

REQUIRED CHANGE - NEVADA

(This form is used with the Homeowners Insurance Policy that includes Property and Liability coverages)
2440 03/16

Definitions

The following definitions are 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.

Family member means a person who resides in your household and is related to you by blood, marriage, adoption, or as a domestic partner as recognized under Nevada law. This includes a ward or a foster child.

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 - Your Liability Coverages

Coverage E - Personal Liability is changed to read:

Coverage E - Personal Liability

If a claim is made or a suit is brought against you for damages because of **bodily injury** or **property damage** caused by an accident to which this coverage applies, we will:

1. Pay up to the Limit of Liability shown on the Declarations Page for the damages for which you are legally liable.
2. Provide a defense at our expense by attorneys of our choice.

We may make any investigations and settle any claims or suits that we decide appropriate. Our obligation to defend any claim or suit ends when the amount we pay in settlement or judgment equals the Limit of Liability. Coverage E - Personal Liability applies to **bodily injury** and **property damage** only if the **bodily injury** or **property damage** occurs during the Policy Period shown on the Declarations Page.

If a claim is made or a suit is brought against any of you by any other person or organization for indemnity,

reimbursement or contribution toward damages for **bodily injury** or **property damage** excluded by this policy, we will not provide coverage for that claim or suit.

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.

The following conditions are added:

Cancellation. 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 acknowledgement 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 your policy if any of the following occur:

- a. Failure to pay a premium when due;
- b. Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
- c. Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
- d. 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;

- e. 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;
- f. A determination by the Commissioner that continuation of the insurer's present volume of premiums would jeopardize the insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public; or
- g. A determination by the Commissioner that the continuation of the policy would violate, or place the insurer in violation of, any provision of the Code.

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. We will mail a cancellation notice to your last address known to us or your insurance representative. We will also give notice to your lienholder.

When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 30 days before the date cancellation takes effect.

Your lienholder may cancel this policy if your dwelling has been repossessed or your lienholder has otherwise acquired ownership of it. The 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.

Nonrenewal. We agree to offer to renew your policy unless we mail to you, at least 30 days before the ending policy term date shown on the Declarations Page, written notice of our intention not to renew this policy.

Automatic Termination. If we offer to renew or continue this policy, but you or your representatives do not accept our offer, then this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that you have not accepted our offer.

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.