

NOTICE OF POLICY CHANGES  
TEXAS

We are making some changes to your homeowners policy. The changes are outlined below with the changes identified in the column labeled "Change". Any "Change" is effective with this renewal. The column labeled "Notes" provides an additional explanation of the change.

If, after reviewing these changes and explanations, you have any questions, please contact us at 1-800-531-USAA (8722).

**Coverage descriptions are necessarily brief. For exact terms and conditions, please refer to your enclosed policy. In the event of an inconsistency between this notice and your policy, your policy provisions will control.**

## POLICY CHANGES

Policy Provision	Prior to this renewal	Change	Notes
<b>DEFINITIONS: Actual cash value</b>	"Actual cash value" is calculated as the amount it would cost to repair or replace covered property at the time of loss or damage, with material of like kind and quality, subject to a to a deduction for deterioration, depreciation and obsolescence. "Actual cash value" applies to valuation of covered property regardless of whether that property has sustained a partial or total loss. The "actual cash value" of lost or damaged property may be significantly less than its replacement cost.	The new definition is as follows : "Actual cash value" is calculated as the amount it would cost to repair or replace covered property at the time of loss or damage, with material of like kind and quality, subject to a to a deduction for obsolescence and a "deduction for depreciation". The "deduction for depreciation" will be determined as follows: For Coverage A or B, the deduction will be based on the age and condition of the materials making up the damaged property and will apply to materials, labor, sales tax and overhead and profit that are included in the cost to repair or replace the damaged property.	The definition of Actual cash value was revised to add an explanation of how the deduction for depreciation is determined for Dwelling, Other Structures, and Personal Property coverages.

		<p>For Coverage C, the deduction will be based on the age and condition of the damaged item and will apply to the cost of the item and any sales tax that is included in the cost to repair or replace the damaged item. "Actual cash value" applies to valuation of covered property regardless of whether that property has sustained a partial or total loss. The "actual cash value" of lost or damaged property may be significantly less than its replacement cost.</p>	
<b>Business</b>	<p>"Business" means any full or part-time activity arising out of or related to any trade, profession or occupation of any "insured".</p>	<p>"Business" means any full or part-time activity arising out of or related to any trade, profession or occupation of any "insured".</p> <p>"Business" does not include:</p> <p>Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity; home day care services for which no compensation is received, other than the mutual exchange of such services; the rendering of home day care services to a relative of an "insured"; or "home exchange" or "home-sharing host activities".</p>	<p>The definition of business was revised to clarify that volunteer activities, home day care activities with no compensation and rendering of home day care services to relatives are not considered "business". Additionally to accommodate the newly introduced Sharing Economy endorsement, an exception was added so that "business" does not include "home exchange" or "home-sharing host activities".</p>

<b>Pollutants</b>	<p>"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.</p>	<p>The following has been added to the "pollutants" definition: "Pollutants" does not include:</p> <p>"Pollutants" that escape from heating and air conditioning systems and appliances; or</p> <p>Common household chemicals used to maintain the residence "premises"</p>	<p>The definition of "pollutants" was revised to exclude pollutants that escape heating or air conditioning systems and common household chemicals used to maintain the residence premises.</p>
<b>SECTION I - ADDITIONAL COVERAGES: Loss Assessment</b>	The limit for this coverage is \$10,000.	The limit for this coverage is \$50,000.	The limit for this coverage increased from \$10,000 to \$50,000.
<b>SECTION I - LOSSES WE DO NOT COVER: Exclusion for unsealed roof shingles</b>	No specific exclusion.	The exclusion applies to the lifting or unsealing of any type of roofing shingle unless there is damage to the lifted or unsealed shingle consisting of creasing or tearing or ripping.	The exclusion was added to clarify that the lifting or unsealing of shingles caused by a covered peril will not be covered unless it results in sudden and accidental damage such as creasing, tearing or ripping.
<b>For the HO-3RTX policy form: Exclusion for Weather Conditions</b>	The exclusion for weather conditions applies to LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION.	The exclusion for weather conditions applies to LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION, AND PERSONAL PROPERTY PROTECTION.	Corrected the weather conditions exclusion so that it applies to Dwelling, Other Structures and Personal Property coverages. Personal Property was previously omitted in error.
<b>SECTION I - CONDITIONS: Your Duties After Loss</b>	This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs.	This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs unless good cause can be shown by you or the person filing the claim.	Added a provision allowing the filing of claims after the first anniversary of the date of loss for good cause shown by the person filing the claim.

	After a loss, submit to and sign, while not in the presence of any other "insured"	After a loss submit to and sign, while not in the presence of any other "insured" other than a minor, who must have a parent or guardian present	Added a provision that minors must have a parent or guardian present when submitting to a statement or examination under oath after a loss.
<b>Loss Settlement</b>	The period of time to claim recoverable depreciation is 12 months from the date of loss plus an additional 180 days if a request is made in writing.	The period of time to claim recoverable depreciation is within 12 months from the date we tender the actual cash value amount plus an additional 180 days if a request is made in writing.  The period of time to recover depreciation on a claim resulting from a Property Claims Service (PCS) catastrophe coded event is 18 months from the date we tender payment of the actual cash value amount plus an additional 180 days if a request is made in writing.	The time to claim recoverable depreciation is calculated from the later date on which we pay the actual cash value.  Additional time is given to insureds to claim recoverable depreciation in the event of a PCS catastrophe event.
<b>Suit Against Us</b>	No action can be brought against us unless you have given us notice of the loss, complied with all other policy provisions and started action within two years and one day after the cause of action accrues.	No action can be brought against us unless you have given us notice of the loss, complied with all other policy provisions and started action before the earlier of two years from the date we accept or reject the claim; or three years from the date of loss that is the subject of the claim.	Added extensions to the time period in which you may bring suit against us after a loss.

<b>Concealment, Misrepresentation or Fraud</b>	No state statutes referenced.	Added reference to Texas statutes 705.003 and 705.004.	Added reference to applicable Texas statutes at the request of the Texas Department of Insurance.
<b>SECTION II - EXCLUSIONS: Coverage E- Personal Liability and Coverage F Medical Payments to Others</b>	"Property damage" arising out of the actual, alleged, or threatened discharge, dispersal, release, escape, seepage or migration of "pollutants" however caused and whenever occurring unless resulting from the peril of fire.	<p>This exclusion does not apply to "property damage" caused by heat, smoke, fumes or soot from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.</p> <p>This exclusion does not apply to liability resulting from the use of products normally used in the cleaning or maintenance of the household or "residence premises".</p>	<p>Modified the exception to the exclusion for property damage arising out of pollutants unless resulting from a hostile fire. A definition of hostile fire is added.</p> <p>Added an exception to the exclusion for household chemicals used to maintain the "residence premises".</p>
<b>SECTION II - ADDITIONAL COVERAGES: Loss Assessment</b>	The limit for this coverage is \$10,000.	The limit for this coverage is \$50,000.	The limit for this coverage increased from \$10,000 to \$50,000.
<b>SECTION II - CONDITIONS: Concealment, Misrepresentation or Fraud</b>	No state statutes referenced.	Added reference to Texas statutes 705.003 and 705.004	Added reference to applicable Texas statutes at the request of the Texas Department of Insurance.
<b>SECTIONS I AND II - CONDITIONS: Cancellation</b>	If we cancel, the condition does not address time period by which a refund must be sent.	If we cancel, the refund will be sent no later than the 15th business day after the date of cancellation.	To comply with Texas law, added a provision that if the policy is cancelled, returned premium will be returned within 15 business days.

## CHANGES TO UNIT-OWNERS COVERAGE A SPECIAL COVERAGE ENDORSEMENT

(FORM HO-6RTX ONLY)

Policy Provision	Previous Endorsement HO-32TX (07-12)	New Endorsement HO-32TX (08-16)	Notes
<b>Exclusion for unsealed roof shingles</b>	No specific exclusion.	The exclusion applies to the lifting or unsealing of any type of roofing shingle unless there is damage to the lifted or unsealed shingle consisting of creasing or tearing or ripping.	The exclusion was added to clarify that the lifting or unsealing of shingles caused by a covered peril will not be covered unless it results in sudden and accidental damage such as creasing, tearing or ripping.
<b>Exclusion for Weather Conditions</b>	The exclusion for weather conditions applies to LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION.	The exclusion for weather conditions applies to LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION.	Corrected the weather conditions exclusion so that it applies to Dwelling, Other Structures and Personal Property coverages. Personal Property was previously omitted in error.