

Arizona Amendatory Endorsement for use with Renter's Insurance

The following is added to the DEFINITIONS section of the policy:

19. **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.

Item 5.d. of the PROPERTY section (Mandatory Arbitration) is deleted and replaced with the following:

d. **ARBITRATION**

In case **you** and **we** shall fail to agree on the meaning or effect of any provision of this insurance, either party may request that the disagreement be settled by binding arbitration. If both parties agree, said arbitration will be in accordance with the statutory rules and procedures of the state of Arizona. Should arbitration under the terms of this clause result in a finding in **your** favor, **we** shall reimburse expenses actually incurred with respect to arbitration, including reasonable attorney's fees. The arbitrators will determine the sum to be reimbursed.

This provision shall not be used to resolve disagreements as to the actual cash value or the amount of a loss. If **you** and **we** fail to agree on the amount of loss, the APPRAISAL clause as described under item 5.i. of the PROPERTY section below will be used to resolve any dispute over the value of a property loss.

Item 5.g. of the PROPERTY section (When Loss Payable) is deleted and replaced with the following:

The amount of loss for which **we** may be liable will be payable thirty days after the required statement of loss is received and agreed to in writing by **us** or the filing with **us** of an arbitration award as herein provided. In the event that payment is not made within thirty days, the amount due will earn interest at the legal rate from the date the claim is received by **us**.

The following item is added as item 5.i. of the PROPERTY section.

i. **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 Arizona. 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 pay its own appraiser and share equally all other expenses of the appraisal and the umpire.

Item 2 of the CONDITIONS APPLYING TO ALL COVERAGES section (Concealment, Misrepresentation, or Fraud) is deleted and replaced with the following:

We provide no coverage for loss under this policy if, whether before or after a loss, any **insured** has:

- a. intentionally concealed or misrepresented any material fact or circumstance;
- b. made false statements of fact which, if known to us, would have caused us not to issue this policy; or
- c. engaged in fraudulent conduct relating to this insurance.

Item 4 of the CONDITIONS APPLYING TO ALL COVERAGES section (Cancellation & Nonrenewal) is deleted and replaced with the following:

- a. **You** may cancel this policy at any time by returning it to **us** or by notifying **us** in writing of the date cancellation is to take effect.
- b. **We** may cancel this policy for non-payment of premium at any time by giving **you** fifteen (15) days written notice.
- c. **We** may cancel this policy for any of the following reasons by giving **you** sixty (60) days written notice:
 - (1) Acts or omissions by **you** or **your** representative constitution fraud or material misrepresentation in obtaining this policy, continuing this policy, or presenting a claim under this policy;
 - (2) **Your** conviction of a crime arising out of acts increasing the risks insured against;
 - (3) Discovery of grossly negligent acts or omissions by **you** which substantially increase any of the hazards insured against;
 - (4) A determination by the director of insurance that the continuation of this policy would place **us** in violation of the insurance laws of the state of Arizona.

We will also mail any notice of cancellation or non-renewal to each mortgagee or other person or entity shown on this policy to have an insurable interest in the covered property.

We will state the reason for cancellation or nonrenewal on the written notice.

Any pro-rata premium due you will be refunded with a reasonable time after the cancellation takes effect.

- d. **We** may elect not to renew this policy by sending **you** written notice at least thirty (30) days before the end of the policy period. **We** are not required to send notice of nonrenewal if **you** have obtained replacement coverage, or if **you** have agreed, in writing, to the nonrenewal.

If **we** fail to send such required notice, **we** will renew the policy on the anniversary date upon payment of the renewal premium.

- e. If **we** elect not to renew this policy based on the condition of the **residence premises**, **we** will give **you** thirty days notice to remedy the identified conditions. In the event that the identified conditions are remedied, coverage will be renewed. In the event that the identified conditions are not satisfactorily remedied, **you** will be given an additional thirty days, upon payment of premium, to cure the defective condition. If **you** believe the nonrenewal under this section is arbitrary or capricious, **you** may utilize the appeal procedures set forth in Arizona law.
- f. When the **landlord** requires evidence of personal liability insurance coverage to satisfy the financial responsibility requirements of a lease or rental agreement, **we** will also mail a copy of any notice of cancellation or nonrenewal to the **landlord** where evidence of coverage under this policy has been provided by **us** to comply with the **insured's** lease requirement.

The following section is added to the CONDITIONS APPLYING TO ALL COVERAGES section:

10. RENEWAL

- a. If **we** elect to renew this policy and the renewal is subject to any of the following:
 - (1) increase in premium;
 - (2) change in deductible;
 - (3) reduction in the limits of insurance; or
 - (4) substantial reduction in coverage;

we will mail or deliver written notice of the change(s) to **you**, at the last mailing address known to **us**, at least thirty (30) days before the anniversary or expiration date of the policy.

- b. If renewal is subject to any condition described in a(1) through a(4) above, and **we** fail to provide notice thirty (30) days before the anniversary or expiration date of this policy, **we** will renew the policy upon payment of the premium due on the effective date of the renewal. The premium will be calculated based upon the rating manual in effect at the time of the renewal.

The following section is added to the CONDITIONS APPLYING TO ALL COVERAGES section:

11. UNFAIR DISCRIMINATION IN REFERENCE TO DOMESTIC VIOLENCE

As provided by Arizona State Law A.R.S. §20-448m UNFAIR DISCRIMINATION; DEFINITIONS G.:

We will not deny, refuse, refuse to renew, restrict, cancel, exclude or limit coverage for a claim incurred or charge a different rate for the same coverage solely on the basis that the insured or proposed insured is or has been a victim of domestic violence or is an entity or individual that provides counseling, shelter, protection or other services to victims of domestic violence.

We shall submit a written explanation to the insured or proposed insured of the reasons for the insurer's actions, if **we** deny, refuse, refuse to renew, restrict, cancel, exclude or limit coverage for a claim incurred or charge a different rate for the same coverage on the basis of a mental or physical condition and the insured or the proposed insured is or has been a victim of domestic violence. The fact that an insured or proposed insured is or has been the victim of domestic violence is not a mental or physical condition.

All other terms and conditions remain unchanged.