



**OREGON MUTUAL INSURANCE COMPANY  
LIMITED HOMEOWNERS  
EARTHQUAKE AND VOLCANIC ERUPTION COVERAGE  
(CALIFORNIA)**

H173 (10-03)

Policy Number \_\_\_\_\_ Policy Period From \_\_\_\_\_ To \_\_\_\_\_

Named Insured and Mailing Address:

**residence premises** up to the Coverage A **limit of insurance**.

Coverage is provided for Coverage C (Personal Property), Coverage D (Additional Living Expense), and Limited Building Code Upgrade at the indicated **limits of insurance** shown on this endorsement subject to the deductible clause.

The **residence premises** covered by this endorsement (H173) is located at the above address unless otherwise stated:

	<b>Deductible</b>	<b>Limits of Insurance</b>
Coverage A, Dwelling	\$	\$
Coverage B, Private Structures		No Coverage
Coverage C, Personal Property		\$5,000
Coverage D, Additional Living Expense		\$1,500
Limited Building Code Upgrade (if Dwelling meets prior <b>Earthquake Hazard Reductions</b> )		\$10,000

**We** insure for accidental physical loss directly and immediately caused by an **earthquake** or **volcanic eruption** (including volcanic blast, shock wave, lava flow and volcanic fallout) to property described under the Property Covered and Other Coverages Sections in this endorsement (H173), subject to **limits of insurance**, Property Not Covered, and Exclusions sections of this endorsement (H173). In addition, **we** insure for Additional Living Expenses of the **residence premises** resulting from a covered loss to property. **We** will provide the insurance described in this endorsement (H173) in return for the premium and compliance with all applicable provisions of this endorsement (H173) and policy (H020) to which it is attached.

One or more **earthquake** shocks or volcanic events that occur within a 168 hour period shall constitute a single **occurrence**.

**We** will pay no more than the smallest of the following amounts for functionally equivalent construction on the same or similar site for the **dwelling** for the peril of **earthquake** or **volcanic eruption**.

1. The necessary amount actually spent to repair or replace the damaged or destroyed building on a **functional replacement cost** basis; or
2. The limit of Coverage A - Dwelling insurance shown on this endorsement (H173) for limited coverage for **earthquake** or **volcanic eruption**.

Loss to property described under Coverage A - Dwelling will be settled at **functional replacement cost**. If the **dwelling** is rebuilt or replaced at another location, settlement will be no more than the cost to repair or replace the insured **dwelling** at the

**DEFINITIONS**

Throughout this endorsement, **you** and **your** refer to the named insured shown in this endorsement (H173) and the named insured's spouse if a resident of the same household.

**We**, **us**, and **our** refer to the insurance company providing this coverage.

In addition, certain words and phrases are defined as follows:

1. **Dwelling** means a mobile home (manufactured home) or a residential structure of not more than four **dwelling** units which is located on the **residence premises** described in this endorsement (H173).
2. **Earthquake** means a vibration-generating rupture event caused by displacement within the earth's crust through release of strain associated with **tectonic processes** and includes effects such as ground shaking, liquefaction, seismically-induced landsliding and damaging amplification of ground motion.
3. **Earthquake Hazard Reduction** means:
  - a. the residential **dwelling** is bolted to the foundation,
  - b. cripple walls are braced with plywood or its equivalent, and

- c. the hot water heater is secured to the building frame. Such reductions in **earthquake** hazard may exist either by original construction or by retrofitting completed consistent with local residential building codes at the time of construction or retrofitting.
4. **Fair Rental Value** means the average rental cost currently requested in the rental market for a residential unit which is similar to that covered under this endorsement (H173).
  5. **Functional Replacement Cost** means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
  6. **Limit of Insurance** means the most **we** will pay for any single covered event.
  7. **Nuclear Hazard** means any nuclear reaction, radiation, or radioactive contamination, or any consequence of any of these.
  8. **Occurrence** means one or more **earthquake** shocks or **volcanic eruptions** that occur within a 168-hour period.
  9. **Replacement Value** means the cost at the time of the loss of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is not available, **replacement value** means the cost of a new article similar to the one damaged, destroyed or stolen and which is of comparable quality and usefulness, without deduction for depreciation, subject to the endorsement (H173) **limit of insurance** for that type of property.
  10. **Residence Premises** means a mobile home (manufactured home) or residential structure of not more than four **dwelling** units which is shown as the **residence premises** in this endorsement (H173).
  11. **Sublimit** means a specific dollar limitation on coverage for specific types of property within a category of property which is subject to a higher total **limit of insurance**. Payment under a **sublimit** will reduce the amount available under the total **limit of insurance**.
  12. **Tectonic Processes** means adjustments of the earth's crust in response to regional stress conditions initiated by dynamic forces within the earth's interior.
  13. **Volcanic Eruption** means the land shock waves, tremors, **earthquakes**, landslides, mud flows, earthsinking, earthrising, shifting, expanding, or contracting which occur before, during, or after the eruption or explosion of a volcano.

## PROPERTY COVERED

### DWELLING

Subject to the **limit of insurance** or other loss settlement provisions listed in this endorsement (H173) for Coverage A, **we** cover:

1. The **dwelling** on the **residence premises** identified on this endorsement (H173).
2. Up to a **sublimit** of \$5,000 total, for masonry chimney(s) attached to or part of the **dwelling**, regardless of the number of chimneys located or attached to the residential structure. **We** will not pay for more than the least of the following amounts:
  - a. the **sublimit** of \$5,000 that applies for all chimneys;
  - b. the replacement of the masonry chimney(s) with non-masonry, earthquake-resistant chimney(s);
  - c. the actual cash value of the damaged chimney(s) if repair or replacement is not elected; or
  - d. the necessary amount actually spent to repair the damaged chimney(s).

The **limit of insurance** available to cover **your dwelling** structure (Coverage A) will be reduced to the extent of any payment made for masonry chimney(s).

3. Walkways, driveways and patios necessary for regular ingress to or egress from the **dwelling** are considered to be covered as a part of the **dwelling**.
4. Bulkheads, piers, and retaining walls integral to the stability of the **dwelling** structure are also considered to be covered as parts of the **dwelling**.
5. No more than a \$10,000 **sublimit** total for the cost of land stabilization necessary to the habitability of the **dwelling**, including the engineering costs of the stabilization. Such cost is covered only when the land instability is directly and immediately caused by an **earthquake** or **volcanic eruption**.

The **limit of insurance** available to cover **your dwelling** structure (Coverage A) will be reduced to the extent of any payment made for land stabilization.

### PERSONAL PROPERTY

Subject to the **limit of insurance** listed on the front page of this endorsement (H173) for Coverage C, **we** cover personal property usual to the occupancy of a **dwelling** and owned or used by an insured while it is at the **residence premises**. At **your** request, **we** will cover personal property owned by others while the property is on part of the **residence premises** occupied by an insured. In addition, **we** will cover, at

**your** request, personal property owned by a guest or a residence employee, while the property is on part of the **residence premises** occupied by an insured. However, property of roomers, boarders, or other tenants is not covered. The total **limit of insurance** for personal property will be reduced to the extent that any payment is made for damage to personal property owned by others.

Loss to property described under Coverage C - Personal Property will be settled at **replacement value basis**, without deduction for depreciation for the amount necessary to repair or replace the damaged property with articles of like kind and quality, up to the applicable **limit of insurance**.

### ADDITIONAL LIVING EXPENSE

The most **we** will pay for Additional Living Expenses is the Coverage D **limit of insurance** listed on the front page of this endorsement (H173). This is the total limit for all the coverages that follow:

- a. If an **earthquake** or **volcanic eruption** loss covered under this endorsement (H173) makes that part of the **residence premises** where **you** reside not fit to live in, **we** cover any necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage, or if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.

- b. If an **earthquake** or **volcanic eruption** loss covered under this endorsement (H173) makes that part of the **residence premises** rented to others, or held for rental by **you** not fit to live in, **we** cover the **fair rental value** of that part of the **residence premises** rented to others, or held for rental by **you** less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

- c. If a civil authority prohibits **you** from use of the **residence premises** as a result of direct damage to neighboring premises by **earthquake** or **volcanic eruption**, the coverage provided under a. above will apply for a time limited to no more than two weeks.

The periods of time under a., b., and c. above are not limited by expiration of the policy.

**We** do not cover loss or expense due to cancellation of a lease or agreement.

No deductible applies to this coverage.

### LIMITED BUILDING CODE UPGRADE

If at the time of loss from a covered event, either by original construction, or by upgrading (retrofitting), **your dwelling** meets all three policy conditions of **earthquake hazard reductions** as described in **DEFINITIONS**, item 3, coverage is provided in the following amount:

- a. Up to \$10,000 for the cost of reconstruction required to bring the residential **dwelling** on the residential property, up to current local residential building code standards, as required as part of the approval of the reconstruction permit process after an **earthquake** or **volcanic eruption**.

### OTHER COVERAGES

If covered property is damaged by a covered event:

- a. **We** will pay the cost **you** incur for necessary and reasonable emergency measures taken to protect against further **earthquake** or **volcanic eruption** damage. If the measures taken involve repair to other damaged property, **we** will pay for those repairs only if that property is covered under this endorsement (H173).

(1) Payment for necessary and reasonable emergency measures will not be subject to the deductible, however, the applicable **limit of insurance** for the type of property being protected (dwelling or personal property) will be reduced by the amount of any payment made for necessary and reasonable emergency measures.

(2) Taking necessary and reasonable emergency measures to protect covered property from further damage if an **earthquake** or **volcanic eruption** occurs, does not relieve **you** of **your** responsibilities outlined in What You Must Do In Case Of Loss.

- b. **We** will pay the reasonable expense incurred by **you** in the removal of debris of covered property. The **dwelling limit of insurance** will be reduced by the amount of any payment made for debris removal.

### PROPERTY NOT COVERED

**We** will not cover:

1. Outbuildings, appurtenant structures, masonry fences and walls not necessary for the structural integrity of the **dwelling**.
2. Walkways, driveways and patios not necessary for regular ingress to or egress from the **dwelling**.
3. Awnings or other patio coverings.
4. Landscaping, trees, shrubs, lawns or plants, even if damaged by the repair process.
5. Exterior water supply systems including, but not limited to, irrigation systems, residential sprinkler systems and water reclamation systems.

6. Underground structures or equipment that are located outside the foundation wall of the structure including underground pipes, cables, flues, and drains, except those utility services essential for habitability.

(Plumbing pipes which are enclosed in the walls, ceiling, or floor system of the structure and plumbing extending to the exterior surface of the foundation wall of the covered structure are covered items. Essential utility service located outside of the foundation area and within the property boundaries of the residential property, which affects the habitability of the structure, is covered.)

7. Satellite dishes.
8. Any building items that consist of a work of art or ornate or decorative items such as wall murals, stained glass, mirrors permanently affixed to the structure, mosaics, and statuary.
9. Bulkheads, piers and retaining walls not integral to the stability of the **dwelling** structure.
10. Swimming pools, spas and hot tubs, including the tile attaching the pool, spa or hot tub to a deck.
11. Plaster will not be replaced, but payment for damaged plaster will be made only up to the value of sheetrock.

## PERSONAL PROPERTY

**We** do not cover:

1. Personal property insured in any other policy.
2. Animals, birds or fish.
3. Motor vehicles, including their parts or accessories while in or on any motor vehicle.
4. Any sound or picture equipment which is designed for operation by the electrical system of a motor vehicle, motorized land conveyance, or a camp or home trailer while any of this equipment is in, on, or installed in a motor vehicle, motorized land conveyance, or a camp or home trailer. Such equipment includes: citizens band radios, radio or cellular telephones, radio transceivers, radio transmitter, two-way mobile radios, scanning monitor receivers, radar detectors, car radio receivers, tape players and recorders, disc players, television sets, video recorders and any accessories, antennas, speakers, tapes, reels, cassettes, cartridges, carrying cases or other devices used with such sound equipment.
5. Aircraft, including their parts or equipment.
6. Property of roomers, boarders and other tenants, except roomer and boarders related to any insured.
7. Data, including data stored in:
  - a. books of account, drawings or other paper records; or

- b. electronic data processing tapes, wires, records, discs or other software media.

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

8. Artwork including, but not limited to, paintings, drawings, framing, sculpture, photographs, tapestries, pottery, and ceramics.
9. Glassware, china and porcelain.
10. Watercraft, including their trailers, furnishings, equipment and outboard motors.
11. Trailers not used with watercraft.

## DEDUCTIBLE

The deductible amount will be determined by applying 15% to the **dwelling limit of insurance**. Applicable deductible dollar amounts that apply are shown on the first page of this endorsement (H173).

The deductible will be applied one time for each covered event. Until the amount of **dwelling** damage reaches the deductible threshold, no payment will be made for either **dwelling** or personal property loss or limited building code upgrade. Loss to excluded or uncovered property or loss for any amount in excess of the policy **limits of insurance** will not be included in the calculation of the deductible.

Additional living expenses will not be subject to the deductible.

## EXCLUSIONS

**We** do not pay for loss or damage caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Fire, whether caused by, resulting from, contributed to, or aggravated by **earthquake** or **volcanic eruption**. Direct loss by fire resulting from an **earthquake** or **volcanic eruption** is covered under the policy (H020) to which this endorsement (H173) is attached.
2. Water damage, meaning:
  - a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these whether or not driven by wind. This is not intended to exclude water from domestic appliances, including but not limited to, water heaters, pools or hot tubs;
  - b. water which backs up through sewers or drains located off the **residence premises**;
  - c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
3. Loss or damage caused by **nuclear hazard**, including but not limited to, nuclear reaction,

nuclear radiation or radioactive contamination, whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to or aggravated by the qualifying **earthquake or volcanic eruption** event.

Also excluded are acts or omissions of persons who cause, contribute to or aggravate **nuclear hazard**. Whenever **nuclear hazard** occurs naturally to cause loss or combines with acts or omissions of persons to cause loss, the resulting loss is always excluded by this endorsement (H173). Loss caused by **nuclear hazard** is not considered loss caused by fire, explosion, or smoke.

4. Pollution damage to groundwater, land and personal property including all loss, damage, costs, and/or expenses arising out of or caused by pollution, and all costs and/or expenses incurred by the owner to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
5. Enforcement of any ordinance, law or residential building code regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this endorsement (H173).
6. Power failure, meaning the failure of power or other utility service if the failure takes place off the **residence premises**.
7. Neglect, meaning **your** neglect to use all reasonable means to save and preserve property at and after the time of a loss.
8. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or military personnel, destruction or seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
9. Intentional loss, meaning any loss arising out of any act committed:
  - a. by or at the direction of **you** or any insured or any person or organization named as an additional insured; and
  - b. with the intent to cause a loss.
10. Explosion.
11. Earth movement, settling of land, general landsliding, subsidence, mudflows, or earth sinking, rising or shifting, unless directly and immediately caused by an **earthquake or volcanic eruption**.

12. Wear and tear which results from marring, deterioration, inherent vice, latent defect, mechanical breakdown, rust, wet or dry rot, corrosion, and mold.
13. Errors, omissions and defects, which results from one or more of the following:
  - a. acts or decision, including the failure to act or decide, of any person, group, organization, or governmental body;
  - b. any act, error or omission (negligent or not, whether by the insured or others, whether on or off the insured premises) relating to:
    - (1) land use;
    - (2) the design, specifications, construction, workmanship, or installation of property;
    - (3) planning, zoning, development, surveying, siting, grading, or compaction;
    - (4) maintenance of property (including land, structures, or improvements); or
    - (5) establishing or enforcing building codes or standards for construction or materials.
  - c. a defect, a weakness, the inadequacy, a fault, or unsoundness in materials used in construction or repair, renovation, or remodeling.

## LIMITATIONS

**We** will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from **earthquake or volcanic eruption**. The value of such veneer will not be included in the value of covered property or the amount of loss when applying the deductible applicable to this endorsement (H173).

This limitation does not apply if:

- a. The premises description in this endorsement (H173) specifically states "Including Masonry Veneer"; or
- b. Less than 10% of the total outside wall area is faced with masonry veneer (except stucco).

What You Must Do In Case Of Loss, The Policy Conditions Applicable To All Coverages, and the Policy Conditions Applicable To Property Coverages Only, located in the H020, remain unchanged. All other terms, conditions, and limitations stated elsewhere in the policy, or other attached endorsements do not apply to this (Limited Homeowners Earthquake and Volcanic Eruption Coverage H173) endorsement.