

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPECIAL PROVISIONS – TEXAS**

**AGREEMENT** is replaced by the following:

In reliance on the information you have given us, we agree to provide the insurance coverages indicated on the Policy Declarations. In return, you must pay the premium when due and comply with the policy terms and conditions and immediately inform us of any change of title, use or occupancy of the residence premises.

- b. Other structures connected to the dwelling by only a fence, utility line, or similar connection; and
- c. Fences

### **DEFINITIONS**

The following definitions are added:

#### **"Fungi"**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

#### **"Business Day"**

"Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

#### **"Vacant"**

"Vacant" means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.

#### **"Unoccupied"**

"Unoccupied" means the dwelling has not been physically occupied as a residence at any time within 30 days immediately preceding the loss.

### **COVERAGES**

Under **A. Coverage A – Dwelling**, Item **1.** We cover, Item **a.** is replaced by the following:

- a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including attached structures, other than fences and attached wall-to-wall carpeting;

The following is added:

- d. In-ground swimming pools including related permanently installed equipment such as pumps and filters.

Under **B. Coverage B – Other Structures**

Item **1.** is replaced by the following:

- 1. We cover:
  - a. Other structures on the "residence premises" set apart from the dwelling by a clear space;

Under **COVERAGE A – Dwelling and COVERAGE B – Other Structures**

The following is added:

#### **Special Limits of Liability**

##### **Cosmetic and Aesthetic Damage to Floors.**

The total limit of liability for Coverages **A** and **B** combined is \$10,000 per policy term for cosmetic and aesthetic damages to floors.

1. Cosmetic or aesthetic damage includes, but is not limited to, chips, scratches, dents or any other damage to less than 5% of the total floor surface area and does not prevent typical use of the floor.
2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
3. This limit does not increase the Coverage **A** or Coverage **B** limits of liability shown on the declaration page.
4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a **Peril Insured Against** as named and described for Coverage **C – Personal Property**.

Under **D. Coverage D – Fair Rental Value**

Item **1.** is replaced by the following:

1. If a loss to property described in Coverages **A**, **B** or **C** by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover 80% of the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

Under **E. Coverage E – Additional Living Expense**

Item **1.** is replaced by the following:

1. If a loss to property described in Coverages **A**, **B** or **C** by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover 80% of the necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

Under **F. Other Coverages**, item **1. Other Structures** is replaced by the following:

**1. Other Structures**

In order for Other Structures to be covered, a limit must be indicated on the Declarations for Coverage **B** – Other Structures and a premium paid.

This coverage is additional insurance.

Item **5. Rental Value And Additional Living Expense** is replaced by the following:

**5. Rental Value And Additional Living Expense**

In order for **Rental Value And Additional Living Expense** to be covered, a limit must be indicated on the Declarations for Coverage **D** – Fair Rental Value and Coverage **E** – Additional Living Expense and a premium paid.

This coverage is additional insurance.

Item **6. Reasonable Repairs** is replaced by the following:

**6. Reasonable Repairs**

We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage if a **Peril Insured Against** causes the loss. This coverage does not increase the limit of liability that applies to the property being repaired.

Item **11. Glass or Safety Glazing Material** is replaced by the following:

**11. Glass or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage, caused directly by **Earth Movement**, of glass or safety glazing material which is part of a covered building, storm door or storm window; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
- (2) On the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from **Earth Movement** as provided for in **a.(2)** above. A dwelling being constructed is not considered "vacant".

Loss to glass covered under this **Other Coverage 11.** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

The following is added to Paragraph **F.12. Ordinance Or Law**:

- f. If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above also applies to the increased cost you incur due to repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

**PERILS INSURED AGAINST**

**A. Coverage A – Dwelling and Coverage B – Other Structures**

Paragraph **1.** Is replaced by the following:

We insure against risk of sudden and accidental direct physical loss to the property described in Coverages **A** and **B**.

Under Paragraph **2.**, items **c.(6)** and **c.(7)** are replaced by the following:

- (6) Vandalism and malicious mischief, theft or attempted theft, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, theft or attempted theft, if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (7) Constant or repeated seepage or leakage of water or steam over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective

sprinkler system or from within a household appliance.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

Paragraph **A.2.c.(8)(c)** is replaced by the following:

**(c)** Smog, rust or other corrosion, wet or dry rot;

The following is added to Paragraph A.8.:

**(j)** Dropped or falling objects, unless the roof or an outside wall of the building is first damaged by a covered event which directly causes the object to drop or fall. Damage to the dropped or falling object itself is not included.

### **B. Coverage C – Personal Property**

Item **8. Vandalism Or Malicious Mischief** is replaced by the following:

#### **8. Vandalism Or Malicious Mischief**

This peril does not include loss to property if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

Item **10. Falling Objects** is replaced by the following:

#### **10. Dropped or Falling Objects**

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged a covered event which directly causes the object to drop or fall. Damage to the dropped or falling object itself is not included.

Under item **12.**, **a.** is replaced by the following:

**a.** This peril means sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

The following is added to item **b.**:

**(4)** caused by or resulting from constant or repeated seepage or leakage of water or steam over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

## **GENERAL EXCLUSIONS**

**3. Water Damage** is replaced by the following:

### **3. Water Damage**

**Water Damage** means:

- a.** Flood, surface water, waves, tidal water, overflow of any body of water, or spray from any of these, whether or not driven by wind;
- b.** Water, water-borne material, sewage or any other substance which backs up through sewers or drains;
- c.** Water, water-borne material, sewage or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure; or
- d.** Water, water-borne material, sewage or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

caused by or resulting from human or animal forces or any act of nature.

Paragraph **8. Intentional Loss** is replaced by the following:

#### **8. Intentional Loss**

**a.** Intentional Loss means any loss arising out of any act you or any person named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

**b.** However, this exclusion does not apply to an insured who did not cooperate in or contribute to the creation of the loss if that insured has:

- (1)** Filed a police report; and
- (2)** Cooperated with law enforcement investigation or prosecution relating to any other insured causing the intentional loss.

- c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the person insured is limited to their insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the Policy. In no event will we pay more than the limit of liability. As a condition of payment for intentional loss caused by another insured under this exception to the exclusion, we may require an assignment of rights of recovery to the extent that payment is made by us.

The following Exclusions are added under Paragraph **A.**:

**10. Windstorm or Hail to:**

- a. Outdoor radio equipment, television antennas, or satellite dishes and aerials including their lead in wiring, masts and towers;
- b. Awnings, aluminum framed screened enclosures, aluminum framed carports; and aluminum sheds;
- c. Solar panels; solar water heating systems including solar panels, pipes supplying and returning water to solar panels, and equipment or devices controlling solar water heating systems; and
- d. Any structure defined as part of Coverage B – Other Structures unless the structure is constructed of the same or superior construction materials and methods as that of the dwelling and attached to a permanent concrete foundation.

**11. Criminal or Illegal Activity**

Criminal and Illegal Activity means any and all criminal and illegal acts performed by or at the direction of any “Insured” that results in damage to your structure or personal property.

**12. Existing Damage**

- a. Damages which occurred prior to the policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
- b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This Exclusion does not apply in the event of a total loss caused by a Peril Insured Against.

**13. Diminished Value**

We do not cover any loss due to diminished value of any property covered under this policy.

**14. "Fungi" Or Microbes**

- a. "Fungi" or microbes, means the presence, growth, proliferation, spread or any activity of "fungi" or microbes.

This exclusion also applies to the cost:

- (1) To remove "fungi" or microbes from property covered under Coverages;
  - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi" or microbes; and
  - (3) Of testing of air or property to confirm the absence, presence or level of "fungi" or microbes;
- b. Exclusion **14.a.** applies unless the "fungi" or microbes are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water which would otherwise be covered under this Policy. For purposes of this exclusion, sudden and accidental shall include a loss event that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.
- c. However, the exception to the exclusion described in **14.b.** does not include:
    - (1) The cost to treat, contain, remove or dispose of the "fungi" or microbes beyond that which is required to repair or replace the covered property physically damaged by water;
    - (2) The cost of any testing of air or property to confirm the absence, presence or level of "fungi" or microbes, whether performed prior to, during or after removal, repair, restoration or replacement;
    - (3) The cost of any decontamination of the Described Location; and
    - (4) Any increase in loss under Coverage **D** – Fair Rental Value and Coverage **E** – Additional Living Expense, if applicable, and Other Coverage **2**. Debris Removal resulting from **c.(1), (2) or (3)**.

Direct loss by fire, smoke or explosion resulting from "fungi" or microbes is covered.

## CONDITIONS

The following paragraph is added to Paragraph **B. Insurable Interest And Limit Of Liability**:

### Policy A Liquidated Demand

A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. This provision shall not apply to personal property.

This policy is not enforceable by or for the benefit of any person without insurable interest at the time of loss.

Paragraph **C. Concealment Or Fraud** is replaced by the following:

### C. Concealment Or Fraud

We do not provide coverage to an "insured" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements;

relating to this insurance.

Such an act by one or more insured will void the policy regardless of the existence of an innocent co-insured.

Paragraph **D. Duties After Loss** is replaced by the following:

### D. Duties After Loss

#### 1. Your Duties After Loss

In case of a loss to covered property, you must comply with all of the following duties. We have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or an "insured" seeking coverage:

- a. Give prompt notice to us or our agent. With respect to loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss that is the subject of the claim. However, any such claim may be filed after the first anniversary of the date of the loss for good cause shown by the person filing the claim;

- b. Protect the property from further damage. If repairs to the property are required you must:

- (1) Provide us with an opportunity to inspect the property in its damaged condition and prior to repairs;

- (2) Provide us with an opportunity to exercise our option to repair;

- (3) Provide us with specifications of damage and detailed repair estimates prior to making repairs;

- (4) Make reasonable and necessary repairs to protect the property; and

- (5) Keep an accurate record of repair expenses;

- c. Cooperate with us in the investigation of a claim;

- d. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

- e. As often as we reasonably require:

- (1). Show the damaged property;

- (2). Provide us with records and documents we request and permit us to make copies; and

- (3). You, any "insured" and any one you hire in connection with your claim, must:

- i. All insureds must submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and

- ii. Sign the Same; and

- (4). If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity and anyone you hire in connection with your claim; must:

- i. Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
- ii. Sign the Same.

- (5). Representations made by any of the preceding persons who appear in the examinations under oath and/or recorded statements will be deemed to be your representations.

f. Send to us, within 91 days after our request, your signed, sworn proof of loss on a standard form supplied by us. We must request a signed, sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this Policy.

- (1) This proof of loss shall set forth, to the best of your knowledge and belief:
  - (a) The time and cause of loss;
  - (b) The interests of all "insureds" and all others in the property involved and all liens on the property;(c)Other insurance which may cover the loss;
  - (d) Changes in title or occupancy of the property during the term of the Policy;
  - (e) Specifications of damaged buildings and detailed repair estimates;
  - (f) The inventory of damaged personal property described in **D.1.d.**; and
  - (g) Receipts for additional living expenses incurred and records that support the fair rental value loss.
  - (h) In the County where the "residence premises" is located; "you," "your" agents, "your" representatives and all "insureds" must submit to examinations under oath and sign the same when asked to do so by "us". At "your" or "our" request; the examinations will be conducted separately and not in the presence of any other persons except legal representation.
  - (i) Permit "us" to take samples of damaged property for inspection, testing and analysis; and
  - (j) Any and all "insureds" must execute all authorizations for the release of information when asked to do so by "us".

(2) If you elect to make claim under the Replacement Cost Coverage of this Policy, this proof of loss shall also state, to the best of your knowledge and belief:

- (a) The replacement cost of the described dwelling;
- (b) The replacement cost of any other building on which loss is claimed; or
- (c) The full cost of repair or replacement of loss without deduction for depreciation.

## 2. Our Duties After Loss

a. No later than 15 days after we receive your written notice of claim, we must:

(1) Acknowledge receipt of the claim;

If our acknowledgment of the claim is not in writing, we will keep a record of the date, means and content of our acknowledgment;

(2) Begin an investigation of the claim; and

(3) Specify the information you must provide in accordance with Paragraph **D.1.** Your Duties After Loss above;

We may request more information if during the investigation of the claim such additional information is necessary.

b. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

(1) Within 15 "business days"; or

(2) Within 30 days if we have reason to believe the loss resulted from arson.

c. If we do not approve payment of your claim or require more time for processing your claim, we must:

(1) Give the reason for denying your claim; or

(2) Give the reasons we require more time to process your claim. But we must either approve or deny your claim within 45 days after requesting more time.

Paragraph **E.1.** in **Loss Settlement** is replaced by the following:

1. Property of the following types:

a. Personal property other than jewelry;

b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and

Paragraph **3.** is added to **E. Loss Settlement**:

3. Jewelry at replacement cost at the time of loss without deduction for depreciation.

Paragraph **F. Loss To A Pair Or Set** is replaced by the following:

### **F. Loss To A Pair Or Set**

1. In case of loss to a pair or set other than jewelry, we may elect to:

a. Repair or replace any part to restore the pair or set to its value before the loss; or

b. Pay the difference between actual cash value of the property before and after the loss.

2. Loss to a jewelry pair or set will be settled at replacement cost at the time of loss without deduction for depreciation.

**Paragraph G. Appraisal**, the following is added:

**G. Appraisal**

No suit involving **PROPERTY COVERAGES** of this policy can be brought unless an appraisal has been completed.

**Paragraph I. Subrogation** is replaced by the following:

**I. Subrogation**

All rights of recovery against any person or business for the insured's damages are automatically transferred to us from the insured upon our payment to the insured under any coverage of this policy to the extent of our payment without need to obtain a written assignment or transfer of rights from the insured. The insured must do nothing after loss to impair our recovery rights. Upon our request, the insured must sign and deliver all papers and cooperate with us in the prosecution of our subrogation claim.

Subrogation does not apply to Coverage **F** or Paragraph **C. Damage To Property Of Others** under Section **II – Additional Coverages**.

**Paragraph J. Suit Against Us** is replaced by the following:

**J. Suit Against Us**

1. Except as provided in Paragraph **2.**, no suit or action can be brought unless there has been full compliance with all of the terms under this Policy. Action must be brought against us within two years and one day after the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
2. With respect to suits brought in connection with claims for loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code:

No action can be brought against us unless there has been compliance with all of the terms of this Policy. The action must be brought within the earlier of the following:

- a. Two years and one day from the date we accept or reject the claim; or
- b. Three years and one day from the date of the loss that is the subject of the claim.

No action can be brought on this policy for the recovery of any claim for direct loss or damage by fire or lightning, unless the policy provisions have been complied with and the action is started within one year after the date of loss.

As stated in **CONDITIONS** Paragraph **G. Appraisal** no suit involving **PROPERTY COVERAGES** of this policy can be brought unless an appraisal has been completed.

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**Paragraph L. Loss Payment** is replaced by the following:

**L. Loss Payment**

We will adjust all losses with you. In the event of your death, we will adjust all losses with your legal representative. We will pay you unless some other person is named in the Policy and is legally entitled to receive payment, subject to the mortgage clause below.

If we notify you that we will pay your claim, or part of your claim, we must pay within five "business days" after we notify you. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within five "business days" after the date you perform the act.

**Paragraph N. Mortgage Clause** is replaced by the following:

**N. Mortgage Clause (Without Contribution)**

1. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the Declarations page as interests appear;
2. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure;
3. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgagee has the right to receive loss payment if the mortgagee:
  - a. At our request, pays any premium due under this Policy, if you have failed to do so;
  - b. Submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so;
  - c. Has notified us of any changes in ownership, occupancy or substantial changes in risk known to the mortgagee.

All of the terms of this Policy will then apply directly to the mortgagee.

Failure of the mortgagee to comply with **3.a.**, **3.b.** or **3.c.** above shall void this Policy as to the interest of the mortgagee.

4. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:
  - a. The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
  - b. The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

5. If this Policy is cancelled, we will give the mortgagee specifically named on the Declarations page written notice of cancellation.

If we cancel the Policy, we will give the mortgagee the same number of days' notice of cancellation we give you.

If you cancel the Policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after we mail the notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in the Policy.

6. If the property described under Coverage **A** – Dwelling or Coverage **B** – Other Structures is foreclosed upon under the deed of trust, the mortgagee may cancel this Policy of insurance and will be entitled to any unearned premium from this Policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

7. If we elect not to renew this Policy, the mortgagee specifically named on the Declarations page will be given 30 days' written notice of the nonrenewal.

Paragraph **P. Cancellation** is replaced by the following:

## **P. Cancellation**

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this Policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.

a. If this Policy has been in effect for less than 90 days and is not a renewal policy, we may cancel this Policy for any reason.

The effective date of cancellation cannot be before:

- (1) The 10th day after we mail notice if we cancel for nonpayment of premium.
  - (2) The 30th day after we mail notice if we cancel for any other reason.
- b. If this Policy has been in effect 90 days or more, or at any time if it is a renewal policy, we may not cancel this Policy unless:
- (1) You do not pay the premium or any portion of the premium due.
  - (2) The Texas Department of Insurance determines that continuation of the Policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
  - (3) You submit a fraudulent claim.
  - (4) There is an increase in the hazard covered by this Policy that is within your control and that would produce an increase in the premium rate of this Policy.

The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

3. When this Policy is cancelled, we will send you any refund due not later than the 15th "business day" after the effective date of cancellation. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand or not later than the 15th "business day" after the date of cancellation.
5. We may not cancel this Policy solely because you are an elected official.



Paragraph **Q. Nonrenewal** is replaced by the following:

**Q. Refusal To Renew**

1. We may not refuse to renew this Policy because of claims for losses resulting from natural causes.
2. We may not refuse to renew this Policy solely because you are an elected official.
3. We may refuse to renew this Policy if you have filed three or more claims under the Policy in any three-year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing that if you file a third claim during the three-year period, we may refuse to renew this Policy by providing you proper notice of our refusal to renew as provided in **4.** below. If we do not notify you after the second claim, we may not refuse to renew this Policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the Policy.

4. If we refuse to renew this Policy, we must deliver to you, or mail to you at your mailing address shown on the Declarations page and any mortgagee named on the Declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this Policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the Policy.

Paragraph **Y. Loss Payable Clause** is replaced by the following:

**Y. Loss Payable Clause**

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property only.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

The following conditions are added:

**Residential Community Property Clause**

This Policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this Policy until the expiration of the Policy or until cancelled in accordance with the terms and conditions of this Policy.

**Catastrophe Claims**

If a claim results from a weather-related catastrophe or a major natural disaster, each claim-handling deadline shown in **D. Duties After Loss** and **L. Loss Payment** is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather-related event which:

1. Is declared a disaster under the Texas Disaster Act of 1975; or
2. Is determined to be a catastrophe by the Texas Department of Insurance.

**Valuation Clause**

With respect to the perils of fire and lightning, we agree that the limit of liability stated in Coverage **A** of the Declarations of this policy is the value of the building described. This valuation is established for insurance purposes only.

**Our Right To Recompute Premium**

We established the premium for this policy based on the statements you made in the application for insurance. We have the right to recompute the premium if we later obtain information which affects the premium we charged.

**Venue**

This policy and any performance hereunder shall be construed with and governed by the laws of the State of Texas.

**Assignment of Claims Benefits**

No assignment of claims benefits, regardless of whether made before loss or after loss, shall be valid without the written consent of all "Insureds", all additional insureds and all mortgagee(s) named in this policy.

All other provisions of this Policy apply.