

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - NEVADA

Throughout this policy, the following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Depreciation is applicable to the cost of labor unless specifically prohibited by law. Actual cash value applies to valuation of covered property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

DEFINITIONS

The introductory paragraph is deleted and replaced by the following:

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse; or a party who, with the "named insured", has entered into a domestic partnership recognized under Nevada law; if a resident of the same household.

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

Item 2. "Business" is deleted and replaced by the following:

2. "Business" means:

- a. A trade, profession, occupation, or enterprise engaged in on a full-time, part-time or occasional basis;
- b. The lease of land, buildings, structures or personal property; or
- c. Any other activity engaged in for money, expectation of remuneration or monetary gain, or other compensation, financial or otherwise, except the following:
 - (1) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (2) Providing home day care services for which no compensation is received, other than mutual exchange of such services; or

- (3) The rendering of home day care services to a relative of an "insured".

SECTION I - PROPERTY COVERAGES

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 10.
11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
 - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
 - b. Is away from the "residence premise"; and
 - c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 11.

Property Not Covered

Item 3. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other

motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this Item **3.b.**

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
- b. Designed for assisting the handicapped;

COVERAGE D - LOSS OF USE

For all forms other than **HO 00 04** and **HO 00 06**, Item **1.** is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning 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.

For Forms **HO 00 04** and **HO 00 06**, Item **1.** is deleted and replaced by the following:

1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the "residence premises" not fit to live in, we cover the Additional Living Expense, meaning 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.

ADDITIONAL COVERAGES

Item **8. Collapse** is deleted and replaced by the following:

8. Collapse

a. With respect to this Additional Coverage:

- (1) 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.

(2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.

(3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

(4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if the collapse was caused by one or more of the following:

(1) Perils Insured Against in Coverage **C** – Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;

(2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;

(3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;

(4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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 **(2)**, **(3)**, **(4)**, **(5)**, and **(6)** unless the loss is a direct result of the collapse of a building or any part of a building.

This coverage does not increase the limit of liability applying to the damaged covered property

If Endorsement **HH 00 15** is attached to the policy, Section **I** – Additional Coverages **8. Collapse** in that endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:

(1) Perils Insured Against in Coverages **A** and **B.**

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage **C** – Personal Property.

If Endorsement **HH 17 31** is attached to the policy, Section **I** – Additional Coverages **8**. Collapse in the Endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:

- (1) Perils Insured Against in Coverage **A**.

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage **C** – Personal Property.

Item **9**. **Glass or Safety Glazing Material** is deleted and replaced by the following:

9. Glass Or Safety Glazing Material

a. We cover:

- (1) The breakage of Glass Or Safety Glazing Material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of Glass Or Safety Glazing Material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken Glass Or Safety Glazing Material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the Glass Or Safety Glazing Material has been broken, except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this Additional Coverage **9**. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

The following Additional Coverage is added to all forms. With respect to form **HO 00 04**, the words 'covered building' used below, refer to property covered under Additional Coverage **10**. Building Additions And Alterations.

11. Ordinance Or Law

HH 01 27 09 15

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a. You may use up to 10% of the limit of liability that applies to Coverage **A** (or for Form **HO 00 04**, you may use up to 10% of the limit of liability that applies to Building Additions And Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against:
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a**. above.

c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.

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

This coverage is additional insurance.

(This is Additional Coverage **10**. in Form **HO 00 06**.)

SECTION I – PERILS INSURED AGAINST

For forms **HO 00 04** and **HO 00 06**, the following changes apply:

Item **14. Freezing** and item **15. Sudden and accidental damage from artificially generated electrical current** are deleted and replaced by the following:

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden and accidental damage from artificially generated electrical current

This peril does not include loss to tubes, transistors, electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

For form **HO 00 03** the following changes apply.

Coverage A – Dwelling and Coverage B- Other Structures

The introductory paragraph, item **1.** and item **2.a.** are deleted and replaced by the following:

We insure against direct loss to property described in Coverages **A** and **B** only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, including any of the following:
 - a. An abrupt falling down or caving in;
 - b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - c. Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such relates to **a.** or **b.** above;

Except as provided in additional coverage **8.** Collapse.

2. Caused by:

- a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if 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;

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

If Endorsement **HH 00 15** is attached to the policy, the language of item **1.b.(1)** of the endorsement is deleted and replaced by the language of **2.a.** above.

If Endorsement **HH 17 31** is attached to the policy, the language of item **3.a.** of the endorsement is deleted and replaced by the language of **2.a.** above.

Item **2.e.(3)** is deleted and replaced by the following:

- (3) Smog, rust or other corrosion, fungus, mold, wet or dry rot;

In Endorsements:

In form or **HH 00 15**, Special Personal Property Coverage, this is Item **1.b.(4)(c)** under Section **I – Perils Insured Against**.

In form **HO 04 14**, Special Computer Coverage, this is Item **B.(3)(c)** under Perils Insured Against.

In form or **HH 17 31**, Unit-Owners Coverage **C**, this is Item **3.d.(3)** under Section **I – Perils Insured Against**.

Item **2.e.(7)** is deleted and replaced by the following:

- (7) Birds, rodents, insects, nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

In form **HH 00 15**, Special Personal Property Coverage, this is Item **1.b.(4)(g)** under Section **I – Perils Insured Against**.

In form **HO 04 14**, Special Computer Coverage, this is Item **B.(3)(g)** under Perils Insured Against.

In form **HH 17 31**, Unit-Owners Coverage **C**, this is Item **3.d.(7)** under Section **I – Perils Insured Against**.

COVERAGE C – PERSONAL PROPERTY

Item 14. **Freezing** is deleted and replaced by the following:

14. Freezing

- a. This peril means freezing of a plumbing heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

Item 15. **Sudden and accidental damage from artificially generated electrical current** is deleted and replaced by the following:

15. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to tubes, transistors, electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

SECTION I - EXCLUSIONS

Item 1. **Ordinance or Law** is deleted and replaced by the following:

1. Ordinance Or Law, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion 1.a. does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass Or Safety Glazing Material or Ordinance Or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

This exclusion applies whether or not the property has been physically damaged.

(This is Exclusion 1.a. in Form HO 00 03.)

Item 2. **Earth Movement** is deleted and replaced by the following:

2. Earth Movement, meaning:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide; mudslide, or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or is otherwise caused unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

(This is Exclusion 1.b. in Form HO 00 03.)

Item 3. **Water Damage** is deleted and replaced by the following:

3. 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;
- b. Water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or waterborne material 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;

This exclusion applies regardless of whether any of the above, is caused by an act of nature or is otherwise caused.

This exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

Direct loss by fire or explosion resulting from water damage is covered.

(This is Exclusion 1.c. in Form HO 00 03.)

Item **4. Power Failure** is deleted and replaced by the following:

4. Power Failure, meaning the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

(This is Exclusion **1.d.** in Form **HO 00 03.**)

SECTION I - CONDITIONS

3. Loss Settlement

Under Form **HO 00 06**, Item **b.(2)** is deleted and replaced by the following:

- (2) If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

SECTION II - EXCLUSIONS

Under **1. Coverage E - Personal Liability** and **Coverage F - Medical Payments To Others**, Items **a.**, **b.** and **c.** are deleted and replaced by the following:

- a.** Which is expected or intended by one or more "insureds"; even if the resulting "bodily injury" or "property damage":
- (1) Is of a different kind, quality or degree than initially expected or intended; or
- (2) Is sustained by a different person, entity or property than initially expected or intended.
- b.** Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the business is owned or operated by an "insured" or employs an "insured."

This Exclusion **1.b.** applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- c.** Arising out of the rental or holding for rental of any part of any premises by an "insured" including, but not limited to, the lease of land for extracting gas, oil, minerals or other inert substances from the land.

These exclusions **1.b.** and **1.c.** do not apply to:

The rental or holding for rental of an "insured location";

- (1) On an occasional basis if used only as a residence;

(2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(3) In part, as an office, school, studio or private garage.

The following provisions are added:

- m.** Arising out of any written or oral statement made by you or others on your behalf which is material to the sale of any property.
- n.** Arising out of a criminal act of any "insured".
- o.** Arising out of an intentional and malicious act by or at the direction of any "insured".

SECTION II - CONDITIONS

Item **1. Limit Of Liability**, is deleted and replaced by the following:

1. Limit Of Liability

- a.** Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** Limit Of Liability for as shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

b. Sub-limit Of Liability

Subject to Paragraph **a.** above, our total liability under Coverage **E** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sub-limit is within, but does not increase the Coverage **E** limit of liability.

- c.** The limit of liability in **a.** above and sublimit in **b.** above apply regardless of the number of "insureds", claims made or persons injured.

- d.** Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Limit Of Liability for Coverage **F** as shown in the Declarations.

This condition does not apply with respect to damages arising out of "fungi", wet or dry rot, or bacteria when Endorsement **HO 04 31**, **HO 04 32** or **HO 04 33** is attached.

SECTIONS I AND II - CONDITIONS

Item **2. Concealment or Fraud** is deleted and replaced by the following:

2. Concealment Or Fraud

- a. Under Section I - Property Coverages, with respect to all "insureds" covered under this policy, we provide no coverage for loss under Section I - Property Coverages if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements;
- relating to this insurance.

- b. Under Section II - Liability Coverages, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
 - (2) Engaged in fraudulent conduct; or
 - (3) Made false statements;
- relating to this insurance.

5. Cancellation

Under item 5. **Cancellation** paragraph a. is deleted and replaced by the following:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing or verbally of the date cancellation is to take effect.

Paragraph b.(3) is deleted and replaced by the following:

- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) If you have made a material misrepresentation in the policy

application which we have relied upon in affording coverage; or

- (b) If the insured risk has substantially changed since the policy inception date and such change would warrant a substantial difference in the premium charged.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

Item 9. **Death** is deleted and replaced by the following:

9. Death

If any person named in the Declarations or:

- a. The spouse, if a resident of the same household; or
- b. A party who, with the "named insured", has entered into a domestic partnership recognized under Nevada law, if a resident of the same household;

dies, the following apply:

- a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
- b. "Insured" includes:
 - (1) An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
 - (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

All other provisions of this policy apply.