

**Foremost[®]
Property and Casualty
Insurance Company**

**Homeowners
Insurance
for
Manufactured Homes**

Property Coverage Only



FOREMOST[®]
PROPERTY AND CASUALTY
INSURANCE COMPANY

A Stock Company

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HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES

Read the entire policy carefully to determine rights, duties, and what is and is not insured. Various provisions in this policy restrict coverage.

Words and phrases that appear in **bold-faced type** have special meaning. Refer to the Definitions.

Insuring Agreement

With your payment of the premium, we agree to provide only the Coverages and Amounts of Insurance you have selected as shown on the Declarations Page. This is subject to all policy terms and conditions. This policy, which includes the Declarations Page and endorsements, if any, is the entire agreement between you and us regarding the insurance coverages expressed in it and supersedes all previous agreements regarding those coverages, either oral or written.

We, us and our mean the insurance company named on the Declarations Page.

You, your and yours mean the person named on the Declarations Page and that person's **family member**.

Definitions

Actual cash value means the amount it would cost to repair or replace insured property with new materials available today of like kind and quality, less adjustment for physical deterioration and depreciation, including obsolescence. Our adjustment for physical deterioration, depreciation and obsolescence applies to all costs including the cost of labor and material.

Business means any full or part-time:

1. Trade;
2. Profession;
3. Occupation; or
4. Activity;

including **farming** or **ranching**, engaged in for economic gain.

Business does not mean:

1. The rental, or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.
2. The rental, or holding for rental, of part of your **premises** as a private garage, office, school or studio.

Family member means a person who:

1. Resides in your household; and
2. Is related to you by:
 - a. Blood;
 - b. Marriage; or
 - c. Adoption.

Family member also means your ward or foster child who resides in your household.

Farm or **Farming** means the ownership or use of land for cultivation of agricultural products. However, **farm** or **farming** does not include the ownership or use of land for the cultivation of a personal garden.

A **move** begins when the leveling jacks or blocks are removed and utilities are disconnected for the purpose of transportation. A **move** ends when the leveling jacks or blocks are installed and utilities are reconnected.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead paint components and compounds, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. However, irritants and contaminants released by an accidental fire on your **premises** are not a **pollutant**.

Premises means:

1. The dwelling that is described on the Declarations Page.
2. The other structures, including sidewalks, driveways or other private approaches that serve your dwelling.
3. The grounds immediately adjacent to your dwelling and other structures.

Ranch or **ranching** means the ownership or use of land for the raising of livestock such as cattle, sheep or horses.

SECTION I — Your Property Coverages

We provide insurance only for insured losses that occur during the Policy Period shown on the Declarations Page.

Coverage A — Dwelling

We insure:

1. Your dwelling that is described on the Declarations Page.
2. Materials and supplies for use in the construction, alteration or repair of your dwelling located within or immediately adjacent to your dwelling.
3. Any structure you own that is attached to your dwelling, other than a structure attached only by a fence, utility line or similar connection.

We do not insure:

1. Fences.

2. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which your dwelling is located either before or after a loss.
3. Your dwelling during a **move**.
4. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage B — Other Structures

We insure:

1. Your other structures you own on your **premises** that are separated from your dwelling.
2. Your other structures you own on your **premises** connected to your dwelling by only a fence, utility line or similar connection.
3. Materials and supplies used in the construction, alteration or repair of those other structures located within or immediately adjacent to those other structures.

We do not insure:

1. Land including any cost to repair, rebuild, stabilize or otherwise restore land on which the other structures are located either before or after a loss.
2. Your other structures during a **move** from your **premises**.
3. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage C — Personal Property

We insure personal property you own or use anywhere in the world.

The Amount of Insurance for personal property usually located at a dwelling that you own or rent, other than your dwelling described on the Declarations Page, is 10% of the Amount of Insurance for Coverage C – Personal Property or \$1,000, whichever is greater.

While moving into a dwelling, for a 30-day period, you may apply the Amount of Insurance for Coverage C – Personal Property to your personal property located in your new dwelling.

If you request it, we will insure personal property owned by:

1. Others while the property is on the part of your **premises** occupied by any of you.
2. A guest or a **residence employee** while the property is in any dwelling occupied by any of you.

These provisions do not change the Special Amounts of Insurance.

Coverage C – Personal Property does not apply to your personal property inside your dwelling during a **move**.

Special Amounts of Insurance

Special Amounts of Insurance apply to the following groups of personal property. These Special Amounts of Insurance do not increase the total Amount of Insurance provided by Coverage C – Personal Property. The Special Amount of Insurance for each group is the maximum we will pay for any one loss for all property included in the following groups:

<u>Special Amounts of Insurance</u>	<u>Personal Property Group</u>
1. \$250	Animals, including birds and fish.

2. \$250	Money, script bank notes, bullion, coins, metals, precious metals including platinum, gold other than gold ware and silver other than silverware, prepaid instruments including stored value cards, smart cards and gift certificates.
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3. \$500	Personal property primarily used or intended for business purposes while away from your premises .
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4. \$2,500	Personal property primarily used or intended for business purposes while on your premises .
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5. \$1,500	Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, personal records, tickets, and stamps.
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This special Amount of Insurance includes all costs to research, restore or replace the information and the medium upon which it was recorded.

6. \$5,000	Vehicles or conveyances insured by this policy.
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7. \$1,500	Watercraft, including their trailers, furnishings, accessories, equipment and engines or motors.
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8. \$1,500	Trailers, other than watercraft trailers.
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9. \$1,500	Memorabilia, souvenirs, trading cards, collector's items and similar articles whose age or history contribute to their value.
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- | | | |
|-------------|---|--|
| 10. \$2,500 | Tools for loss by theft, including mysterious disappearance. | 3. Property separately described and specifically insured elsewhere in this or any other insurance policy. |
| 11. \$2,000 | Jewelry, watches, furs, precious stones, for loss by theft, including mysterious disappearance. | 4. Camper bodies, camper trailers or travel trailers. |
| 12. \$5,000 | Silverware, silver-plated ware, gold ware, gold-plated ware and pewter ware, for loss by theft, including mysterious disappearance. | 5. Data stored on any media including data stored in: <ul style="list-style-type: none"> a. Paper records. b. Electronic data processing tapes, discs or other software media. c. Computer related equipment. |

We do insure the cost of prerecorded computer programs available on the retail market.

Property We Do Not Insure

We do not insure:

1. Aircraft and any aircraft parts, equipment and accessories including engines and motors.

But we do insure model or hobby aircraft not used or designed to carry people or cargo.

2. Land motor vehicles, including recreational land motor vehicles, all other motorized land conveyances and any vehicle or conveyance parts, equipment and accessories.

We do insure vehicles or conveyances, other than recreational land motor vehicles or conveyances, that are:

- a. Not required to be registered for use on public roads and are used solely for the maintenance of your **premises** immediately adjacent to your dwelling described on the Declarations Page.
- b. Designed for assisting the handicapped.
- c. Golf carts.

6. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds.
7. Materials and supplies used in the construction or repair of your dwelling or other structures.
8. Property in an apartment rented, or held for rental to others, by any of you.
9. Property rented, or held for rental to others, while that property is away from your **premises**.
10. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

Coverage D — Additional Living Expenses

If an insured loss makes your **premises** not fit to live in, we will pay the actual, reasonable and necessary increase in your living expense to maintain your normal standard of living while you live elsewhere. We will pay for the shortest time needed:

1. To repair or replace the damaged property.
2. For you to permanently relocate.

The total amount we will pay will not exceed the Amount of Insurance described on the Declarations Page for Coverage D – Additional Living Expense.

If damage caused by an Insured Peril occurs at a neighboring premises, we will pay reasonable additional living expenses for up to two weeks should civil authorities prohibit occupancy of your **premises**.

This period of time will not be limited by the expiration of this policy.

We will not pay for expense due to the cancellation of a lease or agreement.

No deductible will apply to this coverage.

Your Additional Coverages

We automatically include the following additional coverages:

1. **Debris Removal.** We will pay the actual, reasonable and necessary cost for the removal of debris of insured property, other than trees, from your **premises** when deposited by an Insured Peril that applies to the insured property.

The debris removal cost is included in the Amount of Insurance that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal cost is more than the Amount of Insurance for the damaged property, we will pay up to an additional 5% of the Amount of Insurance for Coverage A – Dwelling, or \$5,000, whichever is greater, for debris removal.

We will also pay the actual, reasonable and necessary cost, up to \$1,000 for the removal of one or more fallen trees from your **premises** if the trees

damage an insured structure and the falling of your tree or a neighbor's tree was caused by windstorm or hail, weight of ice, snow or sleet.

No deductible will apply to this coverage.

2. **Emergency Repairs After Loss.** We will pay any actual, reasonable and necessary expenses for emergency repairs incurred in protecting your insured property from further damage if the damage was caused by an Insured Peril.

No deductible will apply to this coverage.

3. **Emergency Removal of Your Personal Property.** We will pay when your personal property must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost up to \$250 to remove and return your personal property to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

4. **Emergency Removal of Your Dwelling.** We will pay when your dwelling must be moved because it is endangered by an Insured Peril. We will pay the actual, reasonable and necessary cost to remove and return your dwelling to your **premises** described on the Declarations Page.

No deductible will apply to this coverage.

5. **Fire Department Service Charge** (not applicable in Arizona, New Jersey and New Mexico). We will pay the actual, necessary and reasonable charges, up to \$1,000, for fire department services rendered when the fire department is called to save or protect property from an Insured Peril.

No deductible will apply to this coverage.

6. **Trees, Shrubs, Plants and Lawns.**

We will pay up to 5% of the Amount of Insurance shown for Coverage A – Dwelling for loss to trees, shrubs, plants and lawns on your **premises**. We will not pay more than \$500 for any one tree, shrub, plant or lawn including the cost of removing the debris of the insured property.

Coverage applies to loss caused by fire, lightning, explosion, riot, civil commotion, aircraft and vehicles not owned or operated by any resident of your **premises**, vandalism, malicious mischief or theft.

But we do not insure trees, plants, shrubs or lawn:

- a. Grown for **business** purposes.
- b. Located more than 150 feet from your dwelling described on the Declarations Page.

No deductible will apply to this coverage.

7. **Credit Card, Money Transfer Card, Check Forgery and Counterfeit Money.**

a. **Credit Card and Money Transfer Card Coverage.** If you are legally required to pay for the unauthorized use of a credit card or charge plate issued to you, we will insure the loss. We will also pay for loss which results from unauthorized use of a money transfer card issued to you.

But we do not insure:

- (1) use of the credit card or money transfer card by any of you.

- (2) use by someone to whom you have given the card or plate.

- (3) use unless you have met all the terms under which the card or plate was issued.

b. **Check Forgery Coverage.** We insure loss to you caused by forgery or alteration of a check. This includes all negotiable instruments.

c. **Counterfeit Money Coverage.** We insure loss sustained by you through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,500 for any one loss involving one or more of these coverages. Repeated losses caused by any one person or in which any one person is involved are to be considered one loss.

We do not insure any loss that arises from your **business** pursuits or dishonesty.

If a claim is made or suit is brought against any of you for liability under the Credit Card or Money Transfer Card Coverage, we will defend you. We will defend at our expense with legal counsel of our choice.

We may, at our option and at our expense, defend you or your bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as we think appropriate.

We will not defend after we have paid or offered to pay \$1,500 for any one loss involving one or more of these coverages.

No deductible will apply to this coverage.

8. **Food Spoilage.** We will pay the actual, necessary and reasonable cost, up to \$500, for spoilage of food in your freezer or refrigerator, on your **premises**, when the damage is caused by interruption of electrical service or mechanical breakdown.

A deductible of \$50 will apply to each loss.

9. **Loss Assessment.** We will pay your share of any assessment charged against all members of an association of property owners if the assessment is made as a result of direct, sudden and accidental physical loss caused by an Insured Peril to the property collectively owned by all members.

This coverage applies only to assessments made against you as the owner of your **premises** for losses which occur during the Policy Period shown on the Declarations Page. We will pay up to \$1,000 with respect to any one loss regardless of the number of assessments made.

This coverage does not apply to property that we do not insure if owned by you.

No deductible will apply to this coverage.

10. **Ordinance or Law.**

We will pay the actual, reasonable and necessary cost up to 5% of the Amount of Insurance shown on the Declarations Page for Coverage A - Dwelling or Coverage B - Other Structures for:

- a. The increased costs caused by the enforcement of any governmental requirement regulating construction, repair, renovation, remodeling or demolition of that part of your dwelling or other structures damaged by an Insured Peril.

- b. The increased costs caused by the enforcement of any governmental requirement regulating the construction, repair, renovation, remodeling or demolition of the undamaged part of your dwelling or other structures if it is necessary to repair that part of your dwelling or other structures damaged by an Insured Peril.

We will not pay:

- a. The costs to comply with any ordinance or law which requires any of you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
- b. For the loss in value to your dwelling due to the requirement of any ordinance or law.
- c. The cost to repair, replace, rebuild, stabilize or otherwise restore land.

No deductible will apply to this coverage.

11. **Locksmith Coverage.** We will pay the actual, reasonable and necessary cost, up to \$500, for locksmith services required because of a loss or theft of any of your house keys.

No deductible will apply.

SECTION I — Insured Perils

We insure risk of direct, sudden and accidental physical loss to the property described in Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property unless the loss is excluded elsewhere in this policy.

SECTION I — Exclusions

We do not insure loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Loss intentionally caused by any of you or performed at any of your direction.
2. Loss of or to any property caused by, consisting of or increased by the enforcement of any governmental requirement regulating:
 - a. Sale.
 - b. Confiscation.
 - c. Seizure.
 - d. Occupancy.
 - e. Relocation or removal.

But we do insure loss arising out of a government action to prevent the spread of fire provided that a loss caused by fire would otherwise be insured by this policy.

3. Loss caused by the use, sale, manufacture, distribution, delivery, transfer or possession of any illegal substance or the illegal possession of a controlled substance as defined by federal or state law by any of you. Such substances include but are not limited to lysergic acid diethylamide (LSD), methamphetamines, marijuana and all narcotic drugs.
4. Loss caused by war, whether declared or undeclared, including civil war, insurrection, rebellion or revolution.
5. Loss caused by:
 - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**.

- b. Loss, cost or expense from any governmental direction or request that any of you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
6. Loss caused by:
 - a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including spray from any of these whether or not driven by wind.
 - b. Water or sewage which backs up through sewers or drains or that overflows from a sump.
 - c. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of your dwelling or other structures, foundation, sidewalk, driveway or swimming pool.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

7. Loss caused by freezing, thawing, pressure or weight of water, ice or snow, whether driven by wind or not, to a fence, pavement, patio, swimming pool, septic system, foundation, retaining wall, bulkhead, pier, wharf or dock.
8. Loss caused by any **business** activity being conducted with or without your knowledge by any of you or any resident of your **premises**.
9. Loss caused by vandalism, burglary, malicious mischief, theft or any other unlawful taking of property if your dwelling has been vacant for more

than 30 consecutive days immediately before the loss.

This exclusion does not apply to ensuing loss caused by fire or explosion.

10. Loss caused by:

- a. Freezing of plumbing, heating or air conditioning systems, fire protection sprinkler systems or domestic appliances.
- b. Freezing of sumps or sump pumps and related equipment and piping.
- c. Discharge, leakage or overflow from the systems or appliances damaged by freezing.

This exclusion does not apply if you have taken reasonable care to:

- a. Maintain heat in your dwelling or other structure; or
- b. Shut off the water supply and drain the systems and appliances of water.

11. Loss caused by:

- a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
- b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
- c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.
- d. Smog, smoke from agricultural smudging or industrial operations.
- e. Settling, cracking, shrinkage, bulging or expansion, including resulting cracking of pavements, patios, foundations, walls, floors, roofs or ceilings.
- f. Insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a plumbing, heating, fire protection sprinkler or air conditioning system or domestic appliance because of any of the above.
- c. The cost of tearing out and replacing any part of your dwelling or other structure necessary to repair the system or appliance.

But we do not insure loss to the system or appliance from which the water escaped.

12. Loss caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, fire protection sprinkler or air conditioning system or from within an appliance that occurs over a period of weeks, months or years.

This exclusion does not apply to ensuing loss caused by fire or explosion.

13. Loss to animals, including birds and fish unless caused by fire, lightning, windstorm, hail, smoke, explosion, riot or falling aircraft.

14. Loss caused by breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles unless the breakage is caused by or results from:

- a. Fire, lightning, windstorm or hail.
- b. Explosion, riot or civil commotion.
- c. Aircraft, vehicles or vandalism and malicious mischief.
- d. Theft or attempted theft.

This exclusion does not apply to jewelry, watches, bronzes, cameras and photographic lenses.

15. Loss caused by leakage from rain, sleet or snow or its resulting damage whether or not wind-driven.

This exclusion does not apply to ensuing loss caused by fire or explosion.

16. Loss to your dwelling and personal property inside your dwelling during a **move**.

This exclusion does not apply to Your Additional Coverage 4. Emergency Removal of Your Dwelling.

17. Loss caused by earthquake, including land shock waves or tremors before, during, or after volcanic eruptions.

This exclusion applies whether or not there was widespread damage.

This exclusion does not apply to ensuing loss caused by fire or explosion.

18. Loss caused by nuclear reaction, explosion, radiation or radioactive contamination.

This exclusion does not apply to ensuing loss caused by fire or explosion.

SECTION I — Our Payment Methods

Coverage A — Dwelling

Total Loss Agreed Loss Payment Method

A total loss occurs when your dwelling is damaged beyond reasonable repair.

When a total loss occurs, your loss will be equal to the Amount of Insurance shown on the Declarations Page.

Partial Loss Actual Cash Value Payment Method

When a partial loss occurs, the amount we pay for loss to your dwelling will be the lowest of:

1. The **actual cash value** of the damaged portion of your dwelling at the time of the loss.
2. The amount required to repair or replace your dwelling.
3. The Amount of Insurance shown on the Declarations Page.

We may make a cash settlement or repair or replace your dwelling with a dwelling of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged dwelling has been replaced, restored or repaired.

The damage to your dwelling will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Coverage B — Other Structures Coverage C — Personal Property

Total and Partial Loss Actual Cash Value Payment Method

The amount we pay for loss to your other structures or personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged portion of your property at the time of the loss.
2. The amount required to repair or replace your lost or damaged property.
3. The Amount of Insurance shown on the Declarations Page for your damaged property.

4. Any applicable Special Amount of Insurance.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay contractor's fees or charges for overhead and profit except to the extent that they are reasonable, incurred and actually paid.

We will not pay for loss consisting of actual or perceived reduction of market value after your damaged property has been replaced, restored or repaired.

The damage to your property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

Payment Methods — Specific Losses

Pairs, Sets or Series of Objects

In case of loss to a part of a pair, set, series of objects, pieces or panels, either interior or exterior, we may:

1. Repair or replace any part to restore the pair, set or series of objects to its value before the loss.
2. Pay the difference between **actual cash value** of the pair, set or series of objects before and after the loss.
3. Pay the reasonable cost of providing a substitute to match the remainder of the pair, set or series of objects as closely as possible.

We will not be obligated to repair or replace the entire pair, set, series of

objects, pieces or panels, either interior or exterior, when a part is lost or damaged.

Stolen Property

Before a loss for stolen property is paid or the property is replaced, we may return any recovered stolen property to you at our expense with payment for any damage.

SECTION I — Deductible

Any loss to insured property will be subject to the deductible shown on the Declarations Page or elsewhere in this policy unless stated otherwise.

If your insured loss, other than loss caused by earthquake or hurricane, exceeds \$5,000 the deductible will be waived.

Policy Conditions

1. **Insurable Interest and Amount of Insurance.** Regardless of the number of people or organizations who have an interest in the insured property, we will not be liable in any one loss for more than the lesser of:
 - a. The interest of a person or organization insured.
 - b. The applicable Amount of Insurance.

The insuring of more than one person or organization by this policy does not increase the Amounts of Insurance.

2. **Joint Obligations.** The terms of this policy impose joint obligations on each and every one of you. This means that the responsibilities, acts and failures to act of any of you will be binding upon all of you.
3. **Concealment or Fraud.** The entire policy will be void if any of you:

- a. Intentionally conceal or misrepresent any material fact or circumstance;
- b. Engage in fraudulent conduct;
- c. Make false statements;

whether before or after a loss or claim relating to this insurance.

4. **What to Do When You Have a Loss.**

You or someone on your behalf must promptly report to the police any theft, robbery or burglary loss after you discover the loss.

In the event of a loss, you or someone on your behalf must notify us at once. The quickest way is to phone your insurance representative or us. Please give your name, policy number, how the loss happened, the extent of the damages, names of witnesses and all other pertinent facts. You must promptly send us any demand, notice, summons or other legal papers you receive.

If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.

If you have a loss, you must protect your dwelling, other structures or personal property from any further damage. If you fail to do so, any further damage will not be insured by this policy.

We may require that you submit to us a notarized statement of loss. The statement must be submitted within 90 days of our request that you do so. You will be required to show us the damaged property and submit to examination under oath. You will be required to cooperate with us in our effort to investigate the loss. If you fail to cooperate, we have the right to deny you coverage in this policy.

You may not, except at your own cost, voluntarily make any payment, assume any obligation or incur any expenses. This provision does not apply for Emergency Repairs After Loss.

We will offer to make settlement within 30 days after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

5. **Appraisals.** If you and we fail to agree on the amount of the loss, then both you and we have the right to select a competent and disinterested appraiser within 20 days from the day of disagreement. The appraisers will determine the amount of the loss. If they do not agree, then the appraisers will choose a competent and disinterested umpire. Then each appraiser will submit his amount of the loss to an umpire selected by them or by a court having jurisdiction if the appraisers cannot agree upon an umpire. The agreement of any two will determine the amount of loss for damage to your property. You pay your appraiser and we pay our appraiser. You and we share equally the expenses of the umpire and all other expenses of the appraisals.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is insured by this policy. If there is an appraisal, we still retain the right to deny the claim.

6. **Other Insurance.**

- a. If both this and other insurance apply to a loss, we will pay our share. Our share will be the proportionate amount that this insurance bears to the total

amount of all applicable insurance.

- b. If at the time of loss, there is other insurance in the name of a corporation or association of property owners insuring the same property insured by this policy, this insurance will be excess over the amount recoverable under such other insurance.

7. **Our Right to Recover from Others.**

After we have paid a claim we have the right to recover the payment from anyone who may be held responsible for the loss. You are required to sign any papers and do whatever else is necessary to transfer this right to us. Neither you nor anyone we insure in this policy has the right to do anything to prejudice our right.

You may waive your rights to recover against another person for loss involving the property insured by this policy. This waiver must be in writing prior to the date of loss.

- 8. **Legal Action Against Us.** You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in Condition 5. Suit must be brought within one year after the loss occurs.

- 9. **Lienholder Interest.** If you borrowed money to buy your dwelling, the person or business that loaned you the money is called the lienholder. The designation of a lienholder is considered to be an acknowledgment by you that the entity named has a

legal interest in your dwelling due to an installment sales contract or other security agreement. Your lienholder may require you to name it on the Declarations Page as a separate insured party for any insurable interest it may have.

When a lienholder is named on the Declarations Page, Our Payment Method will recognize the lienholder's interest in your property. If we elect to settle your loss or damage in money, both your name and your lienholder's will appear on our payment check. If you have paid off your lienholder, please tell us so that the lienholder's name may be removed from the Declarations Page.

If your interest in your dwelling is terminated, Our Payment Method will recognize only the lienholder's interest in this policy. No change in title or ownership of your dwelling or any acts of yours will cancel the lienholder's interest in this policy.

You or the lienholder must let us know promptly of any change of ownership or any increase in hazard which comes to you or the lienholder's knowledge.

If you fail to pay any premium due for this policy, your lienholder may be requested to pay that premium.

If we require proof of loss and you fail to give it within 90 days, the lienholder is given an additional 30 days to do so.

- 10. **Trustee Interest.** If legal title to the dwelling described on the Declarations Page is held by a Trust, the following provisions apply in addition to the provisions contained in the Insuring Agreement:

a. SECTION I - Your Property Coverages

- (1) With respect to Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling.
- (2) With respect to Coverage D - Additional Living Expenses, you, your and yours mean a resident of the dwelling who is a Trustee and a beneficiary of the Trust.
- (3) With respect to Your Additional Coverages, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the dwelling, as their interests may appear.

b. SECTION I - Exclusions

All exclusions apply to the interests of and losses sustained by any of the Trust, Trustees and beneficiaries of the Trust.

11. **Changes.**

a. Policy Changes

- (1) If any provision of this policy is in conflict with any governmental requirements at the time your policy is written, it is automatically changed to conform to them.
- (2) If we broaden the coverages provided by this edition of the policy without additional premium charges during the Policy Period, we will give

you the benefit of these broadened coverages.

- (3) The only other way this policy can be changed is if we change it in writing, which will be made a part of this policy. Any adjustment in premium will be made at that time.
- (4) If your policy is renewed, we will furnish you any form revisions applicable to your policy.

b. Midterm Rate Changes

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You must immediately inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed or corrected information, we may decrease or increase the premium for your policy during the Policy Period.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the Policy Period.

12. **Bankruptcy.** If you become bankrupt or insolvent, we will still insure you for the period of time your premium is paid.

13. **Transfer of This Policy.** You may not transfer any interest in this policy without our written consent. If you die, this policy will continue in force for the remainder of the Policy Period shown on the Declarations Page. This policy will continue for other members of your family entitled to coverage at the time of your death or

for your legal representative, but only with respect to the property insured by this policy at the time of death.

14. **Abandoned Property.** We are not obliged to accept abandoned property.
15. **No Benefit to Bailee.** This insurance will not benefit any person or organization who may be caring for or handling your property for a fee.
16. **Inspections and Consumer Reports.** We are permitted, but not obligated, to inspect your property and order consumer reports. Our inspection does not warrant that the property is safe or healthful or in compliance with any law, rule, regulation, or building code.
17. **Your Duties to Maintain Policy Amounts of Insurance.** It is your responsibility to maintain adequate amounts of insurance on your dwelling, other structures and personal property. But to help you do that we may, but are not obligated to, adjust your policy Amounts of Insurance. If an adjustment is made, it will become effective on the renewal date of your policy and will be based upon data supplied to us by recognized agencies or organizations.

You will be notified in advance of the new Amounts of Insurance. Payment of your renewal is all that is necessary to indicate your acceptance of the new Amounts of Insurance.

If you want to change the new Amounts of Insurance, you may do so by contacting your insurance representative.

18. **Salvage Rights.** If as a result of your loss, we pay you in cash or by replacement an amount equal to the **actual cash value** of your property

before the loss, at our option we have the right, but not the obligation, to take legal title of your property.

19. **Cancellation.** You may cancel your policy by returning the Declarations Page to us or by mailing to us a written notice telling us the advance date that cancellation is to become effective. If a lienholder is named on the Declarations Page, we will mail acknowledgment to the lienholder regarding cancellation of the lienholder's interest in this policy.

We may cancel this policy for any reason during the first 60 days we insure you. After the first 60 days we may cancel it if:

- a. The risk has changed substantially since the policy was issued; or
- b. If you or your representative:
 - (1) Conceal, omit or misrepresent any material facts or circumstances;
 - (2) Make a false or fraudulent claim;
 - (3) Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or
 - (4) Have not paid the premium.

We will mail a cancellation notice to you at least 30 days (10 days if you have not paid the premium) before this policy is cancelled. We will mail a cancellation notice to your last address known to us or your insurance representative. We will also give the same notice to your lienholder.

Your lienholder may cancel this policy if your dwelling has been

foreclosed or your lienholder has otherwise acquired ownership of it. Your lienholder may then cancel this policy on behalf of all parties who have an interest insured by this policy and upon surrender of this policy.

If there is any refund of premium due you, we will mail it to you with your cancellation notice or as soon as possible after we mail the notice. The return premium will be calculated pro rata. If you cancel, return premiums will be subject to the "Minimum Earned Premium" shown on the Declarations Page of this policy. Pro rata cancellation means that we keep premium only for the period of time you were insured. If your premium is financed, that financing interest will be recognized in any refund due.

20. **Lifetime Continuation Agreement.**

We agree to offer to renew your policy unless we mail to you, at least 45 days but not more than 60 days before the "To" date shown on the Declarations Page, written notice of our intention not to renew this policy. If you do not pay the renewal premium as we require, we will assume that you have declined our offer.

We may nonrenew your policy only if:

You or your representative:

Conceal, omit or misrepresent any material facts or circumstances; or

Make a false or fraudulent claim; or

Fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed; or

Have knowledge of any change that substantially increases the risk assumed by us; or

Have not paid the premium.

Continuation of the policy could place us in violation of the insurance laws of your state.

21. **Automatic Termination.** If we offer to renew or continue this policy, but you or your representatives do not accept our offer, then this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that you have not accepted our offer.

22. **Notice of Cancellation or Nonrenewal.** The Notice of Cancellation or Nonrenewal will be mailed or delivered to you and your insurance representative's last address known. If notice is mailed, proof of mailing will be sufficient proof of notice.

This policy is signed at the Home Office by our President and Secretary. It is countersigned on the Declarations Page by our authorized representative(s) if required.



President



Secretary

