

The perils section relating to Coverage C- Contents Coverage is deleted and replaced with the following.

Coverage C -- Personal Property -- "We" insure property covered under Coverage C for risks of direct physical loss, unless the loss is excluded below.

In addition to the General Exclusions found in the FMH-2001 the following exclusions apply only to property covered under Coverage C.

- a. **Breakage** -- "We" do not pay for loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains, and other similar fragile articles.

However, this exclusion does not apply to:

- 1) jewelry; watches; bronzes; cameras and photographic lenses; or
 - 2) loss caused by fire; lightning; windstorm; hail; smoke (other than smoke from agricultural smudging or industrial operations); explosion; riot; civil commotion; aircraft; vehicles; vandalism; collapse of a building or mobile home (or any part of a building or mobile home); water not otherwise excluded; theft or attempted theft; sudden and accidental tearing apart, cracking, burning or bulging of a heating, air-conditioning, or automatic fire protective sprinkling system or water heater; "volcanic action"; or "sinkhole collapse".
- b. **Watercraft** -- "We" do not pay for loss to watercraft, including their trailers, furnishings, equipment, and outboard engines or motors caused by collision, sinking, swamping, or stranding. This exclusion does not apply to collision of watercraft with a "motorized vehicle".
- c. **Dampness and Temperature** -- "We" do not pay for loss caused by dampness of atmosphere or extremes of temperature.

This does not apply to loss caused directly by rain, snow, sleet, or hail.

- d. **Refinishing, Renovating, or Repairing** -- "We" do not pay for loss to property, other than jewelry, watches, and furs, occasioned by or actually resulting from a refinishing, renovating, or repairing process.

Loss settlement Provision

The following provisions apply to property covered under Coverage C.

Subject to the "terms" shown under How Much We Pay For Loss or Claim, "we" settle losses according to the Replacement Cost Terms. If the Replacement Cost Terms do not apply, "we" settle losses according to the Actual Cash Value Terms.

Under both the Replacement Cost Terms and the Actual Cash Value Terms, the "term" actual cash value means the cost to repair or replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation, however caused.

Replacement Cost Terms That Apply to Coverage C

- a. These "terms" apply to:
- 1) property covered under Coverage C;
 - 2) the following scheduled classes of personal property if covered under this policy:
 - a) jewelry;
 - b) furs and garments trimmed with fur or consisting principally of fur;
 - c) cameras, projection machines, films, and related articles of equipment;
 - d) musical instruments and related articles of equipment;
 - e) silverware, goldware, items plated with gold or silver, and pewterware;
 - f) golfer's equipment; and

- g) bicycles.
- b. These "terms" do not apply to:
- 1) articles of art or rarity that cannot be duplicated;
 - 2) memorabilia, souvenirs, collector's items, and similar items whose age or history contribute to their value;
 - 3) items not maintained in good or workable condition;
 - 4) Outdoor Antennas;
 - 5) Well Pumps and motors
 - 6) Private Power and Light Poles
 - 7) items that are outdated or obsolete and are stored or not being used; or
 - 8) property covered under Coverage E, F, or G.
- c. The smallest of the following amounts is used in applying the "terms" under Our Limit:
- 1) the cost to repair or replace the property with new property of equivalent kind and quality, to the extent practical, without deduction for depreciation;
 - 2) the amount computed after any special limitation in this policy has been applied to the loss;
 - 3) for loss to property covered under Coverage C, the Coverage C "limit";
or
 - 4) for loss to scheduled personal property, the "limit" that applies to the item.
- d. When the cost to repair or replace for each occurrence is more than \$500, "we" do not pay for more than the actual cash value of the loss until actual repair or replacement is completed. "You" may make a claim for the actual cash value amount of the loss before repairs are made or replacement is completed. A claim for any additional amount payable under this provision must be made within six months after the loss.

All other terms and conditions remain the same.

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