

Required Coverages and Amendments

AMENDMENT OF SPECIAL VALUE HOME PROVISIONS - NEVADA

DEFINITIONS

Definition 1. **Bodily Injury** is replaced by:

1. **Bodily Injury** means physical bodily harm, including sickness or disease. This includes required care, loss of services and death resulting therefrom.

Bodily injury does not include any symptom, effect, condition, disease or illness resulting in any manner from:

- a. Lead in any form;
- b. Asbestos in any form;
- c. Radon in any form; or
- d. Oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at the **residence premises**.

Definition 8. **Occurrence** is replaced by:

8. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions during the policy period, resulting in **bodily injury** or **property damage**. All losses arising out of such continuous or repeated exposure shall be deemed to arise out of one accident.

PROPERTY COVERAGE - HOME

The **REAL PROPERTY - INSURING AGREEMENT** is replaced by:

REAL PROPERTY - INSURING AGREEMENT

1. **Dwelling Owners** - We cover:
 - a. The dwelling on your **residence premises**, including structures attached to your dwelling. Structures connected to your dwelling by only a fence, utility line or

similar connection are not considered structures attached to your dwelling; and

- b. Other structures on your **residence premises** separated from your dwelling by clear space or connected to your dwelling by only a fence, utility line or similar connection.

The **REAL PROPERTY - LIMIT OF LIABILITY** is replaced by:

REAL PROPERTY - LIMIT OF LIABILITY

Covered losses are settled on a replacement cost basis (without deduction for depreciation) subject to the following:

1. Payment for the dwelling, including structures attached to your dwelling, on your **residence premises**, will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to repair or replace the damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**;
- b. The amount actually and necessarily spent to repair or replace the damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**; or
- c. The estimated residence value shown on the Coverage Summary.

2. Payment for structures on your **residence premises** separated from your dwelling by clear space or connected to your dwelling by only a fence, utility line or similar connection, will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to repair or replace the

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damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**;

- b. The amount actually and necessarily spent to repair or replace the damaged, destroyed or stolen real property with material of like kind and quality for similar use on the same **residence premises**; or
- c. The amount shown for Other Structures on the Coverage Summary or, if Increased Other Structures is shown on the Coverage Summary, an amount equal to the sum of the Increased Other Structures amount and the amount shown for Other Structures on the Coverage Summary.

3. Condominium and Cooperative Owners

Payment will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to repair or replace the damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**;
- b. The amount actually and necessarily spent to repair or replace damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**; or
- c. The Buildings Additions and Alterations value shown on the Coverage Summary.

4. Renters

Payment will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to repair or replace the damaged, destroyed or stolen real property with materials of like kind and

quality for similar use on the same **residence premises**;

- b. The amount actually and necessarily spent to repair or replace damaged, destroyed or stolen real property with materials of like kind and quality for similar use on the same **residence premises**;
- c. For building improvements or installations acquired, or made, by you to that part of your **residence premises** used exclusively by you, the Buildings Additions and Alterations value shown on the Coverage Summary; or
- d. For buildings owned solely by you at the location of your **residence premises**, the Miscellaneous Buildings Coverage value shown on the Coverage Summary.

5. If the Coverage Summary indicates that Specified Additional Amount of Insurance for Dwelling Coverage applies and, at the time of a covered loss, you have:

- a. Maintained coverage on the dwelling at 100% of its replacement cost as determined by our estimate completed and based on the accuracy of information you furnished to, or confirmed for, us;
- b. Accepted the **GENERAL PROVISIONS - HOME, 20. ESTIMATED RESIDENCE VALUE ADJUSTMENT** provision, agree to accept each annual adjustment in the estimated residence value shown on the Coverage Summary, and pay any additional premium charged; and
- c. Notified us within 90 days of the start of any alterations to the covered real property which increase the replacement cost of the dwelling by 5% or more;

then, if at the time of a covered loss the estimated residence value indicated on the Coverage Summary is less than the current

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replacement cost for the covered dwelling, we will:

- a. Increase the estimated residence value shown on the Coverage Summary available for the covered dwelling loss to equal the then current replacement cost of the dwelling, subject to a maximum increase of 25% of the estimated residence value shown on the Coverage Summary; and
- b. Adjust the Segment premium from the time of loss for the remainder of this policy period based on the increased limit of liability.

At the time of the loss, coverage limits shown on the Coverage Summary for Other Structures and Tangible Personal Property will not be increased as a result of **Specified Additional Amount of Insurance for Dwelling Coverage** on your dwelling.

Current replacement cost does not include any additional costs necessary to comply with any ordinance or law that regulates the construction, repair or demolition of the real property.

6. We will pay no more than the actual cash value of the damaged real property until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the replacement cost provisions above.

However, if the cost to repair or replace the damaged real and tangible personal property is less than \$3,000, we will settle the loss on a replacement cost basis (without deduction for depreciation), whether or not actual repair or replacement is complete.

7. In the event you replace the dwelling at a location other than the location of the loss, we will pay no more than the estimated residence value shown on the Coverage Summary for

equivalent construction and use as the original **residence premises**.

8. You may make claim under this Segment for loss or damage on an actual cash value basis. You may then make claim within one year after loss for any additional payment on a replacement cost basis.
9. We will pay no more than the estimated residence value shown on the Coverage Summary for covered loss to the dwelling if the **residence premises**:
 - a. Is substantially empty of your furnishings and contents;
 - b. You have not permanently resided at the **residence premises** for more than 30 consecutive days immediately prior to the time of a covered loss; and
 - c. You did not notify us of such changes above.

A special vacant house deductible of 5% of the estimated residence value shown on the Coverage Summary applies to the covered loss. However, if another deductible would apply, only the highest deductible will be applicable.

Our payment shall not include any amounts which may be paid or payable under **ADDITIONAL PROPERTY COVERAGES, 18. Biological Irritants, Contaminants or Spores Remediation Coverage.**, and shall not be payable for any losses excluded in **PROPERTY COVERAGE - LOSSES WE DO NOT COVER.**

TANGIBLE PERSONAL PROPERTY - PROPERTY SPECIAL LIMITS

The introductory paragraphs are replaced by:

Limitations apply to the following categories of tangible personal property. If tangible personal property can reasonably be considered a part of two or more of the categories listed below, the highest limit will apply. These limitations do not

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increase the amount of insurance under the Property Location Limit shown on the Coverage Summary. The total amount of coverage for each category in any one loss is listed below.

If any of the categories listed below are also part of a Blanket limit specifically insured elsewhere in this policy, and the loss is not excluded under this Segment or the Blanket, then the amount listed below will be considered in addition to the amount available under the Blanket limit of insurance subject to any pertinent per item limit listed. This does not apply to individual items that are separately and specifically scheduled and for which a premium is paid for each individual item.

Category **8**. is replaced by:

- 8.** \$1,000 . . . For loss to watercraft including their trailers, furnishings, portable boat lifts, equipment and outboard motors.

TANGIBLE PERSONAL PROPERTY - COVERED PERILS

Item **16. Volcanic eruption** and all subsequent language of **TANGIBLE PERSONAL PROPERTY - COVERED PERILS** is deleted.

ADDITIONAL PROPERTY COVERAGES

Under provision **1. Additional Living Expense.**, item a. is replaced by:

- a.** If a loss covered under **PROPERTY COVERAGE - HOME** makes your **residence premises** uninhabitable, we cover reasonable increases in living expenses necessary for your household to maintain its normal standard of living. However, additional living expenses due to **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be paid in addition to any amounts paid or payable under **ADDITIONAL PROPERTY COVERAGES, 18. Biological Irritants, Contaminants or Spores Remediation Coverage.**

Coverage for additional living expenses payable under this provision is limited to:

- (1)** The shortest time required to repair or replace the damaged portion of the premises; or
- (2)** If you permanently relocate, the shortest time required for your household to settle elsewhere;

but in no case for more than one year.

This period of time is not limited by expiration of this policy. We do not cover loss or expense due to cancellation of a lease or agreement.

Under provision **4. Debris Removal.**, the first sentence and the first items **a.** and **b.** are replaced by:

We will pay your reasonable expense for the removal of debris of covered property for covered losses.

Provision **8. Collapse.** is replaced by:

8. Collapse.

Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.

Collapse does not mean:

- a.** A building or any part of a building that is in danger of falling down or caving in.
- b.** A part of a building that is standing even if it has separated from another part of the building.
- c.** A building that is standing or any part of a building that is standing even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

We cover sudden and accidental direct physical loss to covered real property and

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tangible personal property involving a **collapse** of a building or any part of a building if the **collapse** was caused by one or more of the following:

- a. Decay that is hidden from view, unless the presence of such decay is known to you prior to **collapse**;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to **collapse**;
- c. Weight of contents, equipment, animals or people;
- d. Weight of rain which collects on a roof;
- e. Use of defective material or methods in construction, remodeling or renovation if the **collapse** occurs during the course of the construction, remodeling or renovation; or
- f. **TANGIBLE PERSONAL PROPERTY - COVERED PERILS.**

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items **a.**, **b.**, **c.**, **d.**, **e.** and **f.** unless the loss is a direct result of the **collapse** of a covered building or any part of a covered building.

This coverage does not increase the limit of liability applying to the damaged covered property and is limited to one year after the inception of the loss.

LOSSES WE DO NOT COVER

Under exclusion 1., the following item is added:

- k. Caused by continuous or repeated seepage or leakage over a period of weeks, months or years, of water, steam or fuel:

- (1) From a plumbing, heating, air conditioning or automatic fire protective system, or from within a household appliance; or
- (2) From within or around any plumbing fixtures, including, but not limited to, shower stalls, shower baths, tub installations, sinks or other fixtures designed for use of water or steam.

Under exclusion 2., item **c.** is deleted.

Under exclusion 2., item **d.**, sub-item (6) is replaced by:

- (6) Birds, vermin, insects, or rodents; or animals kept or owned by a **covered person**;

Under exclusion 2., item **d.**, sub-item (9) and subsequent language is replaced by:

- (9) Discharge, dispersal, seepage, leakage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, leakage, migration, release or escape is itself caused by a **TANGIBLE PERSONAL PROPERTY - COVERED PERIL.**

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste whether man-made or natural. Waste includes materials to be recycled, reconditioned or reclaimed.

If any of these other than (7), cause water not otherwise excluded to escape from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, **we** cover loss caused by the water. **We** also cover the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover

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loss to the system or appliance from which this water escaped.

Under exclusions **2.a.**, **2.b.**, and **2.d.**, any ensuing loss from a covered peril to covered property not excluded or excepted in this policy is covered.

Under exclusion **2.**, item **e.** is replaced by:

- e.** Caused by freezing of a plumbing, heating, air conditioning, automatic fire protective sprinkler system, a household appliance, or by discharge, seepage, leakage or overflow from within the system or appliance caused by freezing, while the real property is vacant, unoccupied or being constructed unless you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water.

Under exclusion **2.**, item **f.** is deleted.

HOW WE SETTLE PROPERTY CLAIMS AND WHAT YOU MUST DO

Provision **1. How We Pay Claims.** is replaced by:

1. How We Pay Claims.

We may pay for loss in money, or we may repair or replace the damaged or stolen real or tangible personal property. We may, at our expense, return any stolen property to you.

If we return stolen property we will pay for any damage resulting from **theft**. We may keep all or part of the property at an agreed upon or appraised value.

Under provision **4. Your Duties After Loss.**, item **a.** is replaced by:

- a.** Give prompt notice to us or our agent. Notice of loss caused by windstorm or hail must be given to us or our agent

promptly, but in no event more than one year after the date of loss.

The following provision is added:

10. Our Rights to Obtain Salvage.

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by us or payment of the agreed or appraised value.

We will notify you of our intent to exercise this option within 30 days after we receive your signed, sworn proof of loss. If not signed, sworn proof of loss is requested by us, we will notify you of our intent to exercise this option within 60 days after the date you report the loss to us.

When we settle any loss caused by **theft** or disappearance, we have the right to obtain all or part of any property which may be recovered. A **covered person** must protect this right and inform us of any property recovered. We will inform you of our intent to exercise this right within 10 days of your notice of recovery to us.

LIABILITY COVERAGE - HOME

The **PERSONAL LIABILITY - LIMIT OF LIABILITY** is replaced by:

PERSONAL LIABILITY - LIMIT OF LIABILITY

Our total liability under **LIABILITY COVERAGE - HOME** for all damages resulting from any one **occurrence** excluding any damages which, in whole or in part, arise out of, are aggravated by, or result from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be more than the Personal Liability limit shown on the Coverage Summary.

This limit is the same regardless of the number of:

- 1. **Covered persons;**
- 2. Claims or suits made;

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3. Persons who sustain injury or damage;
4. Acts or failure(s) to act; or
5. Policies.

LOSSES WE DO NOT COVER

Under exclusion 1., item d., sub-item (4) is replaced by:

- (4) Any watercraft which is neither:
- (a) A sailing vessel; nor
 - (b) Motor powered;
- that is owned or rented by a **covered person**.

Under exclusion 1., item o. is deleted.

Under exclusion 1., the following item is added:

- r. Which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

This exclusion does not apply to **bodily injury** which results from such discharge if the discharge is sudden and accidental.

Under exclusion 2., item g. is replaced by:

- g. **Bodily injury** to you or any **family member**. This exclusion also applies to any claim or suit brought against any **covered person**;
- (1) To repay; or
 - (2) Share damages with;
- another person who may be obligated to pay damages because of **bodily injury** to a **covered person**.

Under exclusion 2., the following items are added:

- k. **Bodily injury** or **property damage** which, in whole or in part, arises out of, is

aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**.

- l. Liability imposed upon any **covered person** by any governmental authority for **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**.

- m. Any liability statutorily imposed upon any **covered person** for **bodily injury** or property damage which results in any manner from vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

- n. Any liability a **covered person** assumes by contract or agreement.

Under exclusion 3., the following item is added:

- e. Which, in whole or in part, arises out of, is aggravated by, or results from, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**.

GENERAL PROVISIONS - HOME

Provision 16. **ARBITRATION** is replaced by:

16. ARBITRATION

Any claim or dispute in any way related to this Segment or Policy Introduction, by **covered person** against us or us against a **covered**

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person, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

- a. No arbitrator shall have the authority to award punitive damages or attorney's fees;
- b. Neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c. No arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

Provision **17. WHAT LAW WILL APPLY** is replaced by:

17. WHAT LAW WILL APPLY

This Segment and Policy Introduction is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or risks principally located in that state. Subject to the following paragraph, the laws of the state in which the **residence premises** is located shall govern any and all claims or dispute in any way related to this Segment or Policy Introduction.

If a covered loss to property, or any other **occurrence** for which coverage applies under this Segment or Policy Introduction happens outside the state in which the **residence premises** is located, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district where that covered loss to property, or any other covered **occurrence** happened.

Provision **18. WHERE LAWSUITS MAY BE BROUGHT** is replaced by:

18. WHERE LAWSUITS MAY BE BROUGHT

Subject to the following, any and all lawsuits in any way related to this Segment and Policy Introduction, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located. Any and all lawsuits against persons not parties to this Segment or Policy Introduction but involved in the sale, administration, performance, or alleged breach of this Segment or Policy Introduction, or otherwise related to this Segment or Policy Introduction, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located, provided that such persons are subject to or consent to suit in courts specified in this paragraph.

If a covered loss to property, or any other **occurrence** for which coverage applies under this Segment or Policy Introduction happens outside the state in which the **residence premises** is located, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district where that covered loss to property, or any other covered **occurrence** happened.

Nothing in this provision **WHERE LAWSUITS MAY BE BROUGHT**, shall impair any party's right to remove a state court lawsuit to a federal court.

The following provision is added:

20. ESTIMATED RESIDENCE VALUE ADJUSTMENT

At each policy anniversary, we may increase the estimated residence value shown on the Coverage Summary to reflect the minimum amount of insurance coverage we are willing

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to issue for the dwelling we cover for the succeeding policy period.

Adjustments in the estimated residence value will also result in adjustments to the Limit of Liability for Other Structures and Tangible Personal Property and to the Property Location Limit.

Any adjustment in premium resulting from the application of this provision will be made

based on premium rates in use by us at the time a change in the estimated residence value is made.

You agree that it is your responsibility to ensure that each of the limits of liability shown on the Coverage Summary is appropriate for your insurance needs. If you want to increase or decrease any of the limits of liability shown on the Coverage Summary, you must contact us to request such a change.

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