

NORTH CAROLINA ENDORSEMENT

This endorsement amends the following policy terms. It must be attached to the policy when the premises described on the Declarations are located in North Carolina.

DEFINITIONS

The following is added to item 3:

The word **business**, as used in this policy, includes services regularly provided by an **insured** for the care of others and for which an **insured** is compensated.

Therefore, the policy exclusions and limitations that apply to **business** property and **business** activities also apply to services provided for the care of others.

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERAGES

Coverage A – Residence and Coverage B – Related Private Structures— The following is added:

We do not cover land, including land on which the residence and related private structures are located.

Coverage C – Personal Property

3. Limitations on Certain Property – Items c., d. and e. are replaced by:

- c. \$1,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- d. 25 percent of the Coverage C limit, subject to a maximum of \$10,000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- e. 10 percent of the Coverage C limit, subject to a maximum of \$10,000 for loss by theft of firearms.

Item i. is added:

- i. \$1,000 for grave markers.

4. Personal Property Not Covered – The following is added to item c:

We do cover vehicles or conveyances not subject to motor vehicle registration which are designed for assisting the handicapped.

Item d. is replaced by:

d. aircrafts 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;

Item i. is added:

- i. 1) books of account, drawings or other paper records; or
- 2) electronic data processing tapes, wires, records, discs or other software media; containing business data. But, we do cover the cost of blank or unexposed records and media.

INCIDENTAL PROPERTY COVERAGES

The second sentence in the lead-in stating "They do not increase the limits shown for the Principal Property Coverages unless otherwise stated." is deleted.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

Exclusion 6 is replaced by:

6. Earth Movement – We do not pay for loss which results from earth movement whether the earth movement results from natural or artificial causes. Earth movement includes but is not limited to:
- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
 - b. landslide, subsidence, sinkhole, erosion;
 - c. mudflow; or
 - d. earth sinking, rising, shifting, expanding or contracting.
- We do pay for direct loss caused by Fire, Explosion and (if covered by this policy) Theft resulting from earth movement.

The last sentence under Exclusion 7, Water Damage, is deleted.

POLICY CONDITIONS

CONDITIONS APPLICABLE TO ALL COVERAGES

9. Suit Against Us – Item a. is replaced by:

- a. Property Coverages - The suit is brought within three years after the date of loss.

INCIDENTAL LIABILITY COVERAGES

The second sentence in the lead-in stating "They do not increase the limit stated for the Principal Coverages, except for Claims and Defense Expense Coverage and First Aid Expense Coverage." is deleted.

Item a. under "Damage To Property of Others" is replaced by the following:

- a. owned by an **insured** or owned by, rented to or leased to another resident of **your** household or the tenant of an **insured**.

EXCLUSIONS THAT APPLY TO COVERAGES L AND M

Exclusion 10. is deleted.

The following exclusion is added:

This policy does not apply to bodily injury which arises out of the transmission of a communicable disease by an **insured**.

EXCLUSIONS THAT APPLY ONLY TO COVERAGE L

The following exclusion is added:

Coverage L does not apply to liability resulting from the discharge, dispersal, release or the escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or a water course, body of water, bog, marsh, swamp or wetland, except if such discharge, dispersal, release or escape is sudden and accidental.

PERILS SECTION - COVERAGES A, B, C & D

The following peril is added:

We insure against loss caused by volcanic eruption other than loss caused by earthquake, land shock waves or tremors.

REPLACEMENT COST TERMS

Item 3.c. is replaced by:

- c. The necessary amount actually spent to repair or replace the damaged building on the **insured premises** or some other premises within the State of North Carolina.

All other **terms** of the policy apply.