

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI SPECIAL PROVISIONS

DEFINITIONS

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.

SECTION I - 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.

Item 16. Fungus, or Wet or Dry Rot is deleted and replaced by the following:

16. Fungus, or Wet or Dry Rot.

1. We will pay up to a total of \$10,000 for:
 - a. The cost to treat, remove or dispose of "fungus", or wet or dry rot from covered property;
 - b. The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungus", or wet or dry rot;
 - c. The cost to test, to detect, measure or evaluate air or property to confirm the absence, presence or level of "fungus", or wet or dry rot whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reasonable probability that there is the presence of "fungus"; and/or
 - d. The necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungus", wet or dry rot

which is the direct result of a loss under Section I – LOSSES WE COVER.

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

No deductible applies to this coverage once the policy deductible has been met.

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;

In the HO-3R and HO-9R under LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION and in the HO-6R under LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND PERSONAL PROPERTY PROTECTION item 1.h **Intentional Loss** is deleted and replaced by the following:

1.h. Intentional Loss

- (1) meaning loss arising out of an act any "insured" commits or conspires to commit with the intent to cause a loss.
- (2) However, this exclusion will not apply to deny payment to an innocent co-"insured" victim of domestic violence, when such coverage would otherwise be excluded under this provision if the "insured":
 - (a) Files a police report; and
 - (b) Completes a sworn affidavit for the insurer that indicates both:
 - (i) The cause of the loss; and
 - (ii) A pledge to cooperate in any criminal prosecution of the person committing the act causing the loss.
- (3) If payment is made pursuant to Paragraph 1.h.(2), payment to the innocent co-"insured" may be limited to such innocent co-"insured's"

ownership interest in the property reduced by any payment to a mortgagee or other secured interest. However, we shall not be required to make any subsequent payment to any other "insured" for the part of any loss for which the innocent co-"insured" has received payment. In no event will we pay more than the amount of insurance.

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 to the HO-9R only:

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.

Under 4. Loss Settlement – Personal Property, item c. under LOSS SETTLEMENT is deleted and replaced by the following:

c. You may make a claim for loss on an "actual cash value" basis and then make claim within one year after the loss for any additional liability under the

terms of this provision; however, no claim will be denied based upon the "insured's" failure to provide notice within such specified time, unless this failure operates to prejudice the rights of the insurer as per Missouri regulation 20CSR100-1.020.

SECTION I - CONDITIONS

Under **2. Your Duties After Loss**, item 2.a. is deleted and replaced by the following:

- a. Promptly notify us or our agent about the loss. This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs; however, no claim will be denied based upon the "insured's" failure to provide notice within such specified time, unless this failure operates to prejudice the rights of the insurer as per Missouri regulation 20CSR100-1.020.

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.

- (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.

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.

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

6. Appraisal. In case the "insured" and this company shall fail to agree 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 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of the "insured" or this company, such umpire shall be selected by a judge of a court of record in the same 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 30 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 party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Any fees for expert witnesses or attorneys will be paid by the party who hires them. Neither the umpire nor the appraisers will have a financial interest that is conditioned on the outcome of the specific matter for which they are called to serve.

This is not a provision providing for or requiring arbitration. The appraisers and umpire are only authorized to determine the "actual cash value", replacement cost, or cost to repair the property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined, the appraisal award

is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded or modified by written mutual consent signed by you and us.

Under item **7. Other Insurance**, the following is added to the second paragraph:

However, in the event of a total loss by fire we will not deny that the property is worth the aggregate of the several amounts for which it is insured at the time the policy was issued or renewed, unless willful fraud or misrepresentation is shown on the part of the **"insured"** in obtaining such additional insurance.

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

8. Suit Against Us. No action can be brought against us unless you have:

- a. Given us notice of the loss,
- b. Complied with all other policy provisions, and
- c. Started the action

within ten years of the date of loss.

9. Our Option. The following item is added:

In the event of partial loss to covered property due to the peril of fire, at your option, we shall, up to the amount of insurance of this policy:

- (a) Pay you the actual cost of the damage;
or
- (b) Repair the damage

so that your property is returned to the same condition it was prior to the fire.

The following condition is added:

Acceptance or Denial of Claim

Within 15 days after you submit all forms necessary to establish the nature and extent of any claim, we will advise you of the acceptance or denial of the claim.

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.

SECTIONS I AND II - CONDITIONS

Under **4. Cancellation.** Item b.(2) is deleted and replaced by the following:

- (2) 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 30 days before the date cancellation takes effect.

Item b.(3)(c) is deleted.

Under **6. Subrogation.**, The following item is added:

If payment is made to an innocent co-**"insured"** for a loss arising from an act of domestic violence, the rights of that **"insured"** to recover against the perpetrator are transferred to us to the extent of our payment. Following the loss, the innocent co-**"insured"** may not waive such rights to recover against the perpetrator of the domestic violence.

OTHER POLICY PROVISIONS

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