

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NEVADA

DEFINITIONS

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

2. "Business" includes:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) or (3) below, for which no "insured" receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period.
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity; or
 - (3) A "short term rental".

Under 4. "Insured location" item e. is deleted and replaced by the following:

- e. Vacant land, including that which is vacant except for a fence, owned by or rented to an "insured" other than farmland;

The following definition is added:

"Short term rental" means one or more rentals, in whole or in part, of the "residence premises" for up to a combined total of 31 days during the policy period.

SECTION I – PROPERTY COVERAGES

COVERAGE A - Dwelling

For form **HO 00 03**, Item 1. is amended as follows:

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

Under **COVERAGE B – Other Structures**, item 2. is deleted and replaced by the following:

2. Rented to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C - Personal Property

The following is added under items 1. and 2.:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the insured for use of the "residence premises".

Special Limits of Liability

For form **HO 00 03**, the introductory paragraph is amended to read:

These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

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:
- 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;
 - Is away from the "residence premises"; and
 - Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- Accessories and antennas; or
- Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this item **11**.

For form **HO 00 03**, the following limits are added:

- 12.** \$5,000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
- 13.** \$5,000 on any one article and \$10,000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall-to-wall carpet), tapestry, wall-hanging or other similar article.
- 14.** \$2,500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
- 15.** \$1,200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverage contained in special Limits of Liability introductory paragraph and Subparagraphs 10 through 15 are deleted.

Property Not Covered

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

- 3.** Motor vehicles or all other motorized land conveyances. This includes:
- Their equipment and accessories; or
 - 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:
 - Accessories or antennas; or
 - 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:

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

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverage contained in the final two Subparagraphs of Item **3** (a. and b.) are deleted.

Item **6**. is deleted and replaced by the following:

- 6.** Property in a location on the "residence premises", when the location is rented to others by an "insured".

This exclusion does not apply to property of an "insured":

- located on the "residence premises" when the "residence premises" is rented in whole or in part as a "short term rental"; or

b. located in a sleeping room rented to others by an "insured" on the "residence premises".

For form **HO 00 03**, Item **10**. is added as personal property items not covered.

10. Water or steam

COVERAGE D – Loss Of Use is deleted and replaced by the following:

COVERAGE D - Loss of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

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 Additional Living Expense. Additional Living Expense means 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 to permanently relocate your household elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others by you not fit to live in, we cover your Loss of Rent. Loss of Rent means the rental income to you of that part of the "residence premises" rented to others at the time of loss, less any expenses that do not continue while the premises is not fit to live in.

This coverage does not apply to:

- a. The "residence premises" or that part of the insured location that is not rented or leased at the time of the loss; or
- b. to any increase in rent or lease payment that occurs after the time of the loss.

We will pay up to \$5,000 to reimburse your Loss of Rent when a "short term rental" is cancelled because of a covered loss.

Payment will be for the shortest time required to repair or replace that part of the premises rented.

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Loss of Rent as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement, other than a "short term rental" as provided under 2. above.

In the event Landlord Endorsement FMHO 6502 is part of this policy, the above coverages contained in Coverage D - Loss of Use is deleted and does not apply.

ADDITIONAL COVERAGES

Item **1. Debris Removal** is deleted and replaced by the following:

1. Debris Removal. We will pay the reasonable expense you incur for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay the reasonable expense you incur, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or

- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

For form **HO 00 03**, Item **7. Loss Assessment** is deleted in its entirety.

For form **HO 00 03** the following is added to Item **8. Collapse**.

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire 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 or used 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 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.

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.

For forms **HO 00 01** and **HO 00 08**, we will pay up to \$100 for loss under this coverage.

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

(This is Additional Coverage **8**. in forms **HO 00 01** and **HO 00 08**.)

For form **HO 00 03**, Item **10. Landlord's Furnishings** is deleted in its entirety.

The following ADDITIONAL COVERAGE is added to all forms except **HO 00 08**. 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**.

12. Ordinance or Law

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 11. in forms HO 00 01 and HO 00 06.)

SECTION I – PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

For form HO 00 03, the following is added to item 2.b:

- (4) Footing(s)

Item 2.d. is deleted and replaced by the following:

- d. Vandalism and malicious mischief, including fire caused by arson and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

For form HO 00 03, the following are added to item 2.e. Any of the following:

- (10) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
- (11) Matching of undamaged property. We will not pay to repair or replace undamaged property due to mismatch between undamaged material and new material used to repair or replace damaged material because of:
 - (a) texture, dimensional differences, color, fading;
 - (b) oxidation, rust, corrosion, weathering differences;
 - (c) wear and tear, marring, scratching, deterioration;
 - (d) inherent vice, latent defect, mechanical breakdown; or
 - (e) obsolescence or discontinuation

For form HO 00 03, the final paragraph of Item 2. is further revised as follows:

If any of these cause sudden and accidental water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

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 movement of the earth, whether combined with water or not, in any direction, including but not limited to:

- a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
- b. Landslide, mud slide, or mud flow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding;

caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by fire or explosion ensues, 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. (1) Flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or
(2) release of water held by a dam, levee, dike or by a water or flood control device or structure;
- b. Water 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.
- c. Water which escapes or overflows from sewers or drains located off the "residence premises";
 - a. Water which escapes or overflows from drains or related plumbing appliances on the "residence premises". However, this exclusion does not apply to overflow and escape caused by malfunction on the "residence premises", or obstruction on the residence premises, of a drain or plumbing appliance on the "residence premises"; or
 - b. Water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft 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**.)

For form **HO 00 03**, the following is added as item **2.d**.

- d. Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:

- (1) does not result in the penetration of water through the metal roof covering; or
- (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I – CONDITIONS

Item **2. Your Duties After Loss**. Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of Windstorm or hail, that notice must occur no later than 365 days after the date of loss.

Item **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.

The following paragraph is added and applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

Loss Settlement does not include payment for any actual or perceived decrease in market or resale value resulting from loss to or repair of your covered property.

Item **8. Suit Against Us** is deleted and replaced by the following:

- 8. Suit Against Us**. No action can be brought against us unless the policy provisions have been complied with. Any action against us for denial of a claim, in whole or in part, must be commenced at any time up to, but not to exceed, one year from the date of the denial of the claim.

SECTION II – EXCLUSIONS

Under **1. COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others**;

Item a. is deleted and replaced by the following:

- a. Which is expected or intended by the "insured", 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, real or personal property, than initially expected or intended.

However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

Item c. is deleted and replaced by the following:

- c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of the "residence premises":

- (1) As a "short term rental" for use only as a residence;
- (2) In part, unless intended for use as a residence by more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;

SECTION II - ADDITIONAL COVERAGES

For form **HO 00 03**, Item **1.c.** under **Claims Expenses** is amended as follows:

- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Under **3. Damage to Property to Others**, item d. is deleted and replaced by the following:

- d. To property owned by or rented to a tenant of an "insured" or a resident in your household. This does not apply to "short term rentals"; or

For form **HO 00 03**, Item **4. Loss Assessment** is deleted in its entirety.

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 materially 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 materially false statements;relating to this insurance.

Item **5. Cancellation**. Paragraph b.(3) is deleted and replaced by the following:

- b. (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.

All other provisions of this policy apply