduced by any applicable deductible shown in the Declarations.

## PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

## NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

## OTHER INSURANCE

- A. If other insurance also covers the loss we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

- B. For any loss to which Uninsured Underinsured Motorists Coverage (from this or any other

policy) and this coverage both apply, you may choose the coverage from which damages will be paid.

You may recover under both coverages, but only if:

1. Neither one by itself is sufficient to cover the loss;
2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
3. You will not recover more than the actual damages.

## APPRAISAL

If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and 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 be binding. Each party will:

1. Pay its chosen appraiser; and
  2. Bear the expenses of the appraisal and umpire equally.
- We do not waive any of our rights under this policy by agreeing to an appraisal.

## PART E – DUTIES AFTER AN ACCIDENT OR LOSS

### GENERAL DUTIES

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses. If we show that your failure to provide notice prejudices our defense, there is no liability coverage under the policy.
- B. A person seeking any coverage must:
1. Cooperate with us in the investigation, settlement or defense of any claim or suit.

2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require, to physical exams by physicians we select. We will pay for these exams.
  - a. medical reports which are reasonably related to the injury or damage as sorted; and
  - b. other pertinent records.
5. When required by us:
  - a. submit a sworn proof of loss;

- b. submit to examination under oath.

- C. Within 15 days after we receive your written notice of claim, we must:

1. acknowledge receipt of the claim. If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.
2. begin any investigation of the claim.
3. specify the information you must provide in accordance with paragraph B. above.

We may request more information, if during the investigation of the claim such additional information is necessary.

- D. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

1. within 15 business days; or
2. within 30 days if we have reason to believe the loss resulted from arson.

- E. If we do not approve payment of your claim or require more time for processing your claim, we must:

1. give the reasons for denying your claim, or
2. give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.

- F. In the event of a weather-related catastrophic or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.

### G. Loss Payment

1. If we notify you that we will pay your claim, or part of your claim we must pay within 5 business days after we notify you.
2. If payment of your claim or part of your claim requires the performance of an act

by you, we must pay within 5 business days after the date you perform the act.

- H. Notice of Settlement of Liability Claim

1. We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.
2. We will notify you in writing of any settlement of a claim against you under the liability section of this policy. We will give you notice within 30 days after the date of the settlement.

## ADDITIONAL DUTIES FOR UNINSURED UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured Underinsured Motorists Coverage must also:

1. Promptly notify the police if a hit and run driver is involved;
2. Promptly send us copies of the legal papers if a suit is brought;
3. Take reasonable steps after loss, at your expense, to protect damaged property from further loss; and
4. Permit us to inspect and appraise the damaged property before its repair or disposal.

## ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

A person seeking Coverage for Damage To Your Auto must also:

1. Take reasonable steps after loss, to protect your covered auto and its equipment from further loss. We will pay reasonable expenses incurred to do this;
2. Promptly notify the police if your covered auto is stolen; and
3. Permit us to inspect and appraise the damaged property before its repair or disposal.

