

# SAPO INSURANCE COMPANY OF AMERICA

Home Office: 5081 Macintosh St. N., Jamner, Major 98462  
(A Stock Insurance Company)

## READY REFERENCE TO YOUR HOMEOWNERS POLICY

### TABLE OF CONTENTS \*

	Page
CONTENT OF POLICY	1
DECLARATIONS PAGE	2
AGREEMENT AND DEFINITIONS	3
SECTION I – PROPERTY COVERAGES	4
Coverage A – Dwelling	4
SECTION II – LIABILITY COVERAGES	4
Coverage E – Personal Liability	4
Coverage F – Medical Payments to Others	4
Additional Coverages	4
SECTION II – EXCLUSIONS	5
SECTION II – CONDITIONS	6
SECTION I AND SECTION II – CONDITIONS	7

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\* Pages not applicable to the *Summers v. Hard* lawsuit are not included

Entry 43: SAPO Insurance Policy-2 of 7

BILL CODE	AGENT NO. 90312	COMM.	RATE	AMOUNT	RATE	AMOUNT
FIRE TERR.						

**SAPO**  
Insurance Company  
HOMEOWNERS DAILY REPORT  
POLICY NUMBER

RENEWAL OF NUMBER

INT.	DATE
R	
U	
C	

L	AMOUNT
O	LOSS DATE
S	TYPE
S	AMOUNT
E	LOSS DATE
S	TYPE

Named Insured and P.O. Address  
EDWARD T. HARD  
1492 WEST ST.  
RUSTON, MAJOR 98319

Agent and Address  
RON WHALLEY, 3001 ALASKA ST., RUSTON

1 Years                      7/17/20XX Inception                      7/17/20XX+1 Expiration

The described residence premises covered hereunder is located at the above address unless otherwise stated herein.  
SAME FRAME                      JAMNER CO. CL.2

Insurance is provided only with respect to the following Coverages for which a limit of liability is specified.

Coverages And Limit of Liability	SECTION I				SECTION II		
	A. Dwelling	B. Appurtenant Structures	C. Unscheduled Personal Prop.	D. Additional Living	E. Personal Liability Each Occurrence	F. Medical Payments to Others	
	200,000	15,000	30,000	5,000	200,000	10,000	25,000
Premium	Basic Policy Premium	Theft Extension	Additional Premiums		Total Prepd.	Premium Installment	Payable:
	1000				1000		
	Premium for Scheduled Personal Property						

DEDUCTIBLE SECTION I: any loss by perils insured against under Section I of this policy is Subject to a deductible.

Deductible applicable only to loss caused by the peril of windstorm or hail (Clause 1)

Deductible applicable to loss caused by other perils (Clause 2)

Special Loss Deductible Clause  
X  
\$ 500

Special State Provisions: Valuation Clause \$ \_\_\_\_\_ Coinsurance Clause Applies \$ \_\_\_\_\_

Section II - Additional residence premises, if any, located: (No., Street, City, County, State, Zip)

Mortgagee(s) Name and Address \_\_\_\_\_ N/A

Countersignature Date 7/30/20XX Agency at Ruston, Major Agent Ron Whalley

RATING INFORMATION	NO. OF FAMILIES	NOT TOWNHOUSE	TOWNHOUSE	HO - 4 SELF RATING	YEAR OF CONSTRUCTION	ZONE
CONSTRUCTION						
PROTECTION					FIRE DIST. OR TOWN	
PREM. GR. NO.		DEDUCTIBLE				
STATISTICAL REPORTING INFORMATION Snowmobiles Watercraft Outboard Motors ALL OTHER PREMIUMS			PREMIUM PREPAID:	INSTALLMENT	INCEPTION	ANNIVERSARY

## COVERAGE A – BUILDINGS

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### AGREEMENT

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

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### DEFINITIONS

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Throughout this policy, “you” and “your” refer to the “named insured” shown in the Declarations and the spouse if a resident of the same household, and “we,” “us” and “our” refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **“actual cash value”**
  - a. When the damage to property is economically repairable, “actual cash value” means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
  - b. When the loss or damage to property creates a total loss, “actual cash value” means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
  - c. Otherwise, “actual cash value” shall mean the market value of new, identical or nearly identical property, less reasonable deduction for wear and tear, deterioration and obsolescence.
2. **“bodily injury”** means:
  - a. bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom;
  - b. personal injury arising out of one or more of the following offenses:
    - i. false arrest, detention or imprisonment, or malicious prosecution;
    - ii. libel, slander or defamation of character; or
    - iii. invasion of privacy, wrongful eviction or wrongful entry.

As used in this paragraph, 2.b. personal injury coverage does not apply to:

- i. liability assumed by any **insured** under any contract or agreement except any indemnity obligation assumed by the **insured** under a written contract directly relating to the ownership, maintenance or use of the premises;
- ii. injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any **insured**;
- iii. injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an **insured**;
- iv. injury arising out of the **business** pursuits of any **insured**; or
- v. civic or public activities performed for pay by any **insured**.

Except as stated in paragraph 2.b., **Section II – Exclusions** does not apply to personal injury coverage.

3. **“business”** includes trade, profession or occupation.
4. **“insured”** means you and the following residents of your household:
  - a. your relatives;
  - b. any other person under the age of 21 who is in the care of any person named above.

Under Section II, **“insured”** also means:

- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 4.a. or 4.b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner is not an **insured**;
  - d. with respect to any vehicle to which this policy applies:
    - i. any person while engaged in your employment or the employment of any person included in 4.a. or 4.b.; or
    - ii. any other person using the vehicle on an **insured location** with an **insured’s** permission.
5. **“insured location”** means:
    - a. the **residence premises**;
    - b. that part of any other premises, other structures and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;
    - c. any premises used by you in connection with the premises included in 5.a. or 5.b.;
    - d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
    - e. vacant land owned by or rented to any **insured** other than farm land;
    - f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**;
    - g. individual or family cemetery plots or burial vaults of any **insured**;
    - h. any part of a premises occasionally rented to any **insured** for other than **business** purposes.
  6. **“occurrence”** means an accident, including exposure to conditions which results, during the policy period, in **bodily injury** or **property damage**.
  7. **“property damage”** means physical injury to or destruction of tangible property, including loss of use of property.
  8. **“residence employee”** means an employee of an **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
  9. **“residence premises”** means:
    - a. the one or two family dwelling, other structures and grounds; or
    - b. that part of any other building where you reside and which is shown in the Declarations.

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## SECTION I – PROPERTY COVERAGE

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### COVERAGE E – PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies, we will:

1. pay up to our limit of liability for the damages for which the **insured** is legally liable; and
2. provide a defense at our expense by counsel of our choice even if the allegations are groundless, false or fraudulent. We may make any investigation and settle any claim or suit that we decide is appropriate.

### COVERAGE F – MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees**. As to others, this coverage applies only:

1. to a person on the **insured location** with the permission of any **insured**; or
2. to a person off the **insured location**, if the **bodily injury**:
  - a. arises out of a condition in the **insured location** or the ways immediately adjoining;
  - b. is caused by the activities of any **insured**;
  - c. is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or
  - d. is caused by an animal owned by or in the care of any **insured**.

### ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. **Claim Expenses.** We pay:
  - a. expenses incurred by us and costs taxed against any **insured** in any suit we defend;
  - b. premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage E. We are not obligated to apply for or furnish any bond;
  - c. reasonable expenses incurred by an **insured** at our request, including actual loss of earning (but not loss of other income) up to \$50 per day, for assisting us in the investigation of defense of any claim or suit;
  - d. interest on the entire judgment which accrues after entry of judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.
3. **Damage to Property of Others.** We will pay on a replacement cost basis up to \$500 per **occurrence** for **property damage** to property of others caused by any **insured**.

We will not pay for **property damage**:

- a. to the extent of any amount recoverable under Section I of this policy;
  - b. caused intentionally by any **insured** who is 13 years of age or older;
  - c. to property owned by or rented to any **insured**, a tenant of any **insured**, or a resident in your household; or
  - d. arising out of:
    - i. **business** pursuits;
    - ii. any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or
    - iii. the ownership, maintenance, or use of aircraft, watercraft or motor vehicle or any other motorized land conveyances.
4. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$1,000 for:

- a. the legal obligation of any **insured** to pay because of theft or unauthorized use of credit cards issued to or registered in any **insured's** name.
- b. loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in any **insured's** name.

We do not cover the use by a resident of your household, a person who has been entrusted with the credit card or fund transfer card or any person if any **insured** has not complied with all terms and conditions under which the credit card or fund transfer card is issued.

Entry 43: SAPO Insurance Policy-5 of 7

- c. loss to **insured** caused by forgery or alteration of any check or negotiable instrument; and
- d. loss to any **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of **business** pursuits or dishonesty of any **insured**.

**Defense:**

- a. We may make any investigation and settle any claim or suit that we decide is appropriate.
- b. If a suit is brought against any **insured** for liability under the Credit Card or Fund Transfer Card Coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the Forgery Coverage.

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## SECTION II – EXCLUSIONS

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1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to **bodily injury** or **property damage**:

- a. which is expected or intended by any **insured**;
- b. arising out of **business** pursuits of any **insured** or the rental or holding for rental of any part of any premises by any **insured**

This exclusion does not apply to:

- i. activities which are ordinarily incident to non-**business** pursuits;
- ii. the rental or holding for rental of a residence of yours:
  - a. on an occasional basis for the exclusive use as a residence;
  - b. in part, unless intended for use as a residence by more than two roomers or boarders; or
  - c. in part, as an office, school, studio or private garage;
- iii. employment as a clerical office employees, salesmen, collectors, messengers or teachers (including activities of a teacher in inflicting corporal punishment);
- c. arising out of the rendering or failing to render professional services;
- d. arising out of any premises owned or rented to any **insured** which is not an **insured location**;
- e. arising out of the ownership, maintenance, use, loading or unloading of:
  - i. aircraft. This exclusion does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.
  - ii.
    - a. motor vehicles or all other motorized land conveyances, including any trailers, owned or operated by or rented or loaned to any **insured**; or
    - b. entrustment by any **insured** of a motor vehicle or any other motorized land conveyance to any person.

This exclusion does not apply to:

- a. a trailer not towed by or carried on a motorized land conveyance;
- b. a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and owned by any **insured**, while on an **insured location**;
- c. a motorized golf cart; or
- d. a motorized land conveyance designed for assisting the handicapped or for the maintenance of an **insured location**, which is:
  - a. not designed for travel on public roads; and
  - b. not subject to motor vehicle registration.
- f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

2. **Coverage E – Personal Liability** does not apply to:

- a. Liability:
  - i. for your share of any loss assessment charged against all members of an association of property owners;
  - ii. under any contract or agreement in connection with any **business** of any **insured**;
  - iii. under any other contract or agreement except contracts directly relating to the maintenance or use of the **insured location** not excluded in (1 or 2) above or elsewhere in this policy;
- b. **property damage** to property owned by any **insured**;
- c. **property damage** to property rented to, occupied or used by or in the care of any **insured**. This exclusion does not apply to **property damage** caused by fire, smoke, explosion or water;
- d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under:
  - i. any workers' or workmen's compensation;
  - ii. non-occupational disability; or
  - iii. occupational disease law;
- e. **bodily injury** or **property damage** for which any **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;
- f. **bodily injury** to you and any **insured** within the meaning of part a. or b. of Definitions, 4. "insured."

3. **Coverage F – Medical Payments to Others** does not apply to bodily injury:

- a. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by any **insured**;
- b. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any workers' or workmen's compensation, non-occupational disability or occupational disease law;
- c. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
- d. to any person, other than a **residence employee** of any **insured**, regularly residing on any part of the **insured location**.

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## SECTION II – CONDITIONS

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1. **Limit of Liability.** Regardless of the number of **insureds** claims made or persons injured, our total liability under Coverage E stated in this policy for all damages resulting from any one **occurrence** shall not exceed the limit of liability for Coverage E stated in the Declarations.

Our total liability under Coverage F for all medical expenses payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage F stated in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one **occurrence**.

3. **Your Duties After Loss.** In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:

- a. Give written notice to us or our agent as soon as practicable, which sets forth:
  - i. the identity of the policy and **insured**;
  - ii. reasonably available information on the time, place and circumstances of the accident or **occurrence**;
  - iii. names and addresses of any claimants and available witnesses; and
  - iv. in case of loss under the Credit Card or Fund Transfer Card coverage also notify the Credit Card or Fund Transfer Card Company;
- b. forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
- c. at our request, assist in:
  - i. making settlement;
  - ii. the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
  - iii. the conduct of suits and attend hearings and trials;
  - iv. securing and giving evidence and obtaining the attendance of witnesses;
- d. under the coverage – Damage to the Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;
- e. submit within 60 days after the loss, evidence or affidavit supporting a claim under the Credit Card, Fund Transfer Card, or Forgery and Counterfeit Money coverage, stating the amount and cause of loss;
- f. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.

4. **Duties of an Injured Person – Coverage D – Medical Payments to Others.** The injured person or someone acting on behalf of the injured person shall:

- a. give us written proof of claim, under oath if required, as soon as practicable;
- b. execute authorization to allow us to obtain copies of medical reports and records.

The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.

5. **Payment of Claim – Coverage F – Medical Payments to Others.** Payment under this coverage is not an admission of liability by any **insured** or us.

6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

No one shall have any right to join us as a party to any action against the **insured**. Further, no action with respect to Coverage E shall be brought against us until the obligation of the **insured** has been determined by final judgment and agreement signed by us.

7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.

8. **Other Insurance – Coverage E – Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

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## SECTION I AND SECTION II – CONDITIONS

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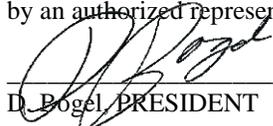
1. **Policy Period and Changes.**

- a. The effective time of this policy is 12:01 A.M. Standard Time at the **residence premises**. This policy applies only to loss under Section I, or **bodily injury** or **property damage** under Section II, which occurs during the policy period. This policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- b. Changes:
  - i. Before the end of any policy period, we may offer to change the coverage provided in this policy. Payment of the premium billed by us for the next policy period will be your acceptance of our offer.

Entry 43: SAPO Insurance Policy-7 of 7

- ii. This policy contains all agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change. Additional or return premium of \$3.00 or less will be waived.
2. **Concealment or Fraud.** We do not provide coverage for any **insured** who has:
  - a. intentionally concealed or misrepresented any material fact of circumstance; or
  - b. made false statements or engaged in fraudulent conduct relating to this insurance.
3. **Liberalization Clause.** If we revise this policy to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.
4. **Cancellation**
  - a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
  - b. We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.
    - i. When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 20 days before the date cancellation takes effect.
    - ii. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 31 days before the date cancellation takes effect.
    - iii. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued. This can be done by notifying you at least 31 days before the date cancellation takes effect.
  - c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our rules for such cancellation. The return premium may be less than a full pro rata refund. When we cancel, the return premium will be pro rata.
  - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

This policy has been signed by the Company by its President and shall be valid when also countersigned by an authorized representative of the Company.

  
\_\_\_\_\_  
D. Bogel, PRESIDENT