



Farmers Mutual Insurance Association of Burnet County

Dwelling Policy

PLEASE READ YOUR POLICY

QUICK REFERENCE

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YOUR DUTIES AFTER A LOSS

- Protect the property from further damage.
- Give prompt written notice to the company.
- Call the police if a law has been broken such as loss by theft.
- Make a list of all damaged personal property, including costs.
- If requested, obtain proof of loss from your Local Chapter or the company and submit within 91 days of the request.

For a complete list of your duties, see page 9 and 10 of this policy.

Notify us immediately if the occupancy status of property insured under this policy changes.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call the Farm Mutual Insurance Association of Burnet County's toll-free telephone number for information or to make a complaint at:

1-877-378-2377

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, TX 78714-9104
FAX # (512) 475-1771

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

SECTION I — INSURING AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

SECTION II — DEFINITIONS

“You and “Your” refer to the “named insured” shown on the declarations page and the spouse if a resident of the same household. “We,” “Us” and “Our” refer to Farm Mutual Insurance Association of Burnet County (FMBC). In addition, certain words and phrases are defined as follows:

1. “**Farm**” or “**Farming**” refers to the operation of a farm or ranch.
2. “**Business**” includes, but is not limited to, a trade profession or occupation from which you or an insured derives income from the sale of goods and/or services. A “**Business**” includes **farming** and **farm** related operations.
3. “**Business Personal Property**” means office equipment, office furniture, machinery, equipment, tools, materials, supplies, and other articles used in a **business**.
4. “**Business Day**” means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.
5. “**Insured**” means “you” (the named insured) and your relatives who live with you.
6. “**Dwelling premises**” means the dwellings shown on the declarations page. This includes the grounds and structures that are in the immediate area of the dwelling and part of the same set of improvements. Dwelling premises does not include buildings or structures used for **business**, commercial, manufacturing or **farming** purposes.
7. “**Owner**” occupied property means property you own that is located where you live.
8. “**Immediate family**” occupied property means property you own that is occupied by your mother, father, son, daughter, grandparents, or grandchildren.
9. “**Tenant**” occupied property refers to property you own that is occupied by a renter.
10. “**Part-time/weekend/seasonally**” occupied property refers to property you own that is occupied from time to time by an insured or others you permit to stay there.
11. “**Vacant**” property refers to:
 - A. A furnished or unfurnished dwelling you own in which no one lives as their principal residence; and/or,
 - B. Other covered property at a location where no one lives as their principal residence.
12. “**Parsonage**” means a dwelling owned by a church and occupied by the pastor or other church employee.
13. “**Scheduled**” means the item is listed and a specific limit of liability for it is shown on the declarations page.
14. “**Described location**” means the location shown on the declarations page of the policy.

SECTION III — PROPERTY COVERAGE

DWELLING

This insurance applies to the described location and coverage for which a limit of liability is shown.

We cover:

1. The dwelling shown on the declarations page, including structures attached to the dwelling:
 - a. As an **owner** occupied dwelling, **immediate family** occupied dwelling, **parsonage**, **tenant** occupied dwelling, **part-time/weekend/seasonally** occupied dwelling; or
 - b. As **owner** occupied, or **immediate family** occupied or as a **parsonage** if the dwelling is to be occupied within 30 days after the effective date of this policy.

Building materials that are to be made part of the insured dwelling or “other structures.”

Stationary fixtures used with the dwelling, including:

- a. Pump house building, and
- b. Fences permanently in ground within 100 yards of dwelling.
2. Other Structures
 - a. Other structures on the **dwelling premises** set apart from the building by a clear space:
 - (1) which were originally constructed to serve the dwelling, and
 - (2) which presently serve the dwelling.

This includes structures connected to the dwelling by only a fence, sidewalk, utility line or similar connection.

- b. The limit of liability for other structures is:

- (1) For **owner** occupied, **immediate family** occupied, or **parsonage**, the amount shown on the declarations page or 10% of the Dwelling limit of liability whichever is greater. If the occupancy status changes from **owner** occupied, **immediate family** occupied, or **parsonage**, you must pay additional premium for the other structures coverage to continue. If you do not pay the additional premium, the other structures coverage terminates.
- (2) For **tenant** occupied dwellings and **part-time/weekend/seasonally** occupied dwellings, if additional premium is paid, the total limit of liability for other structures is the limit shown on the declarations page.
- c. Other Structures coverage is additional insurance and does not reduce the limit of liability that applies to the dwelling.
- d. This coverage for Other Structures is for structures that support the dwelling and does not include those structures that are:
 - (1) used for **business**, commercial, manufacturing or **farming** purposes, or
 - (2) rented wholly or in part to any person or entity.

PERSONAL PROPERTY/CONTENTS

We cover:

1. Personal Property/Contents, owned by an insured, and that is at the **described location** up to the coverage limit shown on the declarations page.
 2. Up to 10% of the Personal Property/Contents limit of liability for a loss due to a peril insured against while the insured property is temporarily away from the described location. This is additional insurance and does increase the Personal Property/Contents limit of liability.
 3. At your request, Personal Property/Contents of others while temporarily at the **described location**. The most we will pay for any one occurrence is \$1,000.00. This is not additional insurance and does not increase the Personal Property/Contents limit of liability.
- c. Alternative power equipment, with underwriting approval, such as solar, wind, hydro, etc.
 - d. Personal property pertaining to a **farm**:
 - (1) Harvested field products in storage. Up to 10% of the limit of liability on **scheduled** field products is payable for loss by a covered peril to harvested field products that are in transit to the insured storage location. This is not additional insurance, and does not increase the limit of liability that applies to the **scheduled** field products.
 - (2) Hay stored in buildings.
 - (3) Hay stored outside is covered only for loss caused by fire, and is covered only on round bales and for a maximum of two years.
 - (4) Other **farm** supplies and materials
 - e. Building materials other than those covered under DWELLING and SCHEDULED OUTBUILDINGS.

SCHEDULED PERSONAL PROPERTY

We cover your Scheduled Personal Property **only if separately described and specifically insured under Scheduled Personal Property**:

1. As **scheduled** on the declarations page, other personal property owned by you and located at the **described location** and when temporarily elsewhere within the Continental United States:
 - a. Tractors, including lawn & garden tractors, over 25 horsepower,
 - b. Tractors, and other machinery, equipment, and tools used in **farming**,
 - c. Trailers (other than watercraft trailers),
 - d. Irrigation equipment.
2. As **scheduled** on the declarations page, other personal property owned by you and located at the **described location**:
 - a. Water pumps that do not qualify for coverage under Dwelling,
 - b. Outside TV and radio antenna systems, including but not limited to, towers, masts, dishes, and exterior components.

3. You must furnish receipt, appraisal or other type of proof of value and ownership for all scheduled personal property.

SCHEDULED OUTBUILDINGS

If a limit of liability is shown on the declarations page, we cover buildings or structures at the **described location** that:

1. Are used for **farm** purposes, or
2. Do not qualify for coverage under Dwelling Other Structures.
 - a. *Boat houses, docks or other structures, excluding marine bulkheads, located over, in or under water which are permanently connected to land are insured for covered perils only.*

Insurance on the building includes building materials that are to be made part of the **scheduled** outbuilding.

SECTION IV — SCHEDULED BLANKET THEFT

Blanket Theft is a scheduled coverage with additional premium cost. There is no coverage for theft of personal property unless stolen from a locked insured dwelling and/or building. Visible signs of breaking and entering must be present before a theft claim will be paid. *There is no coverage for mysterious disappearance of property.*

Reasonable safety and security precautions must be taken to all items. This includes, but is not limited to: tractors, tools, equipment, guns, jewelry and electronics. An unlocked vehicle and/or the back of a pickup or trailer on a public parking lot is not a secure location.

The loss must be reported to appropriate law officials within 5 days of the date of loss and reported to us within 10 days of the date of loss. You must furnish us a police report as well as receipts, photos or other proof of ownership.

This peril does not include loss caused by theft:

1. Committed by an "insured";

2. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied (unless covered by Builder's Risk Endorsement);
3. From that part of a "residence premises" rented by an "insured" to someone other than another "insured";
4. That occurs off the "residence premises" of:
 - a. Trailers, semitrailers and campers;
 - b. Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
 - c. Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

SECTION V — PROPERTY NOT COVERED

- A. We do not insure:
1. Animals, birds, fish, reptiles, amphibians, or other like creatures.
 2. Motor or engine propelled vehicles or machines whether propelled by solar, wind, electric, or otherwise, designed for movement on land, including, but not limited to attached or unattached machinery, equipment, accessories, and parts. However, we do cover such vehicles which are not subject to motor vehicle registration and are:
 - a. Devices and equipment designed for assisting the handicapped,
 - b. Self-propelled lawn and garden equipment (including lawn and garden tractors 25 horsepower or less),
 - c. Golf carts, and
 - d. Dirt bikes, all-terrain vehicles, go-carts, and similar vehicles, subject to the Section IV Special Limits of Liability.
 3. Semi-trailers.
 4. Mobile homes used as an outbuilding.
 5. Aircraft, meaning any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
 6. Property of boarders, campers, roomers, tenants, and residence employees.
 7. Campers, pickup covers, recreational vehicles, and recreational vehicle accessories.
 8. Citizen Band radios when located in and permanently affixed to a vehicle.
 9. Electronic data processing media (software) including but not limited to disks, tapes, records, hard disks, recorded data, and information contained therein.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market.

10. Articles separately described and specifically insured on this policy or any other insurance policy.

- B. **Unscheduled Personal Property.** The following unscheduled personal property items are not covered. We do cover these items when they are separately described and specifically insured under Scheduled Personal Property:
1. Tractors, including lawn and garden tractors, over 25 horsepower,
 2. Tractors, machinery, implements, equipment, tools, materials and supplies used in farming.
 3. Trailers (other than watercraft trailers.)
 4. Irrigation equipment.
 5. Outside TV and radio antenna systems including but not limited to towers, masts, dishes, and exterior components.
 6. Water pumps that do not qualify for coverage under Dwelling.
 7. Harvested field products, including but not limited to, hay and grain.
 8. Farm business personal property other than office machines, office equipment and office supplies.
- C. Miscellaneous building materials.

SECTION VI — EXTENSIONS OF COVERAGE

- A. **Debris Removal.** We will pay your reasonable expense for the removal from the insured premises of:
1. Debris of covered property if the loss was caused by a peril the damaged property is insured against; or
 2. A tree that has damaged an insured structure, if a peril the damaged structure is insured against caused the tree to fall.
- This debris removal coverage is not additional insurance, and does not increase the limit of liability that applies to the damaged property.
- B. **Loss of Use.** If a loss caused by a Peril Insured Against under Section VII makes:
1. The **owner**-occupied dwelling wholly or partially uninhabitable, we cover:
 - a. Additional living expenses, meaning any necessary and reasonable increase in living expenses you incur so that you and the members of your family that live with you can maintain your normal standard of living; or
 - b. Fair rental value of that part of the **owner**-occupied dwelling rented to others by you, or occupied by a member of your **immediate family**, less any expenses that do not continue during the time the dwelling is uninhabitable; or
 2. **Immediate family** occupied dwelling or a parsonage wholly or partially uninhabitable, we cover fair rental value less any expenses that do not continue during the time the dwelling is uninhabitable.

The total limit of liability for all loss of use is 1% per month of the Coverage A dwelling limit for a maximum period of 6 months. This is additional insurance and does not reduce the limit of liability that applies to the dwelling.

Payment will be for the reasonable time required to repair or replace the damaged property. Loss of use payments cease if you permanently relocate.

The periods of time for loss of use are not limited by expiration of this policy.

- C. **Reasonable Repairs.** If a Peril Insured Against causes the loss, we will pay the reasonable cost you incur for necessary repairs made solely to protect covered property from further damage. This coverage does not increase the limit of liability that applies to the property being repaired.
- D. **Property Removed.** We pay for reasonable expense and damage incurred in the removal of covered property from an insured location endangered by a peril the insured property is insured against. This coverage exists on a pro rata basis for 60 days at each location to which such property is removed for preservation. This is not additional insurance and does not increase the limit of liability that applies to the property removed.
- E. **Consequential Loss.**
1. We insure:
 - a. Coverage B (Unscheduled Personal Property) contained in a building on the described location against loss due to change in temperature as a direct result of physical damage to the dwelling, caused by a

Peril Insured Against applying to Coverage B (Unscheduled Personal Property). The deductible clause does not apply to this coverage.

- b. Coverage B (Unscheduled Personal Property) contained in a building at the described location against a loss due to change in temperature as a direct result of physical damage to any power, heating or cooling equipment (including connections and supply pipes) not contained in or on the dwelling, caused by a Peril Insured Against applying to Coverage B (Unscheduled Personal Property).
The total limit of liability for the coverage described in 1b above is \$500. This is not additional insurance and does not increase the Coverage B (Unscheduled Personal Property) limit of liability.
2. This Extension of Coverage applies to:
 - a. **Owner** occupied,
 - b. **Immediate family** occupied property
 - c. **Parsonages**, and
 - d. **Part-time/weekend/seasonally** occupied property
3. When occupancy changes from:
 - a. **Owner** occupied,
 - b. **Immediate family** occupied property,
 - c. **Parsonages**, and
 - d. **Part-time/weekend/seasonally** occupied property to any other occupancy status, this Extension of Coverage ceases on the same date the occupancy status changed.
- F. **Automatic Removal.** If you move from the **dwelling premises** shown on the declarations page to another location within the United States, to be occupied as your principal residence, we cover:

1. Under Unscheduled Personal Property, property at each location in the proportion that the value at each location bears to the total value of the Unscheduled Personal Property; and
2. Property in transit up to 10% of the Unscheduled Personal Property limit of liability; and
3. Under Scheduled Personal Property **scheduled** items in transit and at each location for the specified limit of liability for that particular item.

We provide coverage for personal property for only thirty (30) days from the date the removal begins, at which time this coverage ceases.

Coverage at the new location within the State of Texas for personal property may continue. You must notify us within thirty (30) days from the date the removal begins.

G. **Outdoor Trees.**

We cover outdoor trees (except fruit trees) on the **described location** for direct loss caused by fire or lightning, explosion, aircraft, vehicles (not owned or operated by a resident of the **dwelling**), vandalism or malicious mischief, riot and civil commotion. This coverage does not apply to outdoor trees grown for **business** or **farming** purposes or to trees under two years of age.

The maximum limit of liability for this coverage shall not exceed 5% of the dwelling limit of liability. We will not pay more than \$250 for any one outdoor tree.

This is not additional insurance and does not increase the dwelling limit of liability. The deductible does not apply to outdoor trees.

SECTION VII — PERILS INSURED AGAINST

We insure for accidental direct physical loss caused by a peril listed below unless the loss is excluded in this Section, or in **General Exclusions**.

1. **Fire.**
2. **Lightning.** Proof of lightning must be evident on the outside of the building; or, on the interior of the building; or, to the item itself, in order to be payable.
3. **Sudden & Accidental Damage from Smoke.** This peril does not cover loss caused by smog or by smoke from industrial or agricultural operations.
4. **Windstorm, Hurricane and Hail.** This peril does not include:
 - a. Loss to the following property:
 - (1) Cloth awnings,
 - (2) Loss to the inside of a building or personal property contained in a building unless direct force of wind or hail makes an opening in a roof or wall, and wind, sleet, rain, snow, sand, or dust enters through this opening and causes the damage. We do not cover water damage to the interior of the building or its contents resulting from an intentionally made opening or construction opening, even though the opening is temporarily covered.
 - b. Loss to:
 - (1) A greenhouse and its contents, or
 - (2) A building or structure located wholly or partially over, in, or under water unless it is **scheduled** on

the declarations page under Scheduled Outbuildings.

5. **Explosion.**
6. **Riot and Civil Commotion.**
7. **Collapse of Building or Any Part of the Building.** This peril does not cover loss resulting from earthquake, landslide or other earth movement. We do not cover collapse resulting from an intentionally made opening or construction opening, even though the opening is temporarily covered.
8. **Sudden and Accidental Discharge or Overflow of Water or Steam** from within a plumbing system, heating system, air conditioning system or household appliance. We will pay up to \$5,000 or 10% of the Coverage A dwelling limit, whichever is less, unless additional coverage is purchased. A loss resulting from this peril includes the cost of tearing out and replacing any part of the covered dwelling to effect repairs.
 - a. A separate deductible of \$500 applies to this peril for each occurrence.
 - b. This peril applies only to the Dwelling and Personal Property.
 - c. This coverage does not apply to a **vacant** building or its contents; however, if an insured dwelling and its contents becomes **vacant**, coverage under this peril continues for sixty (60) days from the date the dwelling becomes **vacant**. There is no coverage for damage due to this peril after the dwelling has been **vacant** longer than sixty (60) days.

- d. We do not cover loss caused by constant, repeated or intermittent discharge, seepage, leakage, overflow or release of water or steam.
 - e. We do not cover loss due to normal wear and tear, maintenance issues, or construction design flaws.
 - f. We will only repair or replace what is damaged, regardless of whether it matches the rest of the house.
 - g. We will not pay for loss or damage under this peril resulting from freezing to part-time/weekend/seasonally occupied property.
9. **Breakage of Glass** that is part of the dwelling, its qualifying other structures (if a limit of liability for other structures is shown on the declarations page), and **scheduled farm** machinery. This coverage does not apply to:
- a. Dwelling
 - (1) **Tenant** occupied
 - b. Unscheduled Personal Property
 - c. Scheduled Personal Property other than **farm** machinery
 - d. Scheduled Outbuildings
10. **Falling Objects**. This peril does not include loss to insured property contained in an insured building unless the roof or outside wall of the building is first damaged by the falling object. Damage to the falling object itself is not covered under this peril.
11. **Aircraft and Vehicles**. We cover direct loss or damage by an aircraft, spacecraft, or vehicle damage to **scheduled** livestock provided the livestock is on land you own, lease, rent or control. This peril does not include loss to personal property items that fall from a vehicle. The coverage does not apply to:
- a. Loss to **tenant** property caused by a vehicle owned or operated by an **insured** or an occupant of the **tenant** property, except outbuildings insured under Scheduled Outbuildings.
12. **Collision, upset, and overturn**. We cover direct physical loss caused by this peril to the following insured property:
- a. Riding lawn mowers (including lawn and garden tractors 25 horsepower or less) and
- b. **Scheduled** tractors, **farm** machinery, trailers (except watercraft trailers) and irrigation equipment under Scheduled Personal Property. We will not pay for loss to a tire unless there has been at least \$100 damage to the insured item (other than the tire) as a result of a collision with another object.
13. **Freezing of plumbing, heating and air conditioning systems and domestic appliances**.
- a. This peril applies only to:
 - (1) **Owner** occupied property
 - (2) **Immediate family** occupied property, and
 - (3) **Parsonages**.
 - b. When occupancy changes from:
 - (1) **Owner** occupied
 - (2) **Immediate family** occupied, or
 - (3) **Parsonage** to any other occupancy status, coverage for this peril ceases on the same date the occupancy status changed.
 - c. Coverage for damage due to freezing applies only to:
 - (1) Plumbing, heating and air conditioning systems under Dwelling, and
 - (2) Domestic appliances under Unscheduled Personal Property.
14. **Vandalism and Malicious Mischief**. This peril does not cover:
- a. loss by pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered cause by burglars;
 - b. loss to **scheduled** livestock, poultry, or hay stored outside, nor does it cover loss by mysterious disappearance; or
 - c. loss committed by an **insured**, occupant, **tenant** or persons, related or not, who live with them.
- If the **insured** is an entity and not an individual, vandalism and malicious mischief does not cover loss committed by the **insured** and/or any representative of the entity, whether or not at the direction of the **insured**.
Deductible of \$250 applies per occurrence.

SECTION VIII — GENERAL EXCLUSIONS

The following exclusions apply to loss to covered property:

1. **Blanket Theft**. Including loss of property from a known place when it is likely that the property has been stolen. This peril does not cover loss to **scheduled** livestock, poultry, or hay stored outside, nor does it cover loss by mysterious disappearance or loss committed by an **insured**, occupant, tenant, or persons, related or not, who live with them.
2. **Flood**. We do not cover loss caused by or resulting from flood, surface water, waves, tidal water or tidal waves, overflow of streams or other bodies of water or spray from any of these whether or not driven by wind.
3. **Governmental Action**. We do not cover loss caused by the destruction of property by order of governmental authority. But we do cover loss caused by the acts of destruction ordered by governmental authority taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.
4. **War Damage**. We do not cover loss directly or indirectly from war. This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by military personnel, destruction or seizure or use for military purpose, and including any consequence of these.
5. **Nuclear Damage**. We do not cover loss resulting directly or indirectly from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused. We cover direct loss by fire resulting from nuclear reaction, radiation or radioactive contamination.
6. **Building Laws**. We do not cover loss caused by or resulting from the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or structure. **BUILDING LAWS** exclusion is modified to provide coverage only to the extent described under Perils Insured Against.
 - a. Coverage Provided: You may use up to \$5,000 (at no additional premium) for the increased costs that you incur due to the enforcement of any ordinance or law, which require or regulates:

- (1) The construction, demolition or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in a. above. This is additional insurance and does not reduce the Dwelling limit of liability.

- b. **Building Ordinance or Law Coverage Limitations.** We will not pay for the increased cost of construction:
 - (1) If the building or structure is not rebuilt or repaired;
 - (2) If the rebuilt or repaired building or structure is not intended for the same type occupancy as the current building or structure;
 - (3) Until the building or structure is actually repaired or rebuilt at the same premises; or
 - (4) Unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed 365 days after loss unless you have requested in writing that this time limit be extended for an additional 180 days.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify

or neutralize, or in any way respond to assess the effects of, pollutants, mold, fungi, fungal-like organisms, bacteria, viruses, mites, amoebae, or microorganisms on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- d. If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above also applies to the increased cost you incur due to the repair, replacement or demolition required to the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

All other Terms of the policy apply.

7. **Domestic Animals, Livestock and Poultry.** We do not cover loss to domestic animals, livestock or poultry of any description.
8. **Mold and Other Microorganisms.** We do not cover loss, damage, or loss of use caused directly or indirectly by or resulting from mold, fungi, fungal-like organisms, bacteria, viruses, mites, amoebae, or other microorganisms, or their components, fragments, metabolites or organic contaminants, regardless of the cause of growth, proliferation, or secretion or dispersal.
9. **We do not cover loss under Coverage A (Dwelling)** consisting of, resulting from, arising out of or in any way caused by settling, cracking, bulging, shrinkage, or expansion of foundations, walks, drives, curbs, fences, retaining walls or swimming pools, regardless of whether such loss ensues from any loss, including a loss involving water or water damage which is covered under this policy.
10. **Septic Systems.**

SECTION IX — DEDUCTIBLE CLAUSE

1. The deductible amount shown on the declarations page will be deducted from each covered loss unless otherwise stated in the policy.
2. One deductible shall apply per covered loss to all insured property maintained at the same legal location as shown on the declaration page.

SECTION X — CONDITIONS

1. **Farm Mutual Insurance Association of Burnet County (FMBC) Policy Format.** This insurance is written by FMBC operating under the provisions of Chapter 911 of the Texas Insurance Code, as amended. The Constitution and Bylaws of this Association (available to all members) together with the declarations attached and the application for this policy, shall apply to and form a part of this policy.
2. **Policy Period.** This policy applies only to loss which occurs during the policy period and is reported as required in the conditions stated under "Duties After A Loss" (item 7.a. of this section).
3. **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 loss:
 - a. For an amount greater than the interest of a person insured under this policy, or
 - b. For more than the applicable limit of liability. Each time there is a loss to any building or structure insured under Dwelling, or Outbuildings, the amount of insurance applicable to that building or structure for any loss 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.

4. **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.
 5. **Concealment and Fraud.** This policy is void as to you and any other insured, if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstances concerning this insurance or any subject related thereto, or made false statements or committed fraud relating to this insurance, or committed false swearing whether before or after a loss.
 6. **Residential Community Property.** This policy, subject to all other terms and conditions, when covering residential community property, as defined by Texas 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.
 7. **Duties After Loss.**
 - a. **Your Duties After Loss.** In case of a loss to covered property caused by a **Peril Insured Against**, you must:
 - (1) Give prompt written notice to us of the facts relating to the claim,
 - (2) Notify the police or other appropriate law officials in case of loss by theft, vandalism, or malicious mischief,
 - (3) Protect the property from further damage,
 - (4) Make reasonable and necessary repairs to protect the property,
 - (5) Keep an accurate record of repair expenses.
 - (6) Furnish a complete inventory of damaged personal property showing the quantity, description, amount of loss, date acquired, amount paid, place of purchase, etc., using the forms we furnish you. Attach all bills, receipts and related documents which you have that justify the figures in the inventory.
 - (7) Provide us access to the damaged property,
 - (8) Provide us with pertinent records and documents we request and permit us to make copies,
 - (9) Submit to examination under oath and sign and swear to it, and
 - (10) 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 proof of loss not later than the 15th day 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.
 - (a) This proof of loss shall state, to the best of your knowledge and belief:
 - (i) The time and cause of loss,
 - (ii) The interest of the **insured** and all others in the property involved including all liens on the property,
 - (iii) Other insurance which may cover the loss,
 - (iv) The actual cash value of each item of property and the amount of loss to each item, and
 - (v) The name of the occupant and the occupancy of the building at the time of the loss.
 - b. **Our Duties After Loss:**
 - (1) Not later than the 15th day after we receive your written notice of claim, we must:
 - (a) Acknowledge receipt of the claim,
 - (b) Begin any investigation of the claim,
 - (c) Specify the information you must provide in accordance with item 7.a. above.

We may request additional information, if during the investigation of the claim such additional information is necessary.
 - (2) After we receive the information we request, we must notify you in writing of the status of your claim:
 - (a) Within 15 business days; or
 - (b) Within 30 days if we have reason to believe the loss resulted from arson.
 - (3) If we do not approve payment of your claim, we must:
 - (a) Give the reason for denying your claim, or
 - (b) Give the reasons we require additional time to process your claim. But, we must either approve or deny your claim within 45 days after our request for additional time.
8. **Loss Settlement.** Our limit of liability and payment for covered losses will not exceed the lesser of the following:
 - a. The actual cash value at the time of the loss determined with proper deduction for depreciation; or
 - b. The cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or
 - c. The specified limit of liability of the policy.

We will not deduct more than fifty percent (50%) depreciation on any loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your properly signed, sworn proof of loss, we may repair or replace any part of the damaged property with property of like kind and quality, within a reasonable time, rather than make payment for the loss or we may take all or any part of the property at the appraised or agreed value.
10. **Appraisal.** If you and we fail to agree on the actual cash value, amount of loss, or cost of repair or replacement, either can make a written demand for appraisal. Each will then select an 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:
 - a. The full replacement cost of the dwelling (including actual cash value of the roof).
 - b. The full replacement cost of any other building upon which loss is claimed,
 - c. The full cost of repair or replacement of loss to such building, without deduction for depreciation.

If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will set the amount of the loss. Such award shall be binding on you and us.

Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally.

11. **Other Insurance.** Other insurance is not permitted on property covered by this policy. If you now have or acquire any other contract of insurance on the property covered in whole or in part by this policy, the entire policy shall be void.
12. **Loss Payment.**
- If we notify you that we will pay your claim, or part of your claim, we must make payment not later than the 5th **business day** after we notify you.
 - If payment of your claim or part of your claim requires the performance of an act by you, we must make payment not later than the 5th **business day** after the date you perform the act.
13. **Catastrophe Claim.** If a claim results from a weather-related catastrophe or a major natural disaster, each claim handling deadline shown under the Duties After Loss and Loss Payment provisions is extended for an additional 15 days. Catastrophe or major natural disaster means a weather-related event which:
- Is declared a disaster under the Texas Disaster Act of 1975; or
 - Is determined to be a catastrophe by the Texas Department of Insurance.
- When a roof is damaged or destroyed within a declared State or Federal disaster area, a sixty-day extension is granted to repair or replace the damaged or destroyed roof, but the **insured** remains responsible for protecting the property during this extension period.
14. **Suit Against Us.** No suit or action can be brought unless the policy provisions have been complied with. Action brought against us must be started within two years and one day after the cause of action accrues.
15. **Subrogation.** Payment of any loss by this Association is an automatic assignment of all right to recovery against any party causing such loss, to the extent that payment was made by this Association. The **insured** may not waive his right of recover from any party. Is an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.
16. **Abandonment of Property.** There can be no abandonment of property to us.
17. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of a person or organization holding, storing or moving property for a fee.
18. **Vacant Property.** If an occupied risk becomes **vacant**, insurance automatically terminates 60 days after the risk becomes **vacant**. If a vacancy has not been reported and it is later determined that the property was vacant for 60 consecutive days, any claim due to loss by covered peril will be denied.
19. **Change in Use.** Should an insured building be used for a purpose other than the purpose stated in the policy, you must report the change in use to the sales representative within five days.
20. **Liberalization.** If we adopt a revision which broadens or extends the coverage under this policy without additional premium during the policy period, the broadened or extended coverage will immediately apply to this policy.
21. **Waiver or Change of Policy Provisions.** Changes in this policy may be made and perils insured against added only by attaching a written endorsement properly executed by our authorized agent. No provision of this policy may be waived unless the terms of this policy allow the provision to be waived. Our request for an appraisal or examination under oath will not waive any of our rights.
22. **Salvage Rights.** Upon settlement by the Association of any loss to insured property, the salvage, if any, shall belong to the Association. There will be no abandonment to this Association of any property.
23. **Mortgage Clause (without contribution).**
- The word "Mortgagee" includes trustee.
 - We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the declarations page as interests appear.
 - The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure.
 - If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:
 - At our request, pays any premiums due under this policy, if you have failed to do so.
 - Submits a signed, sworn statement of loss within ninety-one (91) days after receiving notice from us of your failure to do so.
 - Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

All of the terms of this policy will then apply directly to the mortgagee. Failure of the mortgagee to comply with d.(1)i., d.(2). or d.(3). above shall void this policy as to the interest of the mortgagee.
 - If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
 - The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
 - If this policy is cancelled, we will give the mortgagee specifically named on the declarations page written notice of cancellation. If we cancel the policy, we will give the mortgagee the same number of days' notice of cancellation we give to you. If you cancel the policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The effective date of cancellation cannot be before the tenth (10th) day after we mail notice. We will not give notice of cancellation to any successor or assignee of the mortgagee named in this policy.
 - If the property described under Dwelling or Outbuildings is foreclosed upon under the deed of trust the mortgagee may cancel this policy of insurance and will be entitled to any unearned premiums form this policy. The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower.
 - If we elect not to renew this policy, the mortgagee specifically named on the declarations page will be given written notice of the non-renewal not later than the thirtieth (30th) day before the date on which this policy expires.
24. **Cancellation.**

- a. You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will send you any refund due when the policy is returned to us.
 - b. We may cancel this policy only for the reasons stated in this condition by giving you notice in writing of the date cancellation takes effect.
 - (1) If this policy has been in effect for less than ninety (90) days and is not a renewal policy, we may cancel this policy for any reason. The effective date of cancellation cannot be before:
 - (a) The tenth (10th) day after we mail notice if we cancel for non-payment of premium.
 - (b) The thirtieth (30th) day after we mail notice if we cancel for any other reason.
 - (2) If this policy has been in effect ninety (90) days or more, we may not cancel this policy unless:
 - (a) You do not pay the premium or any portion of the premium when due.
 - (b) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (c) You submit a fraudulent claim.
 - (d) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium/rate of this policy.

The effective date of cancellation cannot be before the tenth (10th) day after we mail the notice. Our notice of cancellation will state the reason for cancellation.
 - c. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand.
 - d. We may not cancel this policy solely because you are an elected official.
- 25. Conditions Suspending or Restricting Insurance.** Unless otherwise provided, this Company shall not be liable for loss occurring:
- a. while the hazard is increased by any means within the knowledge and control of the insured, provided such increase in hazard is not usual and incidental to the occupancy as hereon described; or
 - b. while a described building, whether intended for occupancy by owner or tenant, is not occupied beyond the period described in PART 10 (#18) of this policy; or
 - c. following a change in ownership of the insured property; or
 - d. while any other stipulation or condition of this policy is being violated; or
 - e. if the insured property is not kept in a good state of repair; or
 - f. if the insured is involved in any criminal activity effecting, involving, or otherwise utilizing the insured property.
- 26. Refusal to Renew.**
- a. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
 - b. We may not refuse to renew this policy solely because you are an elected official.
 - c. We may refuse to renew this policy if you have filed three or more claims under the policy in any three-year period that did not result from natural causes or more than two non-weather-related claims in a twelve-month period.
 - d. If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three-year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in d. below. If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.
 - e. A claim does not include a claim that is filed but not paid or payable, under the policy.
 - f. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of refusal to renew not later than the thirtieth (30th) day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice.
 - g. If we fail to give you proper notice of our decision to refuse renewal, you may require us to renew the policy.
- 27. Assignment.** Assignment of this policy will not be valid unless we give our written consent.

In **Witness Whereof**, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by an authorized agent representative of this Company.

President