

- e. If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will:

(1) Not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

- (a) Vandalism;
- (b) Malicious mischief;
- (c) Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- (d) Dwelling glass breakage;
- (e) Water damage;
- (f) Theft; or
- (g) Attempted theft.

(2) Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered "vacant".

- f. In the event of a "catastrophic ground cover collapse", any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- (a) Complete the professional engineer's recommended repairs; or
- (b) Pay the policy limits without a reduction for the repair expenses incurred.

#### D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

- 1. Repair or replace any part to restore the pair or set to its value before the loss; or
- 2. Pay the difference between actual cash value of the property before and after the loss.

#### E. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required.

#### F. Mediation Or Appraisal

##### 1. Mediation.

If there is a dispute with respect to a claim under this Policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- a. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
- b. The settlement in the course of the mediation is binding only if:
  - (1) Both parties agree, in writing, on a settlement; and
  - (2) You have not rescinded the settlement within 3 business days after reaching settlement.
- c. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.
- d. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.  
That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.
- e. However, if we fail to appear at a mediation conference without good cause, we will pay:
  - (1) The actual cash expenses you incurred while attending the conference; and
  - (2) Also pay the mediator's fee for the rescheduled conference.

##### 2. Appraisal.

Appraisal is an alternate dispute resolution method to address and resolve disagreement regarding the amount of the covered loss.

- a. If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. If you or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss.

The estimate shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

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- b. In this event, each party will choose a competent appraiser within 20 days after receiving a written demand from the other.
- c. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss.
- d. If they fail to agree, the two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record located in the county described in the "Location of Residence Premises" of your Declarations.
- e. The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.
- f. The appraisal award will be in writing and shall include the following:
  - (1) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;
  - (2) The agreed amount of each item, its replacement cost value and corresponding actual cash value; and
  - (3) A statement of "This award is made subject to the terms and conditions of the policy."
- g. Each party will:
  - (1) Pay its own appraiser, including their costs associated with producing the estimate described in 2.a. above; and
  - (2) Bear the fees and expenses of the appraisal and umpire equally.
- h. You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.
- i. If, however, we demanded the mediation in 1. above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

#### G. Other Insurance And Service Agreement

If a loss covered by this Policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this Policy bears to the total amount of insurance covering the loss.
2. A service agreement, this insurance is excess over any amounts recoverable under any such agreement.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

#### H. Suit Against Us

No action can be brought against us; unless:

1. There has been full compliance with all of the terms of this Policy; and
2. The action is started within 5 years after the date of the loss.

#### I. Our Option

If at the time of loss:

1. We give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:
  - a. The damaged property under Coverage A – Dwelling in SECTION I – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as outlined in SECTION I – CONDITIONS, C. Loss Settlement:
    - (1) We may, at our option, repair any part or item of the damaged Coverage A property with material or property of like kind and quality.
    - (2) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.
  - b. The damaged property is insured for Actual Cash Value loss settlement as outlined in SECTION – I CONDITIONS, C. Loss Settlement:
    - (1) We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.

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