

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – ARIZONA

DEFINITIONS

The following definition is added:

- 12. "Actual cash value"** means the amount it would currently cost to repair or replace covered property with new material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

SECTION I – PROPERTY COVERAGES

ADDITIONAL COVERAGES

- 4. Fire Department Service Charge** is deleted.

SECTION I – EXCLUSIONS

- 8. Intentional Loss** is replaced by the following:

- a. We do not provide coverage for any loss arising out of any act committed by or at the direction of an "insured" with the intent to cause a loss.
- b. However, this exclusion will not apply to deny an "insured's" claim for an otherwise covered property loss under this policy if such loss is caused by an act of domestic violence by another "insured" under this policy and the "insured" making claim:

(1) Did not cooperate in or contribute to the creation of the loss; and

(2) Cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

- c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the Limit of Liability.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

SECTION I – CONDITIONS

- E. Appraisal** is replaced by the following:

E. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

- I. Loss Payment** is replaced by the following:

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

Q. Concealment Or Fraud is replaced by the following:

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Made false statements of fact which, if known to us, would have caused us not to issue the policy; or
3. Engaged in fraudulent conduct relating to this insurance.

(This is Condition **P.** in Form **HO 00 04.**)

SECTION II – CONDITIONS

J. Concealment Or Fraud is replaced by the following:

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Made false statements of fact which, if known to us, would have caused us not to issue the policy; or
3. Engaged in fraudulent conduct relating to this insurance.

SECTION I AND II – CONDITIONS

C. Cancellation

Paragraph **2.** is replaced by the following:

2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice will be mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- c. 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:

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy;

- (2) If the risk has changed substantially since the policy was issued, except to the extent that the insurer should reasonably have foreseen the change or contemplated the risk in writing the policy; or

- (3) If you fail to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses.

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

D. Nonrenewal is replaced by the following:

D. Nonrenewal

We may elect not to renew this policy. We may do so by mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the end of the policy period. Proof of mailing will be sufficient proof of notice.

If our nonrenewal is based on the condition of the premises, you will be given 30 days' notice to remedy the identified conditions. If the identified conditions are remedied, coverage will be renewed. If the identified conditions are not remedied to our satisfaction, you will be given an additional 30 days, upon payment of premium, to correct the defective condition.

This provision will not apply and this policy will terminate:

1. At the end of the policy period, if you have agreed to nonrenewal; or
2. On the effective date of any other insurance policy, if you have accepted the other policy and it was issued as a replacement for this insurance.

F. Subrogation

The following is added:

If we pay an "insured", who is a victim of domestic violence, for a loss caused by an act of domestic violence, the rights of that "insured" to recover damages from the perpetrator of the violence are transferred to us to the extent of our payment. Following the loss, that "insured" may not waive such rights to recover against the perpetrator of the domestic violence.

All other provisions of this policy apply.