

**REQUIRED CHANGE - MISSOURI**  
**6975 03/13**

**DEFINITIONS**

The following definition is changed to read:

**Replacement cost** means the cost to repair or replace property, without deduction for depreciation, with new property of like kind and quality.

But **replacement cost** does not mean loss, damage or increased loss caused by enforcement of any governmental requirement regulating construction, repair, occupancy, renovation or remodeling.

No allowance will be made for loss of appearance when the repaired or replaced property does not match the existing insured property.

The following definition is added:

**Roof Covering** means the roofing material exposed to the weather and the underlayments applied for moisture protection. **Roof covering** includes but is not limited to vents, flashings, caps, turbines and piping.

**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 I - EXCLUSIONS**

Exclusion 1. is deleted and replaced by the following:

1. Loss intentionally caused by any of you or performed at any of your direction.

The exclusion of loss caused by any of you or performed at any of your direction does not apply to property of any of you who did not know or suspect that the loss would occur and who did not participate in or contribute to the loss in any way, either actively or passively.

**SECTION I - Our Payment Methods**

**Coverage A - Dwelling**

**Coverage B - Other Structures**

These provisions are changed to read:

**SECTION I - Our Payment Methods**

**Coverage A - Dwelling**

**Total Loss Payment Method**

A total loss occurs when the dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

**Partial Loss Payment Method - Replacement Cost Including Roof Covering Up To Fifteen Years Old**

If, at the time of loss, the Amount of Insurance for your dwelling is 80% or more of its **replacement cost**, we will pay the cost to repair or replace the damaged part of your dwelling. Our payment will be the lowest of:

1. The **replacement cost** of the damaged part of your dwelling with equivalent construction for equivalent use.
2. The amount actually spent for necessary repair or replacement of the damaged part of your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

Loss to **roof covering** up to fifteen years old will be paid using Partial Loss Payment Method - Replacement Cost Including Roof Covering Up To Fifteen Years Old when you provide verification that your **roof covering** is less than fifteen years old. If you provide no verification that your **roof covering** is less than fifteen years old, your **roof covering** loss will be paid using the Partial Loss Payment Method - Actual Cash Value Including Roof Covering Fifteen Years Old Or Greater.

If the **replacement cost** of the damaged property is more than \$2,500, we will not pay the total cost of repair or replacement until actual repair or replacement is completed.

If, at the time of loss, the Amount of Insurance for your dwelling is less than 80% of its **replacement cost**, we will pay the greater of the following amounts, but not more than the Amount of Insurance shown on the Declarations Page for your dwelling:

- i. The **actual cash value** of the damaged part of your dwelling.
- ii. The amount of the loss multiplied by the ratio of the Amount of Insurance on your dwelling to 80% of its **replacement cost**.

If you elect not to repair or replace the dwelling on the same **premises** as shown on the Declarations Page, the Partial Loss Payment Method - Actual Cash Value Including Roof Covering Fifteen Years Old Or Greater will apply.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacement.

### **Partial Loss Payment Method - Actual Cash Value Including Roof Covering Fifteen Years Old Or Greater**

You may disregard the Partial Loss Payment Method - Replacement Cost Including Roof Covering Up To Fifteen Years Old and make a claim on the basis of Partial Loss Payment Method - Actual Cash Value Including Roof Covering Fifteen Years Old Or Greater. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property other than **roof covering** fifteen years old or greater. However, no claim will be denied based upon your failure to provide notice within such specified time, unless this failure operates to prejudice our rights, as per Missouri regulation 20 CSR 100-1.020.

For a claim made on the basis of Partial Loss Payment Method - Actual Cash Value Including Roof Covering Fifteen Years Old Or Greater, the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged part of your dwelling at the time of the loss.
2. The amount required to repair or replace the damaged part of your dwelling.
3. The Amount of Insurance shown on the Declarations Page for your dwelling.

We may make a cash settlement and take all or part of the property at its appraised or agreed upon value, or repair or replace the property with property of like kind and quality.

We will give you notice of our intention within 15 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacement.

### **Coverage B - Other Structures**

#### **Replacement Cost Payment Method Including Roof Covering Up To Fifteen Years Old**

If, at the time of loss, the Amount of Insurance for your other structures is 80% or more of their **replacement cost**, we will pay the cost to repair or replace the damaged part of your other structure. Our payment will be the lowest of:

1. The **replacement cost** of the damaged part of your other structure with equivalent construction for equivalent use.
2. The amount actually spent for necessary repair or replacement of the damaged part of your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

If, at the time of loss, the Amount of Insurance for your other structures is less than 80% of their **replacement cost**, we will pay the greater of:

1. The **actual cash value** of the damaged part of your other structure.
2. The amount of the loss multiplied by the ratio of the Amount of Insurance on your other structure to 80% of its **replacement cost**.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

If you elect not to repair or replace the other structure on the same **premises** as shown on the Declarations Page, the Actual Cash Value Payment Method Including Roof Covering Fifteen Years Old Or Greater will apply.

Loss to **roof covering** up to fifteen years old will be paid using Replacement Cost Payment Method Including Roof Covering Up To Fifteen Years Old when you provide verification that your **roof covering** is less than fifteen years old. If you provide no verification that your **roof covering** is less than fifteen years old, your **roof covering** loss will be paid using the Actual Cash Value Payment Method Including Roof Covering Fifteen Years Old Or Greater.

If the **replacement cost** of the damaged property is more than \$2,500, we will not pay the total cost of repair or replacement until actual repair or replacement is completed.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacement.

#### **Actual Cash Value Payment Method Including Roof Covering Fifteen Years Old Or Greater**

You may disregard the Replacement Cost Payment Method Including Roof Covering Up To Fifteen Years Old and make a claim on an Actual Cash Value Payment Method Including Roof Covering Fifteen Years Old or Greater. If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property other than **roof covering** fifteen years old or greater. However, no claim will be denied based upon your failure to provide notice within such specified time, unless this failure operates to prejudice our rights, as per Missouri regulation 20 CSR 100-1.020.

For a claim made on the basis of Actual Cash Value Payment Method Including Roof Covering Fifteen Years Old Or Greater, the amount we pay for loss to your other structure will be the lowest of:

1. The **actual cash value** of the damaged part of your other structure at the time of the loss.
2. The amount required to repair or replace the damaged part of your other structure.
3. The Amount of Insurance shown on the Declarations Page for your other structures.

We may make a cash settlement and take all or part of the property at its appraised or agreed upon value, or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 15 days after we receive your proof of loss.

The damage to your property will reduce the Amount of Insurance available by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacement.

**COVERAGE A - DWELLING,  
COVERAGE B - OTHER STRUCTURES, OR  
COVERAGE C - PERSONAL PROPERTY,**

is changed to include:

Partial damage caused by the peril of fire:

We will, at your option, pay you, up to the amount of insurance that applies to the damaged property, the repair cost or repair the damage so that the property will be in as good condition as before the fire.

**SECTION II - YOUR ADDITIONAL COVERAGES**

**CLAIM EXPENSES**

Item 4., under we will pay, is deleted and replaced by the following:

4. Prejudgment interest awarded against you on that part of the judgment we pay. We will not pay any prejudgment interest based on that period of time after we offer to pay the applicable limit of liability.

**SECTION II - EXCLUSIONS**

**COVERAGE E - PERSONAL LIABILITY**

**COVERAGE F - MEDICAL PAYMENTS TO OTHERS**

Exclusion 1. is deleted and replaced by the following:

1. Sustained by any person who regularly resides in that part of the dwelling described on the Declarations that is used or occupied solely by you for residential purposes.

Exclusion 5. is deleted and replaced by the following:

5. Arising out of **business** of any of you.

This exclusion does not apply to the rental or holding for rental of any part of the dwelling described on the Declarations.

**COVERAGE F - MEDICAL PAYMENTS TO OTHERS**

Exclusion 1. is deleted and replaced by the following:

1. To any of you or any person who regularly resides in any of the dwelling units which are in the dwelling building described on the Declarations.

**CONDITIONS**

2. **Concealment or Fraud** is changed to read:

2. **Concealment or Fraud.** We do not provide coverage for you if you:

- a. intentionally conceal or misrepresent any material fact or circumstance.
- b. engage in fraudulent conduct; or

- c. make false statements;

whether before or after a loss or claim relating to this insurance.

3. **What to Do When You Have a Loss.**

The fifth paragraph is deleted and replaced by the following:

We may require that you file with us a notarized statement of loss after the loss occurs. You may be required to show us the damaged property and submit to examination under oath. You will be required to cooperate with us in our effort to investigate the accident or loss, settle any claims against you and defend you. If you fail to cooperate, we have the right to deny you coverage in this policy only if the lack of cooperation would result in prejudicing our rights.

The last paragraph is deleted and replaced by the following:

We will offer to make settlement within 15 working days after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

6. **Appraisal** is deleted and replaced by the following.

6. **Appraisal.** If settlement for damage to your property cannot be agreed to as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of you or us, such umpire shall be selected by a judge of a court of record in the state and county (or city if the city is not within a county) in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. The umpire shall make the award within thirty days after the umpire receives the appraisers' submissions of their differences. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting such appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

7. **Legal Action Against Us** is deleted and replaced by the following.

7. **Legal Action Against Us.** You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. Suit must be brought within ten years after the loss or damage occurs.

9. **Changes in Your Policy** is changed to read:

9. **Changes.**

a. Policy Changes

- (1) If any provision of this policy is in conflict with any governmental requirements at the time your policy is written, it is automatically changed to conform to them.
- (2) If we broaden the coverages provided by this edition of the policy without additional premium charges during the Policy Period, we will give you the benefit of these broadened coverages.
- (3) The only other way this policy can be changed is if we change it in writing. Any changes will be made a part of this policy. Any changes in your premium will be made at that time.
- (4) If your policy is renewed, we will furnish you any form revisions applicable to your policy.

b. Midterm Rate Changes

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You must immediately inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed or corrected information, we may decrease or increase the premium for your policy during the Policy Period.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the Policy Period.

15. **Cancellation** is changed to read:

15. **Cancellation.** You may cancel this policy by returning it to us or by mailing to us a written notice telling us the advance date that cancellation is to become effective.

If a mortgagee is named on the Declarations Page, we will provide acknowledgement to the mortgagee ten days prior to cancellation of the mortgagee's interest in this policy by any legal means available.

We may cancel this policy for any reason during the first 60 days we insure you. After the first 60 days we may cancel your policy if:

- a. the risk has changed substantially since the policy was issued; or

if you or your representative:

- b. conceal, omit or misrepresent any material facts or circumstances; or
- c. make a false or fraudulent claim; or
- d. have not paid the premium.

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.

Your mortgagee may cancel this policy if your dwelling has been foreclosed or your mortgagee has otherwise acquired ownership of it. Your mortgagee 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 refund it with your cancellation notice or as soon as possible after we mail the cancellation notice. If we or your mortgagee cancel this policy, we will calculate any return premium on a pro rata basis. If you cancel, we will calculate any return on a pro rata basis, subject to any Minimum Earned Premium shown on the Declarations Page.

The following conditions are added:

17. **Your Duties to Maintain Policy Amounts of Insurance.** It is your responsibility to maintain adequate Amounts of Insurance on your dwelling, other structures and personal property. But to help you do that we may, but are not obligated to, adjust your policy Amounts of Insurance. If an adjustment is made, it will become effective on the renewal date of your policy and will be based upon data supplied to us by recognized agencies or organizations.

You will be notified in advance of the new Amounts of Insurance. Payment of your renewal is all that is necessary to indicate your acceptance of the new Amounts of Insurance.

If you want to change the new Amounts of Insurance, you may do so by contacting your insurance representative.

18. **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. If notice is mailed, proof of mailing will be sufficient proof of notice.