

REQUIRED CHANGE - NEVADA

(This form is used with the Homeowners Insurance Policy that includes Property and Liability coverages)

6135 03/16

Definitions

The following definition is changed to read:

Actual cash value means the amount it would cost to repair or replace insured property with new materials available today of like kind and quality, less adjustment for physical deterioration and depreciation, including obsolescence. Our adjustment for physical deterioration, depreciation and obsolescence applies to all costs including the cost of labor and material. Neither **actual cash value** nor the cost to repair or replace will include amounts for contractor's fees or charges for overhead and profit except to the extent that such fees and charges are reasonable, incurred and actually paid.

SECTION I - Your Property Coverages

The following is added:

Your Additional Benefits

We may work with merchants to provide the best possible value for services and replacement of your property. If we are able to negotiate discounts or other benefits with merchants, we will extend those discounts or other benefits to you. You may contact the merchants directly. When you do, you may be afforded additional discounts and services. You are under no obligation to purchase any property or services from these merchants, nor are we obligated to provide these benefits.

SECTION II - Exclusions

Coverage E - Personal Liability

The lead-in clause for exclusions 7. through 11. only is changed to read:

We will not pay for **personal injury**:

Policy Conditions

1. **Insurable Interest, Amount of Insurance and Limits of Liability** is changed to read:

Insurable Interest, Amount of Insurance and Limits of Liability. Regardless of the number of persons or organizations who have an interest in the insured property, we will not be liable in any one loss for more than the lesser of:

- a. The interest of the person or organization insured;
or
- b. The applicable Amount of Insurance.

In any one accident, the Limit of Liability for Coverage E - Personal Liability coverage will not exceed the limit shown on the Declarations Page regardless of the number of people insured, claims made, or suits brought.

In any one Policy Period, the most we will pay for any one insured location for Coverage E - Personal Liability is \$1,000,000 regardless of the number of claims, suits or accidents.

The insuring of more than one person or organization by this policy does not increase the Amounts of Insurance.

19. **Cancellation** is changed to read:

You may cancel this policy by giving us advance written or verbal notice of the future date cancellation is to take effect. If a lienholder is named on the Declarations Page, we will provide acknowledgment to the lienholder regarding cancellation of the lienholder's interest in this policy by any legal means available.

We may cancel this policy for any reason during the first 69 days we insure you. After the first 69 days we may only cancel for the following reasons:

- a. Failure to pay a premium when due;
- b. Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
- c. Discovery of:
 - (1) An act or omission; or
 - (2) A violation of any condition of the policy, which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against; or
- d. A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed.

We will mail a cancellation notice to you at least 30 days (10 days if you have not paid the premium) before this policy is cancelled.

Your lienholder may cancel this policy if your dwelling has been repossessed or your lienholder has otherwise acquired ownership of it. Your lienholder may then cancel this policy on behalf of all parties who have an interest insured by this policy and upon surrender of this policy.

If there is any refund of premium due you, we will mail it to you with your cancellation notice or as soon as possible after we mail the notice. Return premium will be calculated pro rata. If you cancel, return premium will be subject to any Minimum Earned Premium shown on the Declarations Page of this policy. Pro rata cancellation means that we keep premium only

for the period of time you were insured. If your premium is financed, that financing interest will be recognized in any refund due.

20. **Lifetime Continuation Agreement** is changed to read:

We agree to offer to renew your policy unless we mail to you, at least 30 days before the "To" date shown on the Declarations Page, written notice of our intention not to renew this policy. If you do not pay the renewal premium as we require, we will assume that you have declined our offer.

We may nonrenew your policy only if:

- a. You or your representative:
 - (1) Conceal, omit or misrepresent any material facts or circumstances; or
 - (2) Make a false or fraudulent claim; or
 - (3) Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or
 - (4) Have knowledge of any change that substantially increases the risk assumed by us; or

(5) Have not paid the premium.

b. Continuation of the policy could place us in violation of the insurance laws of your state.

22. **Notice of Cancellation or Nonrenewal** is changed to read:

Notice of Cancellation or Nonrenewal. We will address the cancellation or nonrenewal notice to your address shown in the policy. Under the authority of federal law, the United States Postal Service and its authorized agents or vendors may forward the cancellation or nonrenewal notice to an updated address per any change of address that you have presented to or filed with the United States Postal Service. In addition, we may update our policy records to reflect this updated address and/or address future notices to this address. If notice is mailed, proof of mailing will be sufficient proof of notice.