

THIS POLICY IS NOT COMPLETE WITHOUT A DECLARATIONS PAGE.

RLI Insurance Company

Peoria, Illinois 61615

A Stock Insurance Company

Personal Umbrella Liability Policy

POLICY PROVISIONS

RLI Insurance Company will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities in the policy.

PART I - DEFINITIONS

In this policy, the words you, your, or yours mean the person named in the Declarations as the Named Insured and his or her spouse who lives in the same household. The words we, us, our, or ours mean RLI Insurance Company. Also, in this policy, the word:

A. Automobile means:

1. A **private passenger motor vehicle**, motorcycle, moped or motor home;
2. A trailer, farm wagon or hay rack while towed by a **private passenger motor vehicle**, or
3. Any motorized vehicle that would otherwise be classified as a **Recreational Vehicle** that requires motor vehicle registration or operator licensing.

B. Basic Policy or **Policies** means a policy or policies listed in the Declarations (including renewals, temporary replacements for non-owned **Automobiles**, or endorsements) which provides primary liability coverage. A **Basic Policy** does not include a commercial or business general liability policy or other non-personal premises liability policy.

C. Bodily Injury means bodily harm, sickness or disease (including required care, loss of services, and death) to others.

D. Business means a trade, occupation or profession, including farming and ranching. **Business** also means residential property rented or held for rental to others.

E. Business Property means property on which a **Business** is operated, including farms and ranches, whether or not such property is occupied or in use.

F. Injury means **Bodily Injury, Personal Injury** or **Property Damage**.

G. Insured Location means a one to four family dwelling, condominium, townhouse or a one to two family mobile home. **Insured Location** includes any primary, secondary and/or seasonal dwelling that is owned or occupied by you, as well as the other related, private structures and grounds at that location.

H. Occurrence means:

1. An accident, including continuous or repeated exposure to the same general harmful conditions, that results in **Bodily Injury** or **Property Damage**.
2. An offense that results in **Personal Injury**.

I. Personal Injury means damages arising out of the following offenses:

1. Libel, slander, or defamation of character;
2. False arrest, willful or false detention or imprisonment, or malicious prosecution;
3. Wrongful eviction, wrongful entry or invasion of privacy; or
4. Assault or battery, if committed to protect persons or property.

J. Private passenger motor vehicle includes but is not limited to automobiles, vans, motorcycles or pickup trucks with a gross vehicle weight rating under 9,000 pounds. **Private passenger motor vehicle** does not include a vehicle that is subject to state or federal regulation as a commercial motor vehicle.

K. **Property Damage** means direct physical damage to tangible property as well as loss of use of the property.

L. **Punitive or Exemplary Damages** means damages imposed to punish a wrongdoer and/or deter others from similar conduct. **Punitive or Exemplary Damages** includes aggravated damages or damages on an increased or multiplied scale, which are awarded to the injured party in addition to compensatory damages.

M. **Recreational Vehicle** means a motorized vehicle for use on land which does not require motor vehicle registration or operator licensing and which is not intended for use on public highways. **Recreational Vehicle** includes, but is not limited to:

1. Snowmobiles, all-terrain vehicles, motorbikes, golf carts, personal transporters; or
2. Motorized farm, garden, ranch, and maintenance equipment, modified or unmodified, capable of speed that does not exceed twenty-five (25) mph under any circumstances.

N. **Relative** means a person related to you by blood, marriage, or adoption who lives in your household on a fulltime basis and anyone else in your or a **Relative's** care living in your household. Any child will be considered "living in your household on a fulltime basis" if you or a **Relative** are a legal custodian of the child. A **Relative** includes a student who is enrolled in college and living temporarily away from home.

O. **Self Insured Retention** means the amount shown in the Declarations that anyone covered by this policy must pay for **Injury** before we pay any amount under this policy. This amount shall be applied if the **Basic Policies** do not provide coverage for the **Occurrence**, but coverage is afforded under this policy.

P. **Suit** means a civil proceeding alleging damages because of **Injury** to which this insurance applies.

Q. **Watercraft** means a boat or craft which is designed for use on water.

PART II - WHO IS COVERED - INSUREDS

A. For **Occurrences** other than those involving the use of **Automobiles, Recreational Vehicles** or **Watercraft**:

1. You and your **Relatives** are covered.

2. Any person or organization legally responsible for your or a **Relative's** animals is covered if:

- a. the **Occurrence** arises out of the custody of the animal by that person or organization;
- b. their custody of such animal is with your or a **Relative's** consent; and
- c. the custody is not in the course of any **Business** of such person or organization; and
- d. they are covered under a **Basic Policy** for **Occurrences** involving your or a **Relative's** animals.

3. A trust or any other person, in addition to those described above, who is covered as an insured for liability under your **Basic Policy** is covered for such **Occurrence**.

B. For **Occurrences** involving the use of **Automobiles, Recreational Vehicles** or **Watercraft**:

1. a. You are covered for any **Automobile, Recreational Vehicle** or **Watercraft** you own, borrow, rent, or use.

b. Anyone else who uses an **Automobile, Recreational Vehicle** or **Watercraft** you own, borrow, rent, or use as a temporary substitute is covered if:

- (1) they use it with your express or implied permission; and,
- (2) the use is for the purpose you intended.

The coverage extended by paragraph 1 shall not extend to:

- (1) the owner of a borrowed or rented **Automobile, Recreational Vehicle** or **Watercraft** or his agents or employees; nor,
- (2) organizations involved in **Automobile, Recreational Vehicle** or **Watercraft** sales, service, garage or parking **Business**, nor their agents or employees.

2. a. Your **Relatives** are covered for any **Automobile, Recreational Vehicle** or **Watercraft** they own, rent, or use as a temporary substitute or is furnished for their regular use. Your **Relatives** are covered for any **Automobile, Recreational Vehicle** or **Watercraft** they borrow if:

- (1) they use it with the owner's express or implied permission; and
 - (2) the use is for the purpose intended by the owner.
- b. Anyone who uses an **Automobile, Recreational Vehicle** or **Watercraft** owned by a **Relative** is covered if:
- (1) they use it with the **Relative's** express or implied permission; and
 - (2) the use is for the purpose intended by the **Relative**.

PART III - WHAT WE WILL DO

- A. 1. We will pay an amount for which anyone covered by this policy becomes legally liable for **Injury** due to an **Occurrence** which takes place during the Policy Period and in the Policy Territory. This insurance applies:
- a. As excess insurance over and above the greater of:
 - (1) the Minimum Limit of Coverage as stated in the Declarations which is required to be provided by the **Basic Policies**; or
 - (2) the actual Limit of Coverage provided by the **Basic Policies** if such actual limit is greater than the Minimum Limit of Coverage as stated in the Declarations.
 - b. If such **Injury** is not covered under the applicable **Basic Policies** and coverage is afforded under this policy, to the extent such amount exceeds the **Self Insured Retention** amount stated in the Declarations.
2. The most we will pay for **Injury** because of an **Occurrence** covered under this policy is stated as the each accident Limit of Coverage as shown in the Declarations. There is no limit to the number of **Occurrences** during the Policy Period for which a claim may be made. This insurance applies separately to each person covered by this policy, but this does not increase our Limit of Coverage per **Occurrence**.
- B. If you or any person are covered for **Injury** by this policy, but such **Injury** is not covered under the **Basic Policies**:
1. We have the right and duty to defend you or such person against legal actions seeking payment from you or such person because of **Injury**. We will do this even if there are no grounds for the action or claim. We will pay the cost of this defense in addition to the Limit of Coverage.

2. We will pay the premium for appeal bonds as well as all reasonable expenses (including loss of earnings up to \$250.00 per day), in addition to the Limit of Coverage. The premium and expenses will be paid only if incurred at our request.
 3. Our duty to defend, and any obligation we have to pay other defense costs or expenses under this subsection B., ends when the amount we pay for any or all **Injury** equals our Limit of Coverage.
- C. 1. If any of the **Basic Policies** required to be carried are:
- a. not carried, we will pay only as though the **Basic Policies** had been carried; or
 - b. terminated, we will pay only as though the **Basic Policies** had never been terminated.
2. If the Limits of Coverage carried under the **Basic Policies** are:
- a. less than the minimum required limits listed in the Declarations, we will pay only as though **Basic Policies** had been carried with the Minimum Limit of Coverage required in the Declarations; or
 - b. reduced by the payment of losses under the **Basic Policies**, we will pay only as though the **Basic Policies** had not had such limits reduced by the payment of any losses under the **Basic Policies**.
3. If any of the **Basic Policies** required to be carried do not cover your **Relatives** as required by the provisions of the Declarations, we will pay for such **Relatives** only as though the required **Basic Policies** did cover your **Relatives** for at least the Minimum Limits of Coverage listed in the Declarations.
4. If any of the **Basic Policies** cover your **Relatives** in an amount less than the Minimum Limits of Coverage listed in the Declarations, we will pay for such **Relatives**, only as though the required **Basic Policies** covered them for at least the Minimum Limits of Coverage listed in the Declarations.
5. If any of the **Basic Policies** required to be carried do not cover insureds referenced in Part II, B.1.b. as required by the provisions of the Declarations, we will pay for such insureds only as though the required **Basic Policies** did cover such insureds for at least the Minimum Limits of Coverage listed in the Declarations.

6. If any of the **Basic Policies** cover insureds referenced in Part II. B.1.b. in an amount less than the Minimum Limits of Coverage listed in the Declarations, we will pay for such insureds, only as though the required **Basic Policies** covered them for at least the Minimum Limits of Coverage listed in the Declarations.
7. If any insurance company providing any **Basic Policies** becomes unable to pay because it is insolvent, we will only pay, subject to this policy's Limits of Coverage, to the extent that the amount for **Injury** exceeds the **Basic Policies'** Minimum Limit of Coverage as listed in the Declarations.
8. In regard to C.1. through C.7. above, we will not be responsible, nor will we pay for, any defense, investigation, negotiation, legal fees, court costs, interest, or any similar fees or costs. We do, however, have the right to enter any such matter if we wish.
9. If the **Basic Policies** do not provide coverage due to failure to comply with conditions in those **Basic Policies**, this policy also will not provide coverage for that claim.
- E. Any obligation you or anyone else has to provide benefits to employees under a worker's compensation, occupational disease, unemployment compensation, disability benefits law, or any similar law.
- F. **Personal Injury** or **Bodily Injury** to a household employee, unless covered under a **Basic Policy**.
- G. **Injury** arising from activities as an officer or member of the board of directors of any organization or corporation unless that organization or corporation is not formed for profit and the **Injury** is covered by either (1) a **Basic Policy** for the full Minimum Limits of Coverage shown in the Declarations or (2) valid and collectible primary insurance equal to the personal liability limit listed in the Declarations.
- H. Any claim or **Suit** that is:
 1. brought by or on behalf of any person who qualifies for coverage under Part II (**WHO IS COVERED - INSUREDS**) against any other person who qualifies for coverage under Part II (**WHO IS COVERED - INSUREDS**); or
 2. brought by any person who lived in your household during the Policy Period against any person who qualifies for coverage under Part II (**WHO IS COVERED - INSUREDS**).

PART IV - WHAT IS NOT COVERED - EXCLUSIONS

This policy does not provide coverage for:

- A. **Injury** caused by, resulting from, arising out of or in any way connected with **Business Pursuits** or **Business Property**, unless arising from an **Insured Location** and unless the **Injury** is covered by a valid and collectible **Basic Policy** for the full Minimum Limits of Coverage listed in the Declarations. However, this exclusion does not apply to **Injury** arising from activities occurring on a farm or ranch which are personal rather than **Business** in nature.
- B. **Injury** arising out of or in any way connected with the **Business** use of an Automobile, **Recreational Vehicle** or **Watercraft**, unless that use is by you or your **Relatives** and unless the **Injury** is covered by a valid and collectible **Basic Policy** for the full Minimum Limits of Coverage listed in the Declarations.
- C. **Injury** arising out of the rendering or failure to render a professional service of any nature.
- D. **Injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, by, on behalf of or at the direction of you, a **Relative** or any other person covered by this policy. An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used for or designed to carry people or cargo.
- Exclusion H.1. does not apply to a claim or suit brought by a passenger, unless that passenger is a Named Insured or **Relative**.
- I. **Bodily Injury** or **Property Damage** caused by an intentional, purposeful or criminal act, regardless of whether or not that **Bodily Injury** or **Property Damage** was expected or intended.
- J. You or anyone else for any **Injury** involving nuclear energy or radiation if the loss is covered, or should have been covered, except for coverage limits exhaustion, by a nuclear energy liability policy.
- K. No-fault benefits, uninsured motorist or underinsured motorist benefits or any other first party benefits.
- L. **Injury** which arises, directly or indirectly, out of the transmission of a communicable disease by you, a **Relative** or any other person covered by this policy.
- M. **Property Damage** to:
 - a. property owned, rented or occupied by you or a **Relative**, or
 - b. property in the care, custody or control of you or a **Relative**.

N. **Injury** arising out of any physical or sexual abuse, licentious, immoral, or sexual behavior, or embarrassment, harassment or humiliation, all whether actual or threatened.

O. Injury arising out of any speed contest or race involving an **Automobile, Recreational Vehicle or Watercraft**, including but not limited to an impromptu speed or passing contest. This exclusion does not apply to insured Watercraft operated by sail.

P. **Injury** caused directly or indirectly by war, including the following and any consequences of any of the following:

1. Undeclared war, civil war, insurrection, rebellion or revolution;
2. Warlike act by a military force or military personnel; or
3. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

Q. **Injury** arising out of discrimination on the grounds of race, sex, color, national origin, age, creed, disability or sexual preference, or allegation of any of these acts.

R. **Injury** arising out of the ingestion, inhalation or absorption of lead.

S. **Injury** arising out of the giving or serving of any alcoholic beverage unless also covered by valid and collectible insurance under the **Basic Policy** for the full Minimum Limit of Coverage shown for such **Basic Policy** in the Declarations.

T. **Injury** arising from property rented or held for rental by anyone insured by this policy, unless (1) the property meets the definition of **Insured Location**; and (2) the **Injury** is covered by a valid and collectible **Basic Policy** for the full Minimum Limits of Coverage shown in the Declarations.

U. **Injury** arising out of:

1. the entrustment of real property, an **Automobile, Recreational Vehicle or Watercraft** by anyone covered by this policy to any person; or
2. the negligent supervision of any person or animal by anyone covered by this policy;
3. any liability statutorily imposed on anyone covered by this policy;

4. any liability assumed through an unwritten or written agreement by anyone covered by this policy; or

5. the ownership or entrustment of any animal to anyone covered by this policy;

unless also covered by valid and collectible insurance under the **Basic Policy** for the full Minimum Limit of Coverage shown in the Declarations.

V. **Injury** arising out of the ownership, maintenance, operation, boarding or debarking of any **Watercraft** which exceeds forty-five (45) feet in length and/or any model, modified or unmodified, capable of speed that exceeds fifty (50) miles per hour under any circumstances. This exclusion does not apply to jet skis, waverunners or similar personal watercraft.

W. Actual or alleged Injury, including death at any time resulting there from, arising directly or indirectly, in whole or part, from the actual, alleged or threatened exposure to, inhalation of, ingestion of, contact with, absorption, existence of or presence of any **Fungi**, or for the diminution in value, loss of market value, loss of use, removal or abatement of any **Fungi** alleged to be causative or potentially causative of **Bodily Injury, Property Damage, or Personal Injury**.

This exclusion applies regardless of whether any other cause, event, material, product or condition, including but not limited to water damage or water intrusion, contributed concurrently or in any sequence to such loss, demand, claim, cost, expense, suit, **Bodily Injury, Property Damage, Personal Injury** or liability.

Fungi means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

X. You or anyone else for any **Injury** arising out of premises sold, abandoned or given away by any person covered by this policy, whether residential or commercial.

Y. Injury arising out of:

broadcasting, communicating, posting, publishing, searching, accessing or telecasting through the public internet or any local intranet. This includes all electronic communications sent via computer, mobile device, telephone, satellite or any other electronic device unless also covered by valid and collectible insurance under the **Basic Policy** for the full Minimum Limits of Coverage shown in the Declarations.

- Z. Liability for **Punitive or Exemplary Damages**, fines or penalties.
- AA. **Personal Injury** arising out of any offense that first took place before the beginning of the policy period.
- BB. **Injury** arising out of:
1. The actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, contamination, growth, inhalation, ingestion, absorption of or exposure to **Pollutants**:
 - a. At or from any premises, site or location on which you or any covered person is performing or has performed operations; or
 - b. At or from any premises, site or location which is or was at any time owned or occupied by or rented or loaned to you or any covered person. However, this subparagraph does not apply to:
 - (i) **Injury** arising out of heat, smoke or fumes from a **hostile fire**; or
 - (ii) **Injury** if sustained within a building and caused by smoke, fumes, vapors or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.
 2. Any loss, cost or expense arising out of any:
 - a. Request, demand or order that you or anyone else test for, monitor, cleanup, remove, abate, remediate, contain, treat, detoxify or neutralize, in any way respond to, or assess the effects of **Pollutants**;
 - b. Claim or **Suit** for damages because of diminution in value, loss of market value, loss of use, testing for, monitoring, cleaning up, removing, abating, remediating, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of **Pollutants**;
 - c. Any payment of the investigation or defense of any loss, injury or damage

Pollutants means any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, vapor, soot, airborne fibers, fumes, acids, alkalis, chemicals; toxins derived from but not limited to mold, fungus, or decay; and waste derived from any source, including but not limited to petroleum derivative products, which contaminate, pollute and/or defile any physical substance or matter. Waste includes materials to be recycled, reconditioned or reclaimed.

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

PART V - POLICY TERRITORY

Policy Territory means anywhere in the world, provided that if **Suit** on the merits is brought, it is brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.

PART VI - CONDITIONS

A. Primary Insurance Requirements

1. You agree that all required **Basic Policies** described in this Policy or the Declarations are in force for any:
 - a. Personal residence, farm, seasonal, secondary or rental property owned, rented or leased by you or any covered person; and
 - b. Auto, watercraft or recreational vehicle owned, leased, rented or provided for the regular use of any covered person.
2. You agree that all required **Basic Policies** will be maintained with the coverages and at the limits declared and described in the Declarations. If your **Basic Policies** do not provide the coverages and limits indicated, the **Insured** will be responsible for the amount of the loss up to the full Minimum Limits of Coverage of the **Basic Policies** as described in the Declarations.

B. Duties in the Event of Occurrence, Offense, Claim or Suit.

In the event of an Occurrence which is likely to involve this policy, or if you or anyone else covered under the policy is sued in connection with an Injury which may be covered under this policy, you or they must do the following:

1. Notify us and your agent as soon as possible;
 2. Immediately provide us with any **Suit** papers and any other documents which will help us to defend you or them;
 3. Cooperate with us at all times regarding:
 - a. Investigation and settlement of claims;
 - b. Enforcement of your rights against others;
 - c. Attendance at hearings and trials;
 - d. Preservation of evidence and
 - e. Location of witnesses;
 4. Submit to examinations under oath or written questions at our request as often as we reasonably require about any matter relating to the policy or **Occurrence**. We may examine you separately and apart from your spouse or any other insured. In the event of written questions, the Insured's answers must be signed. At our request, the Insured will provide relevant records and documents and permit us to make copies as often as we reasonably require;
 5. Assist us generally in the preparation of the defense. Such assistance may include any appeal of a judgment to a higher court, even if the companies who write the **Basic Policies** are not willing to participate with us; and
 6. Anyone covered by this policy must do all they can to protect any right they may have to recover from others. These rights will become ours up to the loss we have paid.
- C. *Assignment*. No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.
- D. *Legal Action Against Us*. A person or organization may bring a **Suit** against us including, but not limited to, a **Suit** to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.
- E. *Our Right to Recover Payment*. If we make any payment under this policy and the person to or for whom payment is made has a right to recover damages from another, we shall be subrogated to that right. You must do nothing after loss to prejudice that right. However, our right to recover is subordinate to the insured's right to be fully compensated.
- F. *Changes*. This policy may only be changed by written endorsement issued by us.
- G. *Conform to Law*. If this policy conflicts with state or local laws then it is changed to conform.
- H. *Liberalization Clause*. If we adopt any revision which would broaden coverage under this policy without additional premium within sixty (60) days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.
- I. *Bankruptcy and Death*. Bankruptcy, insolvency, or death of anyone covered under this policy will not affect this coverage. If anyone covered becomes bankrupt, insolvent, or dies, their legal representatives will be covered during this Policy Period.
- J. *Other Insurance*. There may be other collectible insurance, in addition to the **Basic Policies**, covering a claim which is also covered by this policy. If this occurs, the other insurance will pay first and this policy will respond in excess of, and not contribute with, the other insurance.
- This insurance does not apply until after exhaustion of all other collectible insurance and/or other protection available to the insured (the Basic Policies, personal or commercial automobile insurance, employer's insurance and/or any other protection or indemnification whether primary, excess or contingent).
- K. *Exemplary Damages*. In the event of reduction or exhaustion of the **Basic Policies** by payment of **Punitive or Exemplary Damages**, we shall be liable for loss or claims insured hereunder only to the extent that we would have been liable without reduction or exhaustion of the **Basic Policies** by **Punitive or Exemplary Damages**.
- L. *Cancellation*.
1. You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date you wish it to be cancelled, enclosing therewith your copy of this policy. Your premium refund, if any, will be based on the short rate table.

2. We may cancel by mailing to you, at the last mailing address known to us, written notice stating when cancellation will be effective. If we cancel due to your failure to discharge when due any of your obligations in connection with the payment of premium for this policy or any installment payment, whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit, written notice of cancellation must be mailed at least ten (10) days before the effective date of cancellation. However, if we cancel for any reason other than nonpayment of premium, written notice of cancellation must be mailed at least thirty (30) days before the effective date of cancellation. Your premium refund, if any, will be pro rata. Proof of mailing of notice as mentioned above shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.

M. *Nonrenewal*. If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of nonrenewal not less than thirty (30) days before the end of the Policy Period as stated in the Declarations. Proof of mailing of notice mentioned above shall be sufficient proof of notice. Regardless, this policy will terminate at the end of the Policy Period as stated in the Declarations:

1. If you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy; or
2. If you have notified us or our agent that you do not wish this policy to be renewed.

N. *Concealment - Misrepresentation*. This entire insurance is void if you conceal or misrepresent any material fact or circumstance relating to this insurance at any time.

O. *No Voluntary Payment*. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.