

## Arizona Amendatory Endorsement for use with Renter's Insurance

In consideration of the payment of premium and subject to all terms, conditions, and limitations, **we** and **you** agree to the following changes to the Renter's Insurance Policy:

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.

The PROPERTY SECTION, sub-section 1. INSURING AGREEMENT is deleted and replaced with the following:

### 1. INSURING AGREEMENT

**We** insure **you** against direct physical loss of or damage to personal property owned or rented by **you**. **We** also insure additions and alterations to the **residence premises** made by **you** at **your** expense during **your** tenancy. The loss or damage must be caused by a peril described in the PERILS CLAUSE. **We** also cover you against any resulting increase in **your** living expenses necessarily incurred. Also, when a civil authority prohibits **your** use of the **residence premises** because of loss or damage caused by a peril insured against to neighboring premises, **we** will pay any resulting additional living expense necessarily incurred by **you** for a period not exceeding two (2) weeks.

**We** do not cover loss or expense due to cancellation of a lease or rental agreement.

The PROPERTY SECTION, sub-section 3. ALL SUBJECT TO THE FOLLOWING LIMITATIONS, paragraph a. is amended to read as follows:

- a. \$5,000 or 20% if the Property Limit stated on the Declarations Page, whichever is more, is the most **we** will pay for personal property away from the **residence premises**.

This limitation does not apply to personal property which is removed from the **residence premises** with reasonable care to protect the integrity of the property for any of the following reasons:

- (1) The property is removed for the purpose of repair or servicing.
- (2) For the first thirty (30) days while the property is removed for the purpose of preventing or reducing loss or damage when the personal property is endangered by a peril insured against under the PROPERTY SECTION, sub-section 2. PERILS CLAUSE.

Personal property at **your** newly acquired residence is not subject to this limitation for thirty (30) days from the time **you** begin to move the property there.

The PROPERTY SECTION, sub-section 4. ALL SUBJECT TO THE FOLLOWING EXCLUSION, paragraph b. LOSSES NOT COVERED BY THIS INSURANCE, item (7) is deleted and replaced with the following:

- (7) Nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing. However, **we** will pay for direct loss or damage for covered property from ensuing fire.

The PROPERTY SECTION, sub-section 4. ALL SUBJECT TO THE FOLLOWING EXCLUSION, paragraph b. LOSSES NOT COVERED BY THIS INSURANCE, item (8) is deleted and replaced with the following:

- (8) Willful acts committed by or at the direction of an insured.

- 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 intentional act by another **insured** under this policy and the **insured** making a 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.

The PROPERTY SECTION, sub-section 5.ALL SUBJECT TO THE FOLLOWING CONDITIONS, paragraph d. MANDATORY ARBITRATION is deleted in its entirety.

The PROPERTY SECTION, sub-section 5. ALL SUBJECT TO THE FOLLOWING CONDITIONS, paragraph g. WHEN LOSS IS PAYABLE is deleted and replaced with the following:

g. WHEN LOSS IS PAYABLE

The amount of loss for which **we** may be liable will be payable thirty days after 1) the required statement of loss is received and agreed to in writing by **us**, 2) there is an entry of a final judgment or 3) there is a filing of an appraisal award with us. 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 PROPERTY SECTION, sub-section 5.ALL SUBJECT TO THE FOLLOWING CONDITIONS, paragraph i. APPRAISAL is added as follows:

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.

The CONDITIONS APPLYING TO ALL COVERAGES section, sub-section 2. CONCEALMENT, MISREPRESENTATION OR FRAUD is deleted and replaced with the following:

**2. CONCEALMENT, MISREPRESENTATION OR FRAUD**

**We** provide no coverage for loss under this policy if, whether before or after a loss, any **insured** has intentionally concealed or misrepresented any material fact or circumstance and made false statements of fact which, if known to us, would have caused us not to issue this policy and engaged in fraudulent conduct relating to this insurance.

The CONDITIONS APPLYING TO ALL COVERAGES section, sub-section 4. CANCELLATION & NONRENEWAL is deleted and replaced with the following:

**4. CANCELLATION & NONRENEWAL**

- 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 CONDITIONS APPLYING TO ALL COVERAGES section, sub-section 10. RENEWAL is added as follows:

#### **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) to (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.

All other terms and conditions remain unchanged.