



This endorsement amends the SECTION I PRINCIPAL PROPERTY COVERAGES, Coverage D – Additional Living Costs or Loss of Rent, EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES, POLICY CONDITIONS APPLICABLE TO ALL COVERAGES, and EXCLUSIONS THAT APPLY TO COVERGE L – PERSONAL LIABILITY AND COVERAGE M – MEDICAL PAYMENTS TO OTHERS.

In form H020, the following changes are made.

SECTION I

PRINCIPAL PROPERTY COVERAGES

Coverage A – Residence

The following is added:

If a state of emergency under California Law is declared, you may combine the policy limits for **Coverage A** and **Coverage B**, for any of the covered expenses reasonably necessary to rebuild or replace the damaged or destroyed dwelling, if the **Coverage A** policy limits to rebuild or replace the dwelling are insufficient. This provision does not increase the limit of liability that applies to **Coverage B**. Claims payments for other structures in excess of the amount applied towards the necessary cost to rebuild or replace the damaged or destroyed dwelling shall be paid according to the terms of the policy.

Coverage D – Additional Living Costs or Loss of Rent

When the insurance under this policy covers Additional Living Costs, the following provision is added to this section:

In the event of a loss related to a state of emergency as defined in Section 8558 of the Government Code of California, coverage for additional living costs shall be for a period of 36 months, but shall be subject to other policy provisions, provided that any extension of time required by this paragraph beyond the period provided in the policy shall not act to increase the Additional Living Costs policy limit in force at the time of the loss.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

The first sentence of the first paragraph is replaced by the following:

We do not pay for loss or damage caused by any of the excluded events described in items 1-17 (Exclusions That Apply to Property Coverages).

The following exclusion has been modified:

12. Absolute Mold Exclusion

The definition of **Mold or Microbial matter** is replaced by the following:

Mold or Microbial Matter includes mold, fungi, viral or bacterial matter that reproduces by spores or splitting of cells, whether or not such matter is living; and protists, including, but not limited to algae and slime mold.

Exclusion number 15 Weather conditions is amended by the following:

15. Weather Conditions – We do not pay for loss by weather conditions. However, this exclusion applies only if weather conditions initiate or set in motion loss or damage excluded in items numbered 1 through 14 in the policy or exclusions 16 and 17 listed below.

The following exclusions are added to this section:

16. Tree Root Damage - We do not pay for damage to property arising directly or indirectly out of or caused by tree roots. Tree root damage includes, but is not limited to:

- a. pressure from any root system to a foundation, patio, pavement, wall, retaining wall, driveway, hardscapes, other hard-surfaces, fence;
- b. damage to underground drains, drainage system, septic tanks, underground service pipes, water pipes, pipes; or
- c. growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground.

If any of the perils listed in exclusion 16 above cause water to escape suddenly and accidentally from a plumbing, heating, air conditioning system, household appliance, or fire protective sprinkler system within your dwelling, **we** cover loss not otherwise excluded to the dwelling or separate structure caused by water but not for deterioration, rust, mold, wet or dry rot due to the presence of water over a period of time. If loss is caused by water or steam not otherwise excluded, **we** will cover the cost of tearing out and replacing any part of the dwelling or separate structure necessary to repair the system or appliance. **We** do not cover the system or appliance from which water or steam escaped.

17. Criminal Acts – We do not pay for loss caused by or resulting from:

- a. The criminal acts or omission committed by or at the direction of an **insured**, or
- b. An act or omission which is criminal in nature and committed by an insured person who lacked the mental capacity to appreciate the criminal nature or wrongfulness of the act or omission or to conform his or her conduct to the requirements of the law or to form the necessary intent under the law, or
- c. Illegal manufacturing, production, or operation – meaning loss resulting from:

- (1) the illegal growing of plants; or
- (2) the illegal raising or keeping of animals; or
- (3) the illegal manufacture, growing, production, operation, or processing of chemical, biological, animal or plant materials.

This exclusion applies to all **insureds** whether or not the criminal act is performed by or is within the knowledge or control of any one or more **insureds**.

This exclusion also applies whether or not an **insured** is charged with or convicted of a crime.

POLICY CONDITIONS APPLICABLE TO ALL COVERAGES

Item 2.e. under **Cancellation – e. When We May Cancel**, is replaced by the following:

- e. **When We May Cancel – We** may cancel the policy under the following conditions:
 - (1) Non-Payment of Premium – If the premium has not been paid when due, **we** may cancel at any time by giving the required notice at least 10 days before cancellation is effective.
 - (2) New Policy – If this is a new policy which has been in effect less than 60 days and is not a renewal, **we** may cancel for any reason by giving the required notice at least 20 days before cancellation is effective. A renewal of a policy issued by **us** is not a new policy.
 - (3) Policy with Term over One Year – If this policy is written for a term longer than one year, **we** may cancel for any reason by giving **you** the required notice at least 20 days before the anniversary date.
 - (4) All Other Situations – If this policy has been in effect 60 days or more or is a renewal of a policy issued by **us**, **we** may cancel only for the reasons set forth below and by giving the required notice (including **our** reason for cancellation) at least 20 days before cancellation is effective.

The reasons are:

- (a) the policy was obtained through fraud, material misrepresentation, or omission of fact which, if known by **us**, would have caused **us** not to issue the policy; or
- (b) there has been a material change or increase in hazard of the risk.
- (5) If the policy is cancelled by **us**, any mortgagee or other person with a financial interest in the property who is named in the Declarations or in any endorsement attached to this policy will be notified in writing at least 20 days (other than for non-payment cancellation) before the date cancellation takes effect. The cancellation notice may be delivered or mailed; proof of mailing will be sufficient proof of notice.

In form H003, the following changes are made:

Under **REPLACEMENT COST PROVISION** items 3. and 4. are deleted and replaced by the following:

3. When the cost to repair or replace exceeds the lesser of \$1,000 or 5% of the applicable limit on the damaged building, **we** do not pay for more than the actual cash value of the loss until actual repair or replacement is completed. **You** may make a claim for the actual cash value of the damaged property before the repair or the replacement takes place and then make a follow-up claim later for the replacement cost, provided repair or replacement is completed within 12 months of the date that the initial payment is made. **We** will allow additional extensions of up to six months if repair or replacement is delayed for good cause. In the event of a loss related to a state of emergency as defined in Section 8558 of the Government Code of California, repair or replacement must be completed within 36 months of the date that the initial payment is made.

In form G0022HC, the following changes are made:

Under **EXCLUSIONS THAT APPLY TO COVERAGE L – PERSONAL LIABILITY AND COVERAGE M – MEDICAL PAYMENTS TO OTHERS**

Exclusion 9.a. is replaced with the following:

- a. Expected by, directed by, or intended by an **insured**; or

Exclusion 9.b. is excised from the contract.

The following exclusion is added to this section:

19. **Criminal Acts – We** do not pay for loss caused by or resulting from:
 - a. The criminal acts or omission committed by or at the direction of an **insured**, or
 - b. An act or omission which is criminal in nature and committed by an insured person who lacked the mental capacity to appreciate the criminal nature or wrongfulness of the act or omission or to conform his or her conduct to the requirements of the law or to form the necessary intent under the law, or
 - c. Illegal manufacturing, production, or operation - meaning loss resulting from:
 - (1) the illegal growing of plants; or
 - (2) the illegal raising or keeping of animals; or
 - (3) the illegal manufacture, growing, production, operation, or processing of chemical, biological, animal or plant materials.

This exclusion applies to all **insureds** whether or not the criminal act is performed by or is within the knowledge or control of any one or more **insureds**.

This exclusion also applies whether or not an **insured** is charged with or convicted of a crime.