



Colorado Homeowners, Renters, Condominium Unit Owners, and Landlords Protector Policies Disclosure Form

This disclosure form is a basic guide to the major coverages and exclusions in your policy. It is only a general description and not a contract or a policy of any kind. All coverages are subject to the terms, conditions, special limits, and exclusions of your policy and all applicable endorsements.

PLEASE READ YOUR POLICY FOR DETAILS! In the event of any conflict between the policy and this disclosure form, the provisions of the policy shall prevail.

This disclosure also provides some guidelines on cancellation, nonrenewal, increase in premium and changes in coverage. These factors are general in nature and do not represent the only reasons a policy may be terminated or changed. Please contact your Farmers® agent for further information.

I. BASIC COVERAGES - HOMEOWNERS

Homeowners policies include two basic sections. The first section provides protection for your home and your personal property. The second section provides protection for you when you're legally responsible (at fault) for an accident you have caused. It also includes medical payments coverage for persons, other than you or members of your household, who are injured in an accident that happens on your property. Homeowners policies do not cover automobiles.

A. HOMEOWNERS - PROPERTY

WHAT IS COVERED:

Your policy will pay for loss damage to your house, your furniture, and other personal belongings when caused by the losses shown in the attached chart. Only limited coverage is provided for jewelry, silverware, furs, business property and other valuables.

Most policies have a deductible. The deductible is the amount of the loss that you, the policyholder, are responsible for paying. Your insurer will pay for the rest of the covered loss.

Your policy also will pay for additional living expenses if a covered loss renders your home uninhabitable and you must temporarily live elsewhere. This coverage pays, for a specified period, for reasonable and necessary extra living expenses you incur over what you would have normally spent to maintain your standard of living if no loss had occurred.

EXCLUSIONS - WHAT IS NOT COVERED:

The policy does not provide coverage for all possible losses. The following are examples of some of the losses that are **NOT** covered:

1. Loss or damage that an insured intentionally causes;
2. Flooding, earth movement, settling, cracking, bulging, shrinkage or expansion of the structure, other structures or of pavements, driveways or sidewalks;
3. Pollution, contamination, rust, mold or wet or dry rot;
4. Birds, vermin or house pets;
5. Wear and tear.

B. HOMEOWNERS - PERSONAL LIABILITY

WHAT IS COVERED:

Your policy pays for bodily injury and property damage to another's property for which you or a member of your household is legally responsible (at fault). This includes the cost of defending you or a member of your household in a liability lawsuit.

EXCLUSIONS - WHAT IS NOT COVERED:

The following are examples of some of the liability exclusions:

1. Any loss that an insured intends or should expect to happen;
2. Bodily injury to an insured person or property damage to an insured person's property;
3. Damage which results from the ownership or use of an automobile and other types of motorized land vehicles, aircraft or certain watercraft;
4. Liability resulting from the transmission or exposure of a communicable disease or sexual molestation.

II. BASIC COVERAGES - RENTERS, CONDOMINIUM UNIT OWNERS, AND LANDLORDS PROTECTOR POLICIES

A. Renters Policy

A Renters (or tenants) policy provides coverage for your personal property and for your personal liability in the same way that a Homeowners policy does. The general coverages for the causes of loss shown in the attached chart are the same under a Renters policy, however, the building you live in is not covered. The amount of protection you choose will depend upon the value of the personal property you wish to insure.

B. Condominium Unit Owners Policy

A Condominium Unit Owners Policy is similar to a Renters Policy in that it provides coverage for your personal property and personal liability. It differs, however, in that it also provides coverage for building items, including additions and alterations you made to your unit, that are your insurance responsibility under the governing rules of the condominium association. There also may be coverage for loss assessments levied on the unit owners by the condominium association.

C. Landlords Protector Policy

A Landlords Protector Policy covers a dwelling rented to others and your personal property while on the residence premises. It also covers business liability and medical payments to others. A Landlords Protector Policy does not cover automobiles.

WHAT IS COVERED:

Your policy will pay, up to the policy limits, for loss or damage to your house, your furniture and other personal belongings when caused by covered losses (see attached chart).

Most policies have a deductible. The deductible is the amount of the loss you are responsible for paying. Your insurer will pay for the rest of the covered loss up to the policy limits.

Your Broad Coverage or Special Form Coverage policy will also pay for additional living expenses or loss of rents if a covered loss renders your home uninhabitable and you must temporarily live elsewhere. This coverage pays, for a specific period, for reasonable and necessary extra living expenses you incur over what you would have normally spent to maintain your standard of living if no loss had occurred.

WHAT IS NOT COVERED:

The policy does not provide for all possible losses. The following are examples of some of the losses that are **NOT** covered:

1. Loss or damage that an insured intentionally causes;
2. Flooding, earth-movement, settling, cracking, bulging, shrinkage or expansion of the structure, other structures or of pavements, driveways or sidewalks;
3. Pollution, contamination, rust, mold, or wet or dry rot;
4. Birds, vermin, or domestic animals;
5. Wear and tear;



6. Theft of real or personal property; however your Broad Coverage or Special Form Coverage policy will pay for any damage caused by a burglar (see attached chart);
7. Loss to certain kinds of personal property like money, coins, credit cards and stamps.

III. CANCELLATION, NONRENEWAL, INCREASE IN PREMIUM AND CHANGES IN COVERAGE

A. Cancellation and Nonrenewal

You may cancel your policy at any time by notifying your Farmers agent and indicating the date the cancellation is to take effect.

We may choose to cancel or nonrenew your policy. If your policy is canceled or nonrenewed, you will receive advance notice. Some examples of reasons for cancellation and nonrenewal include, but are not limited to:

1. Failure to pay your premium when it is due;
2. Knowingly making a false statement or a material misrepresentation on your application for your policy;
3. An unacceptable number of claims;
4. A substantial change in the use or occupancy of the premises.
5. Property has not been properly maintained or is not in good condition.

B. Increase in Premium

Conditions that may increase your premium include, but are not limited to:

1. Change of use of your home or premises;
2. A general rate increase. This results from the loss experience of a large group of policyholders rather than from a loss suffered by an individual policyholder. A general rate increase applies to many persons in the group, not just those who had losses.
3. Adjustment for inflation. This coverage can automatically increase the amount of your insurance coverages as inflation pushes up the cost of replacing your home. The increases may be based on a construction cost index and are reflected in the premium on each renewal date. No additional premium is charged for increases made during the term of the policy.
4. The number and/or types of losses.

C. Changes in Coverage

A number of situations may change the insurance coverage you have. For example, you may choose to change the type of coverage you have, increase or reduce your limits or deductibles, or add optional coverages.

These factors are general in nature and do not represent the only reasons a policy may be changed.

Please contact your Farmers agent with any questions about changes in coverage that you wish to make or about changes that we have made.

IV. LOWERING YOUR COSTS

Although the general classifications used by our Company to set rates may be beyond your control, it is possible to reduce the cost of your homeowners insurance without giving up necessary protection. Here are some tips:

Consider the highest deductible you can afford - Insurance should protect you from major losses. Choosing a higher deductible may result in lower premiums.

Check with your Farmers agent before you buy or rent a new home - Insurance rates are higher for some types of buildings.

Ask if you are eligible for discounts - Farmers offers discounts for characteristics which make your property subject to less chance of a loss. These may include discounts, or credits, if you own a new home, if you are age 50 or older, if your home has smoke alarms, deadbolt locks, an automatic fire sprinkler system, home security system or you have your automobile coverage with us.

Compare coverages, premiums, and services when you shop for insurance.

Table: Covered Losses by Policy type

Cause of Damage or Loss	HOMEOWNER & LANDLORDS PROTECTOR	CONDOMINIUM UNIT OWNERS * & RENTERS
Fire or lightning	Dwelling Contents	Contents
Loss of property removed from premises endangered by fire or other perils	Dwelling Contents	Contents
Windstorm or hail	Dwelling Contents	Contents
Explosion	Dwelling Contents	Contents
Riot or civil commotion	Dwelling Contents	Contents
Aircraft	Dwelling Contents	Contents
Vehicles	Dwelling Contents	Contents
Smoke	Dwelling Contents	Contents
Vandalism and malicious mischief	Dwelling Contents	Contents
Theft	Dwelling Contents	Contents
Breakage of glass constituting a part of the building	Dwelling Contents	Contents
Falling objects	Dwelling Contents	Contents
Weight of ice, snow, sleet	Dwelling Contents	Contents
Collapse of building(s) or any part thereof	Dwelling Contents	Contents
Sudden and accidental tearing apart, cracking, burning, or bulging of a steam or hot water heating system or of appliances for heating water	Dwelling Contents	Contents
Accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or domestic appliance	Dwelling Contents	Contents
Freezing of plumbing, heating and air conditioning systems and domestic appliances	Dwelling Contents	Contents
Sudden and accidental injury from artificially generated currents to electrical appliances, devices, fixtures and wiring (TV and radio tubes not included)	Dwelling Contents	Contents
All perils except flood, earthquake, war, nuclear accident and others specified in your policy. Check your policy for a complete listing of perils not covered.	Dwelling	

* Coverage in the Condominium Unit Owner's policy is limited to those building items for which the insured is made responsible under the Condominium Association's contract.



IMPORTANT NOTICE
(Please keep for your records)

Subscription Agreement Notice

Enclosed please find your policy billing. By payment of the policy premium, you acknowledge that you have received and read the Fire Insurance Exchange Subscription Agreement (the terms of which are provided below), and that you understand and agree to all the terms and conditions of the Subscription Agreement.

SUBSCRIPTION AGREEMENT

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Fire Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Fire Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Fire Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty five per centum of the Premium Deposit for the insurance provided and twenty five per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

Your Policy is on a Farmers® Billing Plan

Any increase or reduction in premium has been, or will be included as an adjustment to your billing statement. This billing statement may be enclosed or it may be mailed to you separately.

Please pay the amount due shown on any outstanding Farmers billing statement.



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