

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

## MAINE SPECIAL PROVISIONS

## DEFINITIONS

Item 1. "Actual cash value" is deleted and replaced by the following:

1. "Actual cash value" means the replacement cost of covered property at the time of loss, less the value of "physical depreciation" as to the damaged property.

The following definition is added:

"Physical depreciation" means a value as determined according to standard business practices.

## SECTION I - PROPERTY WE COVER

## COVERAGE D - Loss of Use Protection

For Forms HO-3R and HO-9R only, Coverage D - Loss of Use Protection, Item 1. is deleted and replaced by the following:

1. **Additional Living Expense or Fair Rental Value.** If a loss covered under Section I - LOSSES WE COVER makes that part of the "residence premises" where you reside uninhabitable, we cover at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
  - a. **Additional Living Expense**, meaning any reasonable and necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is uninhabitable.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

For Form HO-6R only, COVERAGE D - Loss of Use Protection, Item 1. is deleted and replaced by the following:

1. If a loss covered under Section I - LOSSES WE COVER to covered property or the building containing the property, makes the "residence premises" where you reside uninhabitable we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
  - a. **Additional Living Expense**, meaning any reasonable and necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is uninhabitable.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

For all Forms, Item 2. is deleted and replaced by the following:

2. **Fair Rental Value.** If a loss covered under Section I - LOSSES WE COVER makes that part of the "residence premises" rented to others or held for rental by you

uninhabitable we cover the fair rental value of that part of the **"residence premises"** rented to others or held for rental by you less any expenses that do not continue while the premises is uninhabitable.

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

## ADDITIONAL COVERAGES

Item 7. **Loss Assessment** is deleted in its entirety and replaced by the following:

7. **Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or association of property owners. This coverage applies for an event that occurs during the policy period, when the assessment is made as a result of **"sudden and accidental"** direct physical loss to the property owned by all members collectively. This loss must be caused by a loss under Section I – LOSSES WE COVER for **DWELLING PROTECTION COVERAGE** and **OTHER STRUCTURES PROTECTION COVERAGE**, subject to all provisions of the policy.

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake; or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the **"residence premises"**.

We do not cover loss assessments charged against you or a corporation or association of property owners by any government body.

The limit of \$50,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is not limited by the expiration of this policy.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

## SECTION I - LOSSES WE COVER

For forms HO-3R and HO-9R under **Coverage C - Personal Property Protection** and for form HO-6R under **LOSSES WE COVER** for property described under **Coverage A - DWELLING PROTECTION COVERAGE** and **Coverage C - PERSONAL PROPERTY PROTECTION:**

Item 14. **Freezing** is deleted and replaced by the following:

14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the **"residence premises"** while the dwelling is unoccupied, unless you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

## SECTION - LOSSES WE DO NOT COVER

For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION**

Item 1.a. is deleted and replaced by the following:

- 1.a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or

appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed unless you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliances of water.

For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION:**

Item 1.e. is deleted and replaced by the following:

- 1.e. Constant or repeated seepage or leakage of water or steam over a period of 14 days or more from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance, unless such seepage or leakage of water or steam and the resulting damage is unknown to all "insureds" and is hidden within walls, beneath the floors, above the ceilings, or behind a stationary appliance, such as a refrigerator, dishwasher, or washing machine;

For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROTECTION PROPERTY PROTECTION** and for form HO-6R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND PERSONAL PROPERTY PROTECTION:**

Item 1.h. **Intentional Loss** is deleted and replaced by the following:

- 1.h. **Intentional Loss**, meaning loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

For forms HO-3R and HO-9R under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION:**

Item 2.a. is deleted and replaced by the following:

- 2.a. **Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION item 1. above to produce the loss.

The following applies to the HO-9R only:

**SECTION I - LOSS SETTLEMENT**

Item 2. is deleted in its entirety and replaced by the following:

2. All items under Property We Cover – Dwelling Protection and buildings on the "residence premises" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
  - a. When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
  - b. When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "actual cash value", not to exceed our cost to repair or our cost to replace the damaged part of the property.

(1) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.

(a) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days; or

(b) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days.

(2) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.

(1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.

(2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "**actual cash value**", not to exceed our cost to repair or our cost to replace the damaged part of the property.

(a) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.

(i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days; or

(ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days.

(b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.

## SECTION I - CONDITIONS

For form HO-3R under **3. Loss Settlement**, item b. is deleted and replaced by the following:

b. All items under Dwelling Protection and buildings on the "**residence premises**" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:

For form HO-6R under **3. Loss Settlement**, item b. is deleted and replaced by the following:

b. All items under **Coverage A - Dwelling Protection**. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:

- (1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
- (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the **"actual cash value"**, not to exceed our cost to repair or our cost to replace the damaged part of the property.
  - (a) To receive any additional payments on a replacement cost basis, you must notify us within 30 days after the work has been completed.
    - (i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days; or
    - (ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days.
  - (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to

repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.

Item **10. Loss Payment** is deleted and replaced by the following:

**10. Loss Payment.** 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:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with us.

Under **12. Mortgage Clause**, the following clause is added:

If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the **"insured"**, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If the **"insured"** fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Item 15. **Concealment, Misrepresentation or Fraud** is deleted and replaced by the following:

**15. Concealment, Misrepresentation or Fraud.** We do not provide coverage to an **insured** who, whether before or after a loss, 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.

## SECTION II - EXCLUSIONS

Under 1. **COVERAGE E - Personal Liability and COVERAGE F - Medical Payments to Others** item I. is deleted.

Under 2. **Coverage E - Personal Liability** item f., is deleted and replaced by the following:

- f. **"Bodily injury"** to you or to any son or daughter of yours, if a resident of your household.

## SECTION II - ADDITIONAL COVERAGES

Item 4. **Loss Assessment** is deleted in its entirety and replaced by the following:

**4. Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. **"Bodily injury" or "property damage"** caused by an **"occurrence"** not excluded under SECTION II of this policy; or
- b. Liability for an act committed by a director, officer or trustee during the policy period in the capacity as a director, officer or trustee, provided:

- (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
- (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the **"residence premises"**.

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

- a. One **"occurrence"**, including continuous or repeated exposure to substantially the same general harmful conditions; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

This coverage is not limited by the expiration of this policy.

## SECTION II - CONDITIONS

Item 3. **Concealment, Misrepresentation or Fraud** is deleted and replaced by the following:

**3. Concealment, Misrepresentation or Fraud.** We do not provide coverage to an **"insured"** who, whether before or after a loss, has:

- a. Intentionally concealed or misrepresented any material fact of circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;

relating to this insurance.

**SECTIONS I AND II - CONDITIONS**

Under **4. Cancellation**, item b. is deleted and replaced by the following:

- b. We may cancel this policy subject to the provisions of this condition by notifying you in writing of the date cancellation takes effect and the reason for cancellation. This cancellation notice may be delivered to you, or mailed to you at your last known address. A postal service certificate of mailing to you will be conclusive proof of notification on the fifth calendar day after mailing.
  - (1) When you have not paid the premium, whether payable to us or our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
  - (2) When this policy has been in effect for less than 90 days at the time notice of cancellation is received by the "insured" (less than 120 days if policy covers a secondary residence expected to be continuously unoccupied for 3 or more months in an annual period) and is not a renewal with us, we may cancel for any reason. Except as provided in b.(1) above, we will notify you at least 20 days before the date cancellation takes effect.
  - (3) When this policy has been in effect for 90 days or more (120 days or more if policy covers a secondary

residence expected to be continuously unoccupied for 3 or more months in an annual period), or at any time if it is a renewal with us, we may cancel for one or more of the following reasons by notifying you at least 20 days before the date cancellation takes effect:

- (a) Your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
  - (b) Fraud or material misrepresentation by you or your representative in obtaining this policy;
  - (c) Fraud or material misrepresentation by you in pursuing a claim under this policy;
  - (d) Negligent acts or omissions by an **insured** which substantially increase any hazard insured against; or
  - (e) Physical changes in the insured property which result in the property becoming uninsurable.
- (4) When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
  - (5) If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund if within a reasonable time after the date cancellation takes effect.

Item **5. Nonrenewal** is deleted and replaced by the following:

- 5. Nonrenewal.** We may elect not to renew this policy. We may do so by letting you know in writing at least 30 days before:
  - a. The expiration date of this policy, for a policy written for a term of one year or less; or

- b. The anniversary date of the policy, for a policy written for a term of more than one year or for an indefinite term.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

This nonrenewal notice, together with our reason for nonrenewal, may be delivered to you, or mailed to you at your last known address. A post office department certificate of mailing to you will be conclusive proof of notification on the third calendar day after mailing.

**THE FOLLOWING LIMITS OUR LIABILITY:**

We, the insurance company, our agents, employees, or service contractors, are not liable for damages from injury, death or loss occurring as a result of any act or omission in the furnishing of or the failure to furnish insurance inspection services related to, in connection with or incidental to the issuance or renewal of a policy of property or casualty insurance.

This exemption from liability does not apply:

- a. If the injury, loss or death occurred during actual performance of inspection services and was proximately caused by our negligence, or by the negligence of our agents, employees or service contractors;
- b. To any inspection services required to be performed under the provisions of a written service contract or defined loss prevention program;
- c. In any action against us, our agents, employees, or service contractors for damages proximately caused by our acts or omissions which are determined to constitute a crime, actual malice or gross negligence; or
- d. If we fail to provide this written notice to the insured whenever the policy is issued or when new policy forms are issued upon renewal.

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