

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – GEORGIA

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

In all forms except **HO 00 08**:

8. Collapse

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

- (2)** A part of a building that is standing, even if it has separated from another part of the building. However, if any part of the interior dwelling building separates from another part of the interior of the dwelling building, with the result that any part of the interior dwelling building cannot be occupied for its intended purpose, then this Paragraph **c.(2)** does not apply to that part of the building; or

(This is Paragraph **C.8.c.(2)** in Form **HO 00 04** and **D.8.c.(2)** in Form **HO 00 06**.)

SECTION I – EXCLUSIONS

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

8. Intentional Loss

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

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

- b.** However, this exclusion will not apply to deny payment to an innocent co-"insured" if the loss:

- (1)** Arose out of family violence; and
(2) Is caused by the intentional act of an "insured" against whom a family violence complaint is brought for the act causing the loss.

- c.** If we pay a claim pursuant to Paragraph **8.b.**, our payment to the innocent co-"insured" is limited to that "insured's" insurable interest in the property. In no event will we pay more than the Limit of Liability.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05**.)

SECTION I – CONDITIONS

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**:

The lead-in paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include:

- 1.** Any compensation for actual or perceived reduction in the market value of any property; or
- 2.** The increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11.** Ordinance Or Law under Section **I – Property Coverages**.

Covered property losses are settled as follows:

In Form **HO 00 06**:

The last paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this provision, the terms "repaired" or "replaced" do not include:

- a.** Any compensation for actual or perceived reduction in the market value of any property; or
- b.** The increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.10.** Ordinance Or Law under Section **I – Property Coverages**.

In Form **HO 00 08**:

The last paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this provision, the terms "repair" and "replace" do not include:

- 1.** Any compensation for actual or perceived reduction in the market value of any property; or
- 2.** The increased costs incurred to comply with the enforcement of any ordinance or law.

L. Mortgage Clause

Paragraph 3. is replaced by the following:

3. If we decide to cancel or not renew this policy, the mortgagee will be notified at least 30 days before the date cancellation or nonrenewal takes effect. If the policy has been in effect for less than 60 days or is cancelled for nonpayment of premium, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

(This Condition does not apply to Form HO 00 04.)

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Paragraph 8. is replaced in all forms and Endorsement HO 24 73 by the following:

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

However, this exclusion does not apply:

- (1) To the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional; or
- (2) Where the involvement with controlled substance(s) is not within the knowledge of any "insured".

(This is Exclusion 9. in HO 24 73.)

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 1., 2., 2.a., 2.b., 2.c. and 4. are replaced by the following:

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, subject to the following:
 - a. If only your interest is affected, the effective date of cancellation will be the later of the following:
 - (1) The date we receive your notice of cancellation; or
 - (2) The date specified in the notice.

However, upon our receipt of your notice of cancellation, we may waive the requirement that the notice state the future effective date of cancellation, as provided in either 1.a.(1) or 1.a.(2) above, by confirming to you in writing the date and time of cancellation.

- b. If by statute, regulation or contract, this policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days' notice to you and the third party as soon as practicable after receiving your request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1) 10 days from the date of mailing or delivering our notice; or
 - (2) The effective date of cancellation stated in your notice to us.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reasons for cancellation, may be delivered to you, or mailed to you at your last known mailing address. A receipt provided by, or such other evidence of mailing as prescribed or accepted by, the U.S. Postal Service will be sufficient proof of notice.
 - a. When you have not paid the premium, whether payable to us or to our agent, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the cancellation effective date takes effect.
 - c. When this policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons:
 - (1) Upon discovery of fraud, concealment of a material fact or material misrepresentation made by, or with the knowledge of, any "insured" in obtaining this policy, continuing the policy, or presenting a claim under this policy;
 - (2) Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
 - (3) Upon the violation, by the "insured", of any of the material terms or conditions of the policy.

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

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it no later than the date cancellation takes effect.

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

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your last known mailing address, and to any lienholder named in the policy, written notice, together with our reasons for nonrenewal, at least 30 days before the expiration date of this policy.

A receipt provided by, or such other evidence of mailing as prescribed or accepted by, the U.S. Postal Service will be sufficient proof of notice.

The following provision is added:

H. 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.

All other provisions of this policy apply.