



SPECIAL PROVISIONS — CALIFORNIA

Coverage is subject to all terms and conditions of the policy except as changed by this endorsement.

DEFINITIONS

Definition **C.1.**, "Actual Cash Value" is replaced by the following:

1. "Actual Cash Value" means the amount it would cost the "insured" to repair or replace covered property in its condition at the time of the loss, such expense being computed as of the time of the loss and quantified as follows. The measure of this "actual cash value" recovery, in whole or partial settlement of the claim, for either a total or partial loss to the structure or its contents, shall be the amount it would cost the "insured" to repair, rebuild, or replace the thing lost or damaged less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the loss or the policy limit, whichever is less. A deduction for physical depreciation shall apply only to components of a structure that are normally subject to repair and replacement during useful life of that structure.

Definition **C. 13.**, "Property damage" is replaced by the following:

13. "Property damage" means physical injury to or destruction of tangible property and any resulting loss of use as a result.

SECTION I — PROPERTY COVERAGES

A. Coverage A — Dwelling

In Form **H 00 03**, the following is added

3. 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.

D. Coverage D — Loss Of Use

1. Additional Living Expense

The following paragraph is added:

In the event of covered loss relating to a state of emergency, as defined in Section 8558 of the Government Code of the State of California, we shall grant an extension of up to twelve (12) additional months, for a total of thirty-six (36) months, if you, acting in good faith and with reasonable diligence, encounter a delay or delays in the process of rebuilding or replacing your dwelling that results from circumstances beyond your control. Circumstances beyond your control include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work to rebuild or replace your dwelling. Additional extensions of six (6) months shall be provided for such good cause beyond your control.

E. Additional Coverages

Item **9. Glass Or Safety Glazing Material**, paragraph **b.(2)** is replaced by the following:

- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.



Item **11. Ordinance Or Law** in Form **H 00 03** and item **10. Ordinance or Law** in Form **H 00 06**, the following sentence has been deleted:

The damaged or destroyed building structure must be repaired or replaced at the "residence premises".

SECTION I — PERILS INSURED AGAINST

The following sentence is added:

THIS SECTION ALSO CONTAINS EXCEPTIONS TO OR EXCLUSIONS FROM COVERAGE

In all forms and Endorsement **H 06 01**, Paragraph **A.2.c.(4)**, and in Endorsement **H 03 09**, Paragraph **B.(1)**, are replaced by the following.

- (4)** Vandalism and malicious mischief, and any ensuing loss caused by any act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

Paragraph **B.8.** is replaced by the following:

8. Vandalism Or Malicious Mischief

This peril does not include loss to property on the "residence premise" if the dwelling has been vacant for more than 60 consecutive days before the loss. A dwelling under construction is not considered vacant.

SECTION I — EXCLUSIONS

The following paragraph is added to item **8. Intentional Acts** (Exclusion **A.8.** in Form **H 00 03**):

8. Intentional Acts

This exclusion does not apply, with respect to loss to covered property caused by fire, to an "insured" who does not commit or conspire to commit any act that results in loss by fire. We cover such "insured" only to the extent of that "insured's" legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

SECTION I — CONDITIONS

B. Deductible

The following is added:

- 4.** Home and Car Special Deductible. If you have a Personal Auto Policy that includes the Home and Car Special Deductible provision, and the policy is issued by an affiliated company of Nationwide Mutual Insurance Company, your deductible may be adjusted.

C. Duties After Loss

The introductory paragraph is replaced by the following:

In case of a loss to covered property, we have no duty to provide coverage under this policy if you, an "insured" seeking coverage, or a representative fails to comply with the following duties:

D. Loss Settlement

In Forms **H 00 03** and **H 00 06**, Paragraph **2.c.(1)-(2)** are replaced by the following:

- (1)** Notify us within 12 months after our first payment toward the "actual cash value" of your intent to repair or replace the damaged building (within 36 months if the loss or damage relates to a state of emergency under California Law); and
- (2)** Complete the repair or replacement within 24 months of our first payment toward the "actual cash value" (within 36 months after our first payment toward



the "actual cash value" if the loss or damage relates to a state of emergency under California Law).

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide one or more additional extensions of 6 months for good cause. Circumstances beyond your control include, but not limited to, unavoidable construction permit delays, the lack of necessary construction materials, or the unavailability of contractors to perform the necessary work.

J. Loss Payment

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

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

If we have paid a loss for damage to your real or personal property, we will take appropriate deduction from any payment due for any subsequent loss for damage to the same covered real or personal property, unless you furnish us with proof that the prior damage has been repaired.

SECTION II — LIABILITY COVERAGES

In all forms, and Endorsements **H 02 04** and **H 02 12, Coverage E — Personal Liability**, Paragraph **A.2.**, is replaced by the following:

2. If a suit is filed, provide a defense at our expense by counsel of our choice for covered claims. We may investigate and settle any claim or suit. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

SECTION II — EXCLUSIONS

In all forms and Endorsement **H 02 12**, Paragraph **E.1. Expected Or Intended Injury** is replaced by the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured", even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity or property than initially expected or intended.

SECTION II — CONDITIONS

Paragraph **A. Limit Of Liability** is replaced by the following:

A. Limit Of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** Limit Of Liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from one continuous or repeated exposure to substantially the same harmful conditions shall be considered to be the result of one "occurrence". "Bodily injury" to one person includes all injury and damages to others resulting from such "bodily injury". Claims arising from or arising out of one person's "bodily injury", including but not limited to any claims for negligent infliction of emotional



distress and/or claims for loss of consortium, will collectively be subject to the limit of the policy applicable to "bodily injury" sustained by one person and for the purpose of such policy limit shall constitute a single claim.

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** Limit Of Liability shown in the Declarations.

C. Duties After "Occurrence"

The introductory paragraph of **C. Duties After "Occurrence"** is replaced by the following:

In case of an "occurrence", you or another "insured" or a representative of either will perform the following duties that apply. We have no duty to provide coverage under this policy if you or another "insured" or a representative of either fail to comply with the following duties. You will help us by seeing that these duties are performed.

SECTIONS I AND II — CONDITIONS

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

C. Concealment Or Fraud

1. We reserve the right to rescind this policy to inception for any material misrepresentation, omission or concealment, or for fraud that, if known to us, would have caused us not to issue this policy or to issue this policy at a different premium.
2. With respect to losses caused by fire, we do not provide coverage to the "insured" who has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements relating to this insurance.
3. With respect to any "occurrence", "personal injury" or any loss caused by a peril other than fire, we provide coverage to no "insureds" under this policy, if, whether before or after a loss, any "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements relating to this insurance.

D. Cancellation

Paragraphs **2.b.**, **2.c.**, **2.d.**, **3.** and **4.** are replaced by the following:

- b. 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, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.

We may not cancel this policy solely because:

- (1) You accepted an offer of earthquake coverage;
- (2) Corrosive soil conditions exist on the "residence premises" if the policy contains an exclusion for payment of loss for that peril; or
- (3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium



surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

However, in the event of a total loss to the "residence premises", we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs **2.a.** and **2.c.** of this Condition **D. Cancellation.**

- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been:
 - (1) The named insured's conviction of a crime having as one of its necessary elements an act increasing the hazard insured against; or
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any "insured" or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy; or
 - (3) Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
 - (4) Physical changes in the property insured against which result in the property becoming uninsurable. However, we may not cancel this policy solely because:
 - (a) Physical changes occur due to a total loss; or
 - (b) Corrosive soil conditions exist on the "residence premises" if the policy contains an exclusion for payment of loss for that peril; or
 - (5) Acceptance of a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

This can be done by notifying you at least 30 days before the date cancellation takes effect.

- d. When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.
- 3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata. However, the return premium may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.
 - 4. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after we send the cancellation notice to you. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within 25 days of the date when we receive your notice of cancellation.

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

F. Nonrenewal

- 1. We may elect not to renew this policy, subject to the provisions of **2.** below. We may do so by delivering to you, at your mailing address shown in the Declarations, written notice at least 75 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.
- 2. We will not refuse to renew this policy:
 - a. Solely because you accepted an offer of earthquake coverage.
However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to



renew this policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
- (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; andthe Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
- b. Solely because you cancelled or did not renew an earthquake policy, issued by the CEA, that included an earthquake policy premium surcharge;
- c. Solely because corrosive soil conditions exist on the "residence premises" if the policy contains an exclusion for payment of loss for that peril.
- d. Solely on the grounds that a claim is pending under the policy unless such claim is made under coverage for loss caused by an earthquake; or
- e. Solely on the basis of an "insured's" age.
3. If this policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

Paragraph **P. Benefits** is deleted.

This endorsement applies as stated in the policy Declarations.

This endorsement is issued by the company shown in the Declarations as the issuing company.