

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NEVADA SPECIAL PROVISIONS

## DEFINITIONS

The following is revised:

In this policy **"you"** and **"your"** refer to the **"named insured"** shown on the Declarations and the spouse or domestic partner under Nevada law when a resident of the same household. Throughout this policy, when the word **"spouse"** is used, it also refers to a domestic partner under Nevada law. **"We"**, **"us"**, and **"our"** refer to the Company providing this insurance. Certain words and phrases are defined and are printed in boldface and quotation marks when used.

Item 1. **"Actual cash value"** is deleted and replaced by the following:

1. **"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 obsolescence and a **"deduction for depreciation"**. The **"deduction for depreciation"** will be determined as follows:

For property covered under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection, the deduction will be based on the age and condition of the materials making up the damaged property and will apply to materials, labor, sales tax, and overhead and profit that are included in the cost to repair or replace the damaged property.

For property covered under Coverage C – Personal Property Protection, the deduction will be based on the age and condition of the damaged item and will apply to the cost of the item and any sales tax that is included in the cost to repair or replace the damaged item.

**"Actual cash value"** applies to valuation of covered property regardless of whether that property has sustained a partial or total loss. The **"actual cash value"** of lost or damaged property may be significantly less than its replacement cost.

## ADDITIONAL COVERAGES

Item 7. **Loss Assessment** is deleted in its entirety and replaced by the following:

7. **Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or association of property owners. This coverage applies for an event that occurs during the policy period, when the assessment is made as a result of **"sudden and accidental"** direct physical loss to the property owned by all members collectively. This loss must be caused by a loss under Section I – LOSSES WE COVER for **DWELLING PROTECTION COVERAGE** and **OTHER STRUCTURES PROTECTION COVERAGE**, subject to all provisions of the policy.

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake; or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the **"residence premises"**.

We do not cover loss assessments charged against you or a corporation or association of property owners by any government body.

The limit of \$50,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is not limited by the expiration of this policy.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

## SECTION I - LOSSES WE DO NOT COVER

### For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION:**

Item 1.e. is deleted and replaced by the following:

- 1.e. Constant or repeated seepage or leakage of water or steam over a period of 14 days or more from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance, unless such seepage or leakage of water or steam and the resulting damage is unknown to all "insureds" and is hidden within walls, beneath the floors, above the ceilings, or behind a stationary appliance, such as a refrigerator, dishwasher, or washing machine;

### For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION:**

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

- 2.a. **Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in LOSSES WE DO NOT COVER UNDER DWELLING

PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION item 1. above to produce the loss.

The following applies only to Form HO-9R:

## SECTION I - LOSS SETTLEMENT

Item 2. is deleted in its entirety and replaced by the following:

2. All items under Property We Cover – Dwelling Protection and buildings on the "residence premises" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
  - a. When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
  - b. When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "actual cash value", not to exceed our cost to repair or our cost to replace the damaged part of the property.
    - (1) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.
      - (a) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of "actual cash value", unless during this period you request in writing that this time limit be extended for an additional 180 days; or

- (b) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days.
- (2) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property, whichever is less.

- (a) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.
  - (i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days; or
  - (ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days.

**SECTION I - CONDITIONS**

For form HO-3R under **3. Loss Settlement**, item b. is deleted and replaced by the following:

- b. All items under Dwelling Protection and buildings on the "**residence premises**" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
  - (1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
  - (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "**actual cash value**", not to exceed our cost to repair or our cost to replace the damaged part of the property.

- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property, whichever is less.

For form HO-6R under **3. Loss Settlement**, item b. is deleted and replaced by the following:

- b. All items under **Coverage A - Dwelling Protection**. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
  - (1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.

(2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the **"actual cash value"**, not to exceed our cost to repair or our cost to replace the damaged part of the property.

- (a) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.
  - (i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days; or
  - (ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days.
- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property, whichever is less.

## SECTION II - ADDITIONAL COVERAGES

Item 4. **Loss Assessment** is deleted in its entirety and replaced by the following:

**4. Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or

association of property owners, when the assessment is made as a result of:

- a. **"Bodily injury"** or **"property damage"** caused by an **"occurrence"** not excluded under SECTION II of this policy; or
- b. Liability for an act committed by a director, officer or trustee during the policy period in the capacity as a director, officer or trustee, provided:
  - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the **"residence premises"**.

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

- a. One **"occurrence"**, including continuous or repeated exposure to substantially the same general harmful conditions; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

This coverage is not limited by the expiration of this policy.

## SECTION II - CONDITIONS

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

1. **Limit of Liability.** Except as noted in the **Special Limit of Liability** below, our total liability under Coverage E for all damages resulting from any one "**occurrence**" will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of "**insureds**", claims made or persons injured. 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**".

**Special Limit of Liability.** Our total liability under Coverage E is \$10,000 for damages for which an "**insured**" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded. This special limit does not increase the Coverage E limit of liability. This limit is the same regardless of the number of "**insureds**", claims made or persons injured.

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.

## SECTIONS I AND II - CONDITIONS

Under 4. **Cancellation** item 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.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.