

-Loudoun Mutual Insurance Company

Guardian Plus

(Applicable to Forms 2 or 3 only)

This endorsement broadens the coverages provided by “your” primary coverage form.

PLEASE READ IT CAREFULLY

I. Expanded Replacement Cost Terms

This endorsement applies only to the “residence” covered under Coverage A.

When a covered loss exceeds the Coverage A “limit” shown on the “declarations” and “you” elect to repair or replace the “residence”, under How Much We Pay For Loss or Claim, Property Coverages:

1. Our Limit is deleted and replaced by:
 - a. Our Limit – Subject to the deductible or other limitations that applies, “we” pay the lesser of:
 - 1) 120% of the Coverage A “limit” shown on the “declarations”;
 - 2) “your” interest in the property; or
 - 3) the amount determined under the applicable Loss Settlement Terms.
2. Loss Settlement Terms 1.e. 1)d) and 1.e. 1)e) are deleted and replaced by:
 - d) The smaller of the following amounts is used in applying the “terms” under Our Limit:
 - 1) the cost to repair or replace the damage on the same premises using materials of like kind and quality, to the extent practical; or
 - 2) the amount actually and necessarily spent to repair or replace the damage.

The terms shown above only apply if “you” have:

- 1) notified “us” within 45 days of completion of any additions or alterations to or remodeling of the “residence” covered under Coverage A that increase its replacement cost by \$5,000 or more; and
- 2) permitted “us” to adjust the Coverage A “limit” during the policy period in accordance with:
 - a. any property evaluations made by “us” or on “our” behalf;
 - b. any increase in construction costs due to inflation; and
 - c. any increase in replacement cost resulting from any additions or alterations to or remodeling of the “residence”.

“You” must pay any additional premium due for any adjustment to the Coverage A “limit”.

II. Coverage C – Personal Property

Limitations on Certain Property

The special “limits” applicable to the following are increased to the “limits” shown below:

Includes Copyrighted Material of American Association of Insurance Services

- a. \$500 on money, bank notes, bullion, gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum, and numismatic property.
- b. \$2,000 on securities, stamps, philatelic property, bills, letters of credit, notes other than bank notes, tickets, accounts, deeds, evidences of debt, passports and manuscripts.
- g. For loss by theft:
 - 1) \$5,000 (\$2,500 for any individual item) on jewelry, watches, precious and semiprecious stones, gems and furs; and
 - 2) \$5,000 (\$2,500 for any individual item) on guns.

III. Incidental Property Coverages

The following Incidental Property Coverages are modified as follows:

- 3. Increased Cost – Ordinance or Law – The most “we” pay per “occurrence” is increased from 10% to 25% of the “limit” that applies to Coverage A.
- 5. Credit Card, Forgery and Counterfeit Money – The most “we” pay is increased from \$1,500 to \$2,500 per “occurrence”.

The following Incidental Property Coverages are added as follows:

- 11. Water Damage- Sewers, Drains, and Sumps – “We” pay for direct physical loss to covered property caused by:
 - a. water or sewage which backs up through sewers or drains; or
 - b. water which enters into and overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area. However, “we” do not pay for loss to the sump pump or other type of system or related equipment caused by mechanical breakdown.

This coverage does not increase the “limits” shown on the “declarations” for Coverages A, B, C or D.

“We” pay only that part of the loss which is more than the deductible stated in the “declarations”. However, the deductible does not apply to Coverage D.

Under Exclusions That Apply to Property Coverages, the references to:

- 1. water or sewage which backs up through sewers or drains or water which overflows from within a sump under Water Damage; and
 - 2. mechanical breakdown under Wear and Tear;
- are deleted with respect to the coverage provided by this endorsement.

- 12. Extra Mortgage Expense – If “you” are required to obtain a new mortgage as a result of a covered homeowner loss, “we” will pay up to \$250 per month for a maximum of three years for any additional interest “you” may be required to pay above the highest rate of interest applicable to “your” mortgage agreement at the time of loss. In addition, “we” will pay up to \$2,000 towards the cost of acquiring a new mortgage if “you” rebuild in the same location.
- 13. Computer Coverage – “We” will pay up to \$2,500 for direct physical loss to “hardware” (meaning machines or a network of machines including related peripheral equipment capable of accepting information and processing it according to a plan or program) and up to \$250 for direct

Includes Copyrighted Material of American Association of Insurance Services

physical loss to “software” (meaning processing, recording or storage media used for electronic data processing operations including films, tapes, cards, discs, drums, cartridges or cells. Software also means data, including instructions or information, stored on processing, recording or storage media used for electronic processing operations) unless the loss is caused by a peril that is excluded.

The loss must be due to an external cause.

The Exclusions That Apply to Property Coverages are deleted and replaced by the following with respect to the property covered by this Incidental Property Coverage:

“We” do not pay for a loss caused by:

- a. War – “We” do not pay for loss that results from war. This means declared war, undeclared war, civil war, insurrection, rebellion, revolution, a warlike act by a military force or by military personnel; the destruction, seizure, or use of the property for a military purpose; or the discharge of a nuclear weapon even if it is accidental.
- b. Civil Authority – “We” do not pay for loss which results from order of civil authority. This means seizure or destruction under quarantine or customs regulations; risks of contraband or illegal transportation or trade; or confiscation or destruction by order of a government or public authority. “We” do pay for loss which results from acts of a civil authority to prevent the spread of fire.
- c. Nuclear Hazard – “We” do not pay for loss which results from nuclear reaction, nuclear radiation, or radioactive contamination. Loss caused by nuclear hazard is not considered loss caused by fire. Direct loss by fire resulting from the nuclear hazard is covered.
- d. “We” do not pay for a loss that results from and is confined to the following perils:
 - 1) normal wear and tear of covered property;
 - 2) gradual deterioration of covered property;
 - 3) hidden or latent defect in covered property;
 - 4) a quality, fault, or weakness in covered property that causes it to damage or destroy itself; or
 - 5) insect or vermin damage to covered property.
- e. “We” do not pay for loss caused by mechanical breakdown or malfunction, component failure, faulty installation or blowout. However, if loss by fire or explosion results, “we” will pay for the resulting loss.
- f. “We” do not pay for loss to “software” caused by interruption of electrical power supply, power surge, blackout or brownout if the cause of such disturbance took place more than 100 feet from the “insured premises”.
- g. “We” do not pay for loss to “software” caused by electrical injury, magnetic injury, disturbance of electronic recordings or erasure of magnetic recordings if cause of such disturbance took place more than 100 feet from the “insured residence”.
- h. “We” do not pay for loss caused by or resulting from loss of use, business interruption, delay or loss of market.
- i. “We” do not pay for loss caused by humidity, dampness, dryness, or changes in extremes of temperature.
- j. “We” do not pay for loss or damage resulting from the failure of any electronic data processing equipment, computer program, software, media, or data to correctly recognize, interpret or process any encoded, abbreviated or encrypted date or time.

IV. Incidental Liability Coverages

The following incidental liability coverages are modified as follows:

1. Damage to Property of Others – “Our” “limit” for this coverage is increased from \$500 per “occurrence” to \$1,000 per “occurrence”.

The following incidental liability coverages are added.

9. Golf Cart Liability

Under Coverages L and M, “insured” also includes a person or organization legally responsible for a golf cart owned by an “insured”. (This does not include a person or organization using or having custody or having possession of the golf cart without permission of the owner.)

“Motorized Vehicles” – item 5.a. is deleted and replaced by the following with respect to the coverage provided by this endorsement:

5. “We” pay for the “bodily injury” or “property damage” which:
 - a. results from the ownership, maintenance, use, loading or unloading of:
 - 1) a “motorized vehicle” in dead storage on the “insured premises”;
 - 2) a “motorized vehicle” not subject to “motor vehicle” registration because of its type of use or a “recreational motor vehicle” and which occurs on the “insured premises”;
 - 3) a golf cart which is not subject to “motor vehicle” registration. However, this coverage does not apply to a golf cart:
 - a) while used to carry persons for a charge, rented to others, or used for other business purpose; or
 - b) while used in racing, speed, pulling or pushing, demolition, or stunting activities or contests or in the practice or preparation for such activities or contests.

10. Personal Injury

Personal Injury means: false arrest, false imprisonment, wrongful eviction, wrongful entry, wrongful detention, malicious prosecution, misrepresentation, libel, slander, defamation of character, or invasion of privacy.

Personal Injury does not mean: false arrest, false imprisonment, wrongful eviction, wrongful entry, wrongful detention, malicious prosecution, misrepresentation, libel, slander, defamation of character, or invasion of privacy that arises out of:

- a. a communicable disease; or
- b. the actual, alleged, or threatened sexual molestation of a person.

Coverage L is extended to pay for damages which an “insured” is liable by law because of personal injury.

The exclusions that apply to Coverages L and M do not apply to this coverage. However, “we” do not pay for personal injury:

Includes Copyrighted Material of American Association of Insurance Services

- a. which results from liability assumed by an “insured” under any contract or agreement (however, this exclusion does not apply to liability of others assumed by an “insured” under a written contract that directly relates to the ownership, maintenance, or use of an “insured premises”);
- b. which results from the willful violation of a law or ordinance by, at the direction of, or with the knowledge or consent of an “insured”;
- c. to a person which results from an offense directly or indirectly related to the person’s employment by an “insured”;
- d. caused by a publication, statement or act by, at the direction of, or with the knowledge or consent of an “insured” before the effective date of this insurance;
- e. caused by a publication or statement made by, at the direction of, or with the knowledge or consent of an “insured”, if the “insured” knew or had reason to believe that the publication or statement was false;
- f. which results from activities related to the “business” of an “insured” (however, this exclusion does not apply to the rental or holding for rental of premises that are “insured premises”);
- g. arising out of civic duties or public duties performed for pay by an “insured”; or
- h. to “you”, and if residents of “your” household, “your” relatives and persons under the age of 21 in “your” care or in the care of “your” resident relatives.

V. Replacement Value Loss Settlement Terms

1. Replacement Value means 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 Replacement Value Terms set forth in this endorsement apply to the following covered property:
 - a. Coverage C – Personal Property;
 - b. Appliances and window air conditioners;
 - c. Carpets and window coverings;
 - d. Awnings and canopies;
 - e. Antennas; and
 - f. The following scheduled classes of personal property if covered under this policy:
 - 1) jewelry;
 - 2) furs and garments trimmed with fur or consisting principally of fur;
 - 3) cameras, projection machines, films, and related articles of equipment;
 - 4) musical instruments and related articles of equipment;
 - 5) silverware, goldware, items plated with gold or silver, and pewterware;
 - 6) golfer’s equipment; and
 - 7) bicycles.
3. The Replacement Value Terms set forth in this endorsement do not apply to the following property:
 - a. articles of art or rarity that cannot be duplicated;
 - b. memorabilia, souvenirs, collector’s items, and similar items whose age or history contribute to its value;
 - c. items not maintained in good or workable condition; or
 - d. items that are outdated or obsolete and are stored or not being used.

4. Under How Much We Pay for Loss or Claim, item 1.e., Loss Settlement Terms, is deleted and replaced by the following with respect to the property that is subject to the terms of this endorsement:
 - e. Loss Settlement Terms – Subject to the terms shown under How Much We Pay For Loss or Claim and the terms of this endorsement, “we” settle losses according to the Replacement Value Terms. If the Replacement Value Terms do not apply, “we” settle losses according to the Actual Cash Value Terms.
 - 1) Replacement Value Terms
 - a) “We” pay the smallest of the following amounts for each covered item:
 - (1) the replacement value of the property as defined on this endorsement;
 - (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.
 - b) When the replacement value 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 of whichever is later:
 - (1) the last date on which “you” received a payment for the actual cash value; or
 - (2) the date of entry of a final order by a court declaring “your” right to full replacement cost.
 - 2) Actual Cash Value Terms – Actual Cash Value includes a deduction for depreciation, however caused.
 - a) The Actual Cash Value Terms apply to all property not subject to the Replacement Value Terms.
 - b) The smaller of the following amounts is used in applying terms under “our” “limit”:
 - (1) the cost to repair or replace the property with materials of like kind and quality to the extent practical; or
 - (2) the actual cash value of the property at the time of loss.

VI. Conditions

Should insurance apply to a loss under more than one endorsement of this policy, coverage under this endorsement shall be excess. In no event shall “we” pay more than the actual loss. All other terms of the policy apply.